

## FINANCIAL SUPERVISION AUTHORITY

## Consolidated Quarterly Report QSr 4 / 2018

quarter / year

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

for 4 quarter of financial year 2018 from 2018-01-01 to 2018-12-31  
including consolidated financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
and summary of financial statement according to Act on Accounting (Journal of Laws 2018.395)  
in currency PLN  
date of publication 2019-03-01

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1-Q4 2018	Q1-Q4 2007	Q1-Q4 2018	Q1-Q4 2017
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	1,364,954	1,125,110	319,894	265,062
II. Operating profit (loss)	111,971	58,364	26,242	13,750
III. Profit before income tax	87,004	87,149	20,390	20,531
IV. Net profit attributable to shareholders of parent company	51,661	64,626	12,107	15,225
V. Net cash flows from operating activities	139,260	62,915	32,637	14,822
VI. Net cash flows from investing activities	-71,610	-116,191	-16,783	-27,373
VII. Net cash flows from financing activities	-32,866	39,443	-7,703	9,292
VIII. Change in net cash flows	34,784	-13,833	8,152	-3,259
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings (losses) per single share (PLN/EURO)	6.35	7.95	1.49	1.87
XI. Diluted earnings (losses) per single share (PLN/EURO)	6.35	7.95	1.49	1.87
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	965,699	755,517	226,323	177,991
XIII. Profit (loss) on operating activities	106,675	40,533	25,001	9,549
XIV. Gross profit (loss)	74,360	44,244	17,427	10,423
XV. Net profit (loss)	65,855	39,338	15,434	9,268
XVI. Net cash flows from operating activities	83,111	46,990	19,478	11,070
XVII. Net cash flows from investing activities	-57,736	-87,423	-13,531	-20,596
XVIII. Net cash flows from financing activities	-7,205	35,473	-1,689	8,357
XIX. Total net cash flow	18,170	-4,960	4,258	-1,169

XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XXI. Earnings (losses) per single share (PLN/EURO)	8.1	4.84	1.90	1.14
XXII. Diluted earnings (losses) per single share (PLN/EURO)	8.1	4.84	1.90	1.14
EQUITIES	31.12.2018	31.12.2017	31.12.2018	31.12.2017
XXIII. Equity attributable to shareholders (consolidated)	879,403	835,062	204,512	200,211
XXIV. Equity (parent company)	850,396	796,984	197,767	191,082

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 01.01.2018 to 31.12.2018: 4.2669;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2017 to 31.12.2017: 4.2447;

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

- 31.12.2018: 4.3000;

- 31.12.2017: 4.1709.

Values of equities (positions XXIII, XXIV) were presented as at the end of 12 months of the current year and as at the end of the previous year.

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

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

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

#### REPORT INCLUDES:

File	Description
QSr_4_2018.pdf	QSr 4 2018

#### SIGNATURES

Date	Name and surname	Position	Signature
2019-03-01	Konrad Tarański	Vice-President of the Management Board	
2019-03-01	Maria Smolińska	Proxy	



**COMARCH CAPITAL GROUP  
CONSOLIDATED FINANCIAL STATEMENT  
FOR THE PERIOD  
FROM 1<sup>ST</sup> OF JANUARY 2018  
TO 31<sup>ST</sup> OF DECEMBER 2018**

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

**Krakow, 1<sup>st</sup> of March 2019**

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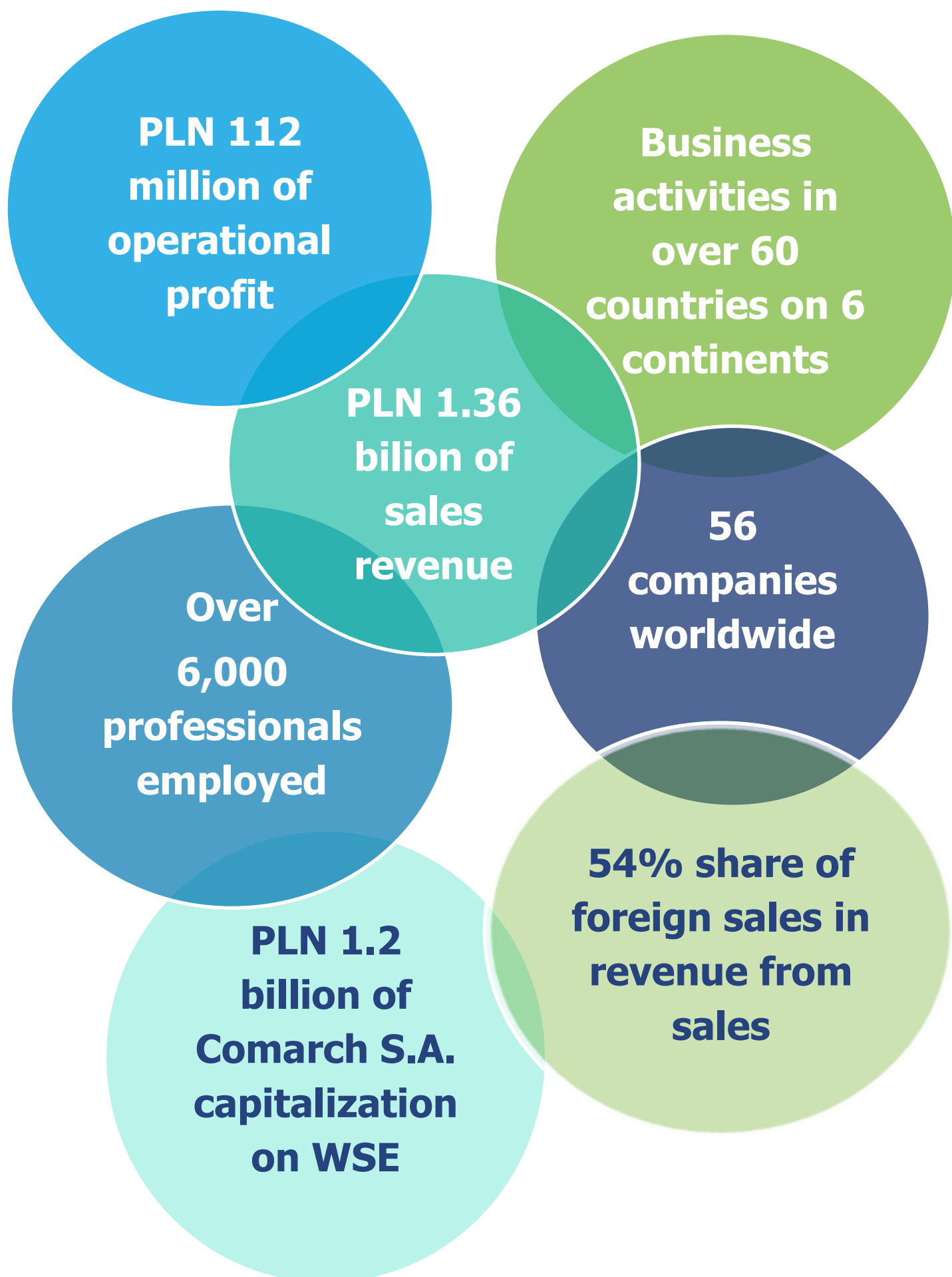
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# COMARCH GROUP CONSOLIDATED FINANCIAL STATEMENT FOR 12 MONTHS 2017

## I. Consolidated Balance Sheet

ASSETS	Note	At 31 December 2018	At 31 December 2017*
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<a href="#">3.2</a>	552,191	556,838
Investment real estates	<a href="#">3.3</a>	31,417	15,357
Goodwill	<a href="#">3.4</a>	42,197	42,197
Other intangible assets	<a href="#">3.5</a>	58,802	63,319
Non-current prepayments		3,482	3,321
Investments in associates	<a href="#">3.6</a>	1,520	11,233
Other assets at fair value – derivative financial instruments	<a href="#">3.7a</a>	935	2,904
Other investments		211	112
Deferred income tax assets	<a href="#">3.8</a>	34,352	31,237
Other receivables		7,493	5,392
		<b>732,600</b>	<b>731,910</b>
<b>CURRENT ASSETS</b>			
Inventories	<a href="#">3.9</a>	97,238	114,967
Trade and other receivables	<a href="#">3.10</a>	456,036	392,153
Current income tax receivables		2,593	2,222
Long-term contracts receivables	<a href="#">3.11</a>	137,740	46,886
Available-for-sale financial assets	<a href="#">3.12</a>	-	-
Other financial assets at fair value – derivative financial instruments	<a href="#">3.7a</a>	3,264	8,516
Interest and shares		-	-
Other financial assets		-	-
Cash and cash equivalents		245,766	207,937
		<b>942,637</b>	<b>772,681</b>
<b>Assets available-for-sale</b>		<b>-</b>	<b>3,861</b>
<b>TOTAL ASSETS</b>		<b>1,675,237</b>	<b>1,508,452</b>

\*) Data for 31<sup>st</sup> of December, 2017 were corrected due the rules resulting from application of IFRS 15



TOAL EQUITY AND LIABILITIES	Note	At 31 December 2018	At 31 December 2017*
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	<a href="#">3.13</a>	8,133	8,133
Other capitals		143,041	143,041
Exchange differences		9,049	4,169
Net profit for the current period		51,661	64,626
Retained earnings		667,519	665,525
Changes in retained earnings due to IFRS 15		-	(50,432)
		<b>879,403</b>	<b>835,062</b>
Minority interest		18,040	16,128
<b>TOTAL EQUITY</b>		<b>897,443</b>	<b>851,190</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	<a href="#">3.14</a>	175,010	185,596
Other liabilities		9,801	6,928
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.7b</a>	1,338	736
Other financial liabilities	<a href="#">3.15</a>	303	446
Provision for deferred income tax	<a href="#">3.8</a>	44,146	43,962
Provisions for other liabilities and charges	<a href="#">3.16</a>	-	-
		<b>230,598</b>	<b>237,668</b>
<b>Current liabilities</b>			
Trade and other payables	<a href="#">3.17</a>	188,421	177,320
Current income tax liabilities		10,208	4,942
Long-term contracts liabilities	<a href="#">3.11</a>	161,647	65,133
Credit and loans	<a href="#">3.14</a>	40,267	39,111
Financial liabilities at fair value – derivative financial instruments	<a href="#">3.7b</a>	479	509
Other financial liabilities	<a href="#">3.15</a>	156	165
Provisions for other liabilities and charges	<a href="#">3.16</a>	146,018	132,414
		<b>547,196</b>	<b>419,594</b>
<b>TOTAL LIABILITIES</b>		<b>777,794</b>	<b>657,262</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,675,237</b>	<b>1,508,452</b>

\*) Data for 31<sup>st</sup> of December, 2017 were corrected due the rules resulting from application of IFRS 15

## II. Consolidated Income Statement

	Note	Q4 2018*	12 months ended 31 December 2018	Q4 2017**	12 months ended 31 December 2017**
<b>Revenue</b>		<b>415,635</b>	<b>1,364,954</b>	<b>354,006</b>	<b>1,125,110</b>
Cost of sales		(263,173)	(978,405)	(230,277)	(832,750)
<b>Gross profit</b>		<b>152,462</b>	<b>386,549</b>	<b>123,729</b>	<b>292,360</b>
Other operating income		1,169	19,247	(5)	17,673
Sales and marketing costs		(46,042)	(137,682)	(43,320)	(134,529)
Administrative expenses		(37,131)	(108,534)	(31,534)	(98,076)
Other operating expenses		(20,544)	(47,609)	(13,270)	(19,064)
<b>Operating profit</b>		<b>49,914</b>	<b>111,971</b>	<b>35,600</b>	<b>58,364</b>
Finance revenue - net		(5,793)	(13,856)	11,503	31,867
Share of profit / (loss) of associates		(7,130)	(11,111)	(622)	(3,082)
<b>Profit before income tax</b>		<b>36,991</b>	<b>87,004</b>	<b>46,481</b>	<b>87,149</b>
Income tax expense		(8,650)	(33,430)	(7,321)	(21,038)
<b>Net profit for the period</b>		<b>28,341</b>	<b>53,574</b>	<b>39,160</b>	<b>66,111</b>
Attributable to:					
<b>Shareholders of the parent company</b>		<b>29,199</b>	<b>51,661</b>	<b>39,845</b>	<b>64,626</b>
<i>Interests not entitled to control</i>		<i>(858)</i>	<i>1,913</i>	<i>(685)</i>	<i>1,485</i>
		<b>28,341</b>	<b>53,574</b>	<b>39,160</b>	<b>66,111</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)</b>					
– basic	<a href="#">3.22</a>		6.35		7.95
– diluted	<a href="#">3.22</a>		6.35		7.95

\*) Data for the fourth quarter of 2018 were calculated by subtraction of the data presented by the Group in the report for the first 9 months of 2018 from the data for the 12 months of 2018.

\*\*) For comparative purposes, data for Q4 of 2018 and 12 months of 2018 were converted due the rules resulting from application of IFRS 15.

### III. Total Income Consolidated Statement

	Q4 2018	12 months ended 31 December 2018	Q4 2017	12 months ended 31 December 2017
<b>Net profit for the period</b>	<b>28,341</b>	<b>53,574</b>	<b>39,160</b>	<b>66,111</b>
<b>Other total income</b>				
Exchange differences from recalculation of subsidiaries	(330)	4,879	(5,957)	(14,353)
<b>Total other total income</b>	<b>(330)</b>	<b>4,879</b>	<b>(5,957)</b>	<b>(14,353)</b>
 <b>Sum of total income for the period</b>	 <b>28,011</b>	 <b>58,453</b>	 <b>33,203</b>	 <b>51,758</b>
Attributable to the parent company shareholders	28,869	56,541	33,886	50,271
Attributable to the interests not entitled to control	(858)	1,912	(683)	1,487

\*) Data for the fourth quarter of 2018 were calculated by subtraction of the data presented by the Group in the report for the first 9 months of 2018 from the data for the 12 months of 2018.

\*\*) For comparative purposes, data for Q4 of 2018 and 12 months of 2018 were converted due the rules resulting from application of IFRS 15.

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

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
<b>Balance at 1 January 2017</b>	<b>8,133</b>	<b>143,041</b>	<b>18,524</b>	<b>73,034</b>	<b>604,691</b>	<b>14,641</b>	<b>862,064</b>
Transferring result for 2016	-	-	-	(73,034)	73,034	-	-
Changes in retained earnings due to IFRS 15*	-	-	-	-	(50,432)	-	(50,432)
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	(14,355)	-	-	2	(14,353)
Profit for the period <sup>(2)</sup>	-	-	-	64,626	-	1,485	66,111
Total income recognised in equity <sup>(1+2)</sup>	-	-	(14,355)	64,626	-	1,487	51,758
<b>Balance at 31 December 2017</b>	<b>8,133</b>	<b>143,041</b>	<b>4,169</b>	<b>64,626</b>	<b>615,093</b>	<b>16,128</b>	<b>851,190</b>
<b>Balance at 1 January 2018</b>	<b>8,133</b>	<b>143,041</b>	<b>4,169</b>	<b>64,626</b>	<b>615,093</b>	<b>16,128</b>	<b>851,190</b>
Transferring result for 2017	-	-	-	(64,626)	64,626	-	-
Dividend paid	-	-	-	-	(12,200)	-	(12,200)
Currency translation differences <sup>(1)</sup>	-	-	4,880	-	-	(1)	4,879
Profit for the period <sup>(2)</sup>	-	-	-	51,661	-	1,913	53,574
Total income recognised in equity <sup>(1+2)</sup>	-	-	4,880	51,661	-	1,912	58,453
<b>Balance at 31 December 2018</b>	<b>8,133</b>	<b>143,041</b>	<b>9,049</b>	<b>51,661</b>	<b>667,519</b>	<b>18,040</b>	<b>897,443</b>

\*) From the 1<sup>st</sup> of January, 2018, the Group started to apply the principles resulting from IFRS 15. In connection with the above, the difference between revenues from previous years calculated in accordance with the principles applied previously and revenues from previous years calculated in accordance with the principles resulting from IFRS 15 was determined (recognized as a correction of the result for previous years in connection with interim settlement of revenues from long-term contracts). The following methodology was used to calculate the difference: contracts during the implementation as at the 31<sup>st</sup> of December, 2017, was identified, and revenues from these contracts were converted according to IFRS 15 for the entire period of their implementation, i.e. from the starting date to the 31<sup>st</sup> of December, 2017. The impact of the described changes on the net profit in Q1-Q4 2017 amounted to PLN 22,590. Currently presented result for the year for 2017, which originally amounted to PLN 42,036 thousand for comparative purposes, was adjusted for the above change.

## V. Consolidated Cash Flow Statement

	12 months ended 31 December 2018	12 months ended 31 December 2017
<b>Cash flows from operating activities</b>		
Net profit	53,574	66,111
Total adjustments	115,106	16,188
Share in profits (losses) of subsidiaries valued using the equity method	11,112	3,082
Depreciation	64,856	64,309
Profit (loss) from foreign exchange differences	(780)	(1,221)
Interest and profit sharing (dividends)	3,473	3,712
Profit (loss) on investing activities	(12,134)	(4,264)
Change in inventories	22,243	(34,802)
Change in receivables	(94,604)	(31,922)
Change in liabilities and provisions excluding credits and loans	120,940	17,011
Other adjustments	-	283
Net profit less total adjustments	168,680	82,299
Income tax paid	(29,420)	(19,384)
<b>Net cash generated (used) in operating activities</b>	<b>139,260</b>	<b>62,915</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(74,691)	(121,530)
Proceeds from sale of property, plant and equipment	5,084	12,643
Purchases of intangible assets	(11,865)	(18,971)
Proceeds from disposal of investment in real estate and intangible assets	9,934	9,407
Expenses for purchase of financial assets	(100)	(6,310)
Proceeds from sale of financial assets	(1,289)	(2,130)
Expenses for investment in real estates	(16,350)	(4,624)
Granted loans	10,870	2,090
Paid loans	312	267
Interest	6,485	13,082
Other expenses for financial assets	-	-
Other investment proceeds	-	48
Other investment expenses	-	(163)
<b>Net cash generated (used) in investing activities</b>	<b>(71,610)</b>	<b>(116,191)</b>
<b>Cash flows from financing activities</b>		
Dividends and other payments to owners	45,942	89,869
Proceeds from credits and loans	(61,998)	(33,359)
Repayments of credits and loans	(3,361)	(3,088)
Interest on credit	1,097	-
Proceeds from paid loans	47	2,630
Proceeds from interest on loans	(1,891)	(5,000)
Granted loans	(12,200)	(12,200)
Payment of liabilities under finance lease agreements	(168)	(175)
Other financial proceeds	714	1,330
Other interest and financial expenses	(1,048)	(564)
<b>Net cash generated (used) in financing activities</b>	<b>(32,866)</b>	<b>39,443</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>34,784</b>	<b>(13,833)</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	207,925	235,825

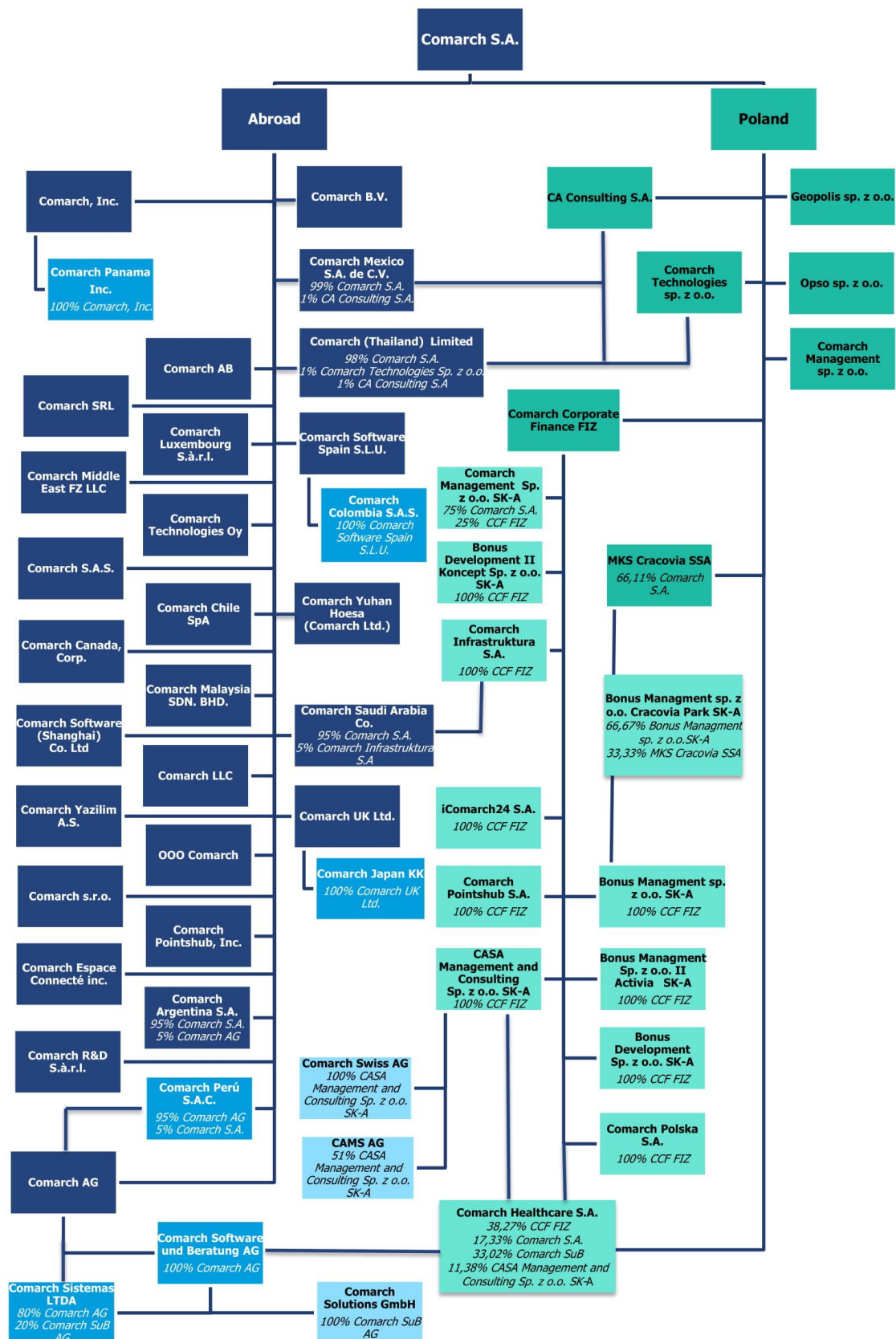
Positive (negative) exchange differences in cash and bank overdrafts	3,047	(14,067)
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>245,756</b>	<b>207,925</b>
<i>- including limited disposal</i>	<i>3,550</i>	<i>3,737</i>

## VI. Supplementary information

### 1. Information about Group Structure and Activities

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

### 1.1. Organizational Structure of Comarch Group



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



On the 30th of September, 2018, associates of the Parent Company were:

- SoInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A),
- Metrum Capital S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG),
- Thanks Again LLC with its registered office in Tyrone, GA, USA (42.5% votes held by Comarch Pointshub, Inc.).

The associated companies are not consolidated. Shares are valued with equity method.

## 1.2. Activities Structure in the Comarch Group

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

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch Inc., Comarch Panama Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Software Spain S.L.U., Comarch Yazilim A.S., Comarch SRL, Comarch Espace Connecté Inc., Comarch Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A., Comarch Colombia S.A.S., Comarch Peru S.A.C., Comarch Japan KK, Comarch Saudi Arabia Co., Comarch Mexico S.A. de C.V., Comarch Yuhan Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV and Comarch Software (Shanghai) Co. Ltd. acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market;
- Comarch Polska S.A. acquires IT contracts in domestic markets and executes them in their entirety or in part;
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software;
- CA Consulting S.A. specializes in data communications relating to the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A, Bonus Management sp. z o.o. II Activia SK-A, and Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;
- Comarch Healthcare S.A. produces and sells IT software related to medicine, provides medical and diagnostic services, as well as produces and provides complex IT solutions for medicine sector;
- The subject matter of activities of Comarch Pointshub S.A. are activities related to Smart City;
- Comarch Infrastruktura S.A. (formerly Infrasturktura24 S.A.) offers services related to Data Centre and IT services outsourcing;
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- Geopolis sp. z o.o. produces and implements integrated GIS systems in public administration units,
- MKS Cracovia SSA conducts sports activities and promotes physical education;
- "Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością" Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation;
- Opso sp. z o.o. provides catering services;
- Comarch s.r.o. and Comarch Pointhub S.A. are currently not operating.

**1.3. Changes in Ownership and Organisational Structure in Q4 2014**

In October 2018, Comarch (Thailand) Limited commenced operations. The owners of 100% shares in the company were originally three natural persons who are members of the management board of Comarch S.A. On 14<sup>th</sup> of December, 2018, a contract for the purchase of shares in Comarch (Thailand) Limited by the following companies was signed: Comarch SA, CA Consulting SA, Comarch Technologies Sp. z o.o. The shares were paid up and this change was legally registered in Thailand on December 24, 2018. The share capital of the company is THB 8,000,000, THB 100 per share.

On the 23<sup>rd</sup> of November, 2018 was registered a subsidiary Comarch BV with headquarter in Rotterdam. The share capital of the company amounts to EUR 100,000 and consists of 100,000 shares with value of EUR 1 each. Comarch S.A. owns 100% in share capital and votes of company Comarch BV.

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

None present.

## 2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the twelve months ended the 31<sup>st</sup> of December, 2018, 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 twelve months ended the 31<sup>st</sup> of December, 2018, does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2017 ("the IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the twelve months ended the 31<sup>st</sup> of December, 2018, does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the year ended the 31<sup>st</sup> of December, 2017 (notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31<sup>st</sup> of December, 2017).

The Interim Consolidated Financial Statement for the twelve months ended the 31<sup>st</sup> of December, 2018, includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and selected explanatory notes.

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

This Interim Consolidated Financial Statement for the twelve months ended the 31<sup>st</sup> of December, 2018, is prepared in thousands of Polish zloty ("PLN") and was authorized for issuance by the Management Board on the 1<sup>st</sup> of March, 2019.

### Changes to standards applied in the financial statement for 2018 for the first time

- **IFRS 15 „Revenue from Contracts with Customers” and subsequent changes to IFRS 15 „Date of entry into force 15”** – approved by the EU on 22<sup>nd</sup> of September, 2016 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018).

The Comarch Group applied IFRS 15 for the first time in preparing the financial report for the first quarter of 2018. Corrections in result for 2017 and for the previous years, resulting from the adoption of IFRS 15, were presented in the balance sheet as at the 31<sup>st</sup> of December, 2017, changes in equity and note 3.11. For comparative purposes, financial data as at the 30<sup>th</sup> of June, 2017, were converted in accordance with IFRS 15.

The effects of IFRS 15 changes	At 1 January 2017	At 31 March 2017	At 30 June 2017	At 30 September 2017	At 31 December 2017
<b>Assets</b>					
Long-term contracts receivables	882	3,805	4,312	4,983	6,537
<b>Total</b>	<b>882</b>	<b>3,805</b>	<b>4,312</b>	<b>4,983</b>	<b>6,537</b>
<b>Liabilities</b>					
Retained earnings	(50,432)	(50,432)	(50,432)	(50,432)	(50,432)
Long-term contracts liabilities	51,314	40,852	38,652	35,880	34,379
Net profit for the current period (Revenue - position in the income statement)	-	13,385	16,092	19,535	22,590
<b>Total</b>	<b>882</b>	<b>3,805</b>	<b>4,312</b>	<b>4,983</b>	<b>6,537</b>

On the 8<sup>th</sup> of December, 2016, a slight improvements have been made to the following 3 standards, as a result of the review of IFRS:

- **IFRS 1 "First-time Adoption of International Financial Reporting Standards"** – deleted a few short-term exemptions, because they have now served their intended purpose.
- **IFRS 12 "Disclosure of Interests in Other Entities"** - specified the disclosure requirements in the standard regarding to interests, regardless of they are classified as held for sale, paid as a dividend or discontinued operation.
- **IAS 28 "Investments in Associates and Joint Ventures"** – regarding to the moments, in which an investment entities (i.e. venture capital) can decide about the election to measure at fair value method of valuation of interests in associates or joint venture (not equity method).

They apply for annual periods beginning on or after 1<sup>st</sup> of January, 2018, (exception of amendments to IFRS 12, which are effective for annual periods beginning on or after 1<sup>st</sup> of January, 2017).

- **MSSF 9 "Financial Instruments"** - approved by the UE on 22<sup>nd</sup> of November, 2016 (effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2018),

The Comarch Group applied IFRS 9 for the first time in 2018. The impact of applying IFRS 9 to the consolidated financial statements of the Company after the analysis is negligible.

- **Amendments to IFRS 2 "Share-based Payments"** - published on 20<sup>th</sup> of June, 2016, and is effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018. The purpose of amendments to the standard was classification and measurement of share-based payment transactions.
- **Amendments to IFRS 4 "Insurance Contracts"** - Application of IFRS 9 "Financial Instruments" and IFRS 4 "Insurance Instruments" was published on 12<sup>th</sup> of September, 2016, and is effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018.
- **Amendments to IAS 40 Transfer of investment properties** – published on 8<sup>th</sup> of December, 2016, and is effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018.

The above mentioned amendments to standards did not have any material effect on the Group's financial report for H1 2018.

#### **New standards and amendments published by IASB and approved by the EU, but not yet effective**

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective until the 31<sup>st</sup> of December, 2018.

#### ■ **MSSF 16 Leasing**

The new standard was published on the 13<sup>th</sup> of January, 2016 and is effective for annual periods beginning on or after 1<sup>st</sup> of January, 2019, with earlier adoption permitted (if IFRS 15 has also been applied).

The Group has not decided to apply these standards and interpretations earlier. The Management Board of the Parent Company informs that application of IFRS 16 will, in the future, impact the amounts and recognitions presented in the consolidated financial statement of the Capital Group. The Group plans to implement the application of the IFRS 16 standard retrospectively, with the combined effect of the first application of IFRS 16 recognized as at 1<sup>st</sup> of January, 2019, without restatement of comparative data.

The Group is currently analysing all concluded contracts in terms of meeting the criteria for recognizing them as leasing agreements in accordance with IFRS 16. The key identified areas are rental agreements for buildings and office space, perpetual usufruct of land, leasing of means of transport and leasing of computer equipment.

The total value of nominal remuneration resulting from identified lease agreements, as at the date of publication of this report, that meet the criteria of IFRS 16, falling for the period from the 1<sup>st</sup> of January 1, 2019 to the end of their validity, is:

- for lease contracts: approx. PLN 59,606 thousand,
- for the right of perpetual usufruct of land (for the period until 2089): approx. PLN 58,914 thousand,

- for leasing of means of transport and computer equipment: approx. PLN 1,290 thousand.

For reporting periods beginning on 1<sup>st</sup> of January, 2019, contracts meeting the criteria for leasing pursuant to IFRS 16 are discounted, and then they will be recognized in the Group's financial statements as a component of assets under the right to use and as an liability component of lease liabilities.

According to the Group's estimates, as a result of applying IFRS 16, the value of assets due to the right of use and leasing liabilities, and thus the value of the Group's balance sheet total as at 1<sup>st</sup> of January, 2019, will increase by PLN 73,848 thousand as a result of the capture.

- for lease contracts: approx. PLN 53,959 thousand,
- for the right of perpetual usufruct of land (for the period until 2089): approx. PLN 18,632 thousand,
- for leasing of means of transport and computer equipment: approx. PLN 1,257 thousand.

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

- recognition of liabilities under lease of perpetual usufruct rights, which were classified as leasing agreements as at 1<sup>st</sup> of January, 2019
- exclude from the valuation according to IFRS 16 short-term contracts, contracts for an indefinite period with a notice period shorter than one year and agreements regarding low-value assets, i.e. with an initial value below USD 5,000 USD;

The implementation of IFRS 16 will have an impact on financial ratios calculated on the basis of the Group's financial statements, including those that are covenants in loan agreements concluded by the Group. As at the date of publication of the financial statements, the Group excluded some credit agreements from the impact of changes resulting from the implementation of IFRS 16 on the calculation of covenants and conducts talks with other lenders aiming at achieving the analogous state of affairs. The Management Board of the Group informs that it does not see any risk of exceeding the admissible values of covenants resulting from loan agreements concluded by the Group also in a situation when the data taking into account the application of IFRS 16 were used to calculate the value of covenants.

#### **New standards and amendments adopted by IASB but not yet approved by the EU**

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

- **IFRS 14 "Deferred Balances from Regulated Activity"** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016) - European Commission has decided not to initiate the process of approving this provisional standard for use within the EU until the final version of IFRS 14,
- **IFRS 17 "Insurance Contract"** – published on the 18<sup>th</sup> of May, 2017,
- **Amendments to IFRS 10 and IAS 28: Sale or transfer of assets between an investor and an associate or a joint venture** was published on the 11<sup>th</sup> of September, 2014 (the adoption of the change has been halted),
- **IFRIC 22 "Transactions in foreign currencies and advanced payments"** – published on the 8<sup>th</sup> of December, 2016,
- **IFRIC 23 "Uncertainty over Income Tax Treatments"** – published on the 7<sup>th</sup> of June, 2017,
- **Amendments to IFRS 9: Prepayment Features with Negative Compensation**, published on the 12<sup>th</sup> of October, 2017,
- **Amendments to IFRS 28: Long-term Interests in Associates and Joint Ventures**, published on the 12<sup>th</sup> of October, 2017,
- **Amendments to various standards adopted within the frame of annual improvements process to IFRS "Annual Improvements (period 2015-2017)"**, published on the 12<sup>th</sup> of December, 2017,

- **Amendments to IAS 19: Change, limitation and settlement of the program**, published on the 7<sup>th</sup> of February, 2018.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities have not been adopted by the EU. According to the Parent Company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the financial statements, if applied as at the balance sheet date.

The consolidated financial statement of the Comarch Group for the 12 months ended the 31<sup>st</sup> of December, 2018, comprises the financial statements of the following companies:

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

Comarch LLC	Subsidiary	Full	100%
OOO Comarch	Subsidiary	Full	100%
Comarch Software (Shanghai) Co. Ltd.	Subsidiary	Full	100%
Comarch Technologies Oy	Subsidiary	Full	100%
Comarch UK Ltd.	Subsidiary	Full	100%
Comarch Japan KK	Subsidiary	Full	100% held by Comarch UK Ltd.
Comarch Chile SpA	Subsidiary	Full	100%
Comarch Software Spain S.L.U.	Subsidiary	Full	100%
Comarch Colombia S.A.S.	Subsidiary	Full	100% held by Comarch Software Spain S.L.U.
Comarch Yazilim A.S.	Subsidiary	Full	100%
Comarch SRL	Subsidiary	Full	100%
Comarch Malaysia SDN. BHD.	Subsidiary	Full	100%
Comarch s.r.o.	Subsidiary	Full	100%
Comarch Pointshub. Inc.	Subsidiary	Full	100%
Comarch AB	Subsidiary	Full	100%
Comarch Argentina S.A.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch AG
Comarch Saudi Arabia Co.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch Infrastruktura S.A.
Comarch Mexico S.A. de C.V.	Subsidiary	Full	99% held by Comarch S.A., 1% held by CA Consulting S.A.
Comarch Yuhan Hoesa (Comarch Ltd.)	Subsidiary	Full	100%



Comarch (Thailand) Limited	Subsidiary	Full	100%
Comarch BV	Subsidiary	Full	100%
Comarch Technologies sp. z o.o.	Subsidiary	Full	100%
CA Consulting S.A.	Subsidiary	Full	100%
Geopolis sp. z o.o.	Subsidiary	Full	100%
Comarch Management sp. z o.o.	Subsidiary	Full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	Subsidiary	Full	100% of total number of investment certificates
Comarch Management sp. z o.o. SK-A	Subsidiary	Full	26.45% held by Comarch S.A., 8.82% held by CCF FIZ, 64.73% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus MANAGEMENT sp. z o.o. Cracovia Park SK-A	Subsidiary	Full	50% held by Bonus Management sp. z o.o. SK-A, 50% held by MKS Cracovia SSA
Bonus Development sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Healthcare S.A.	Subsidiary	Full	38.27% held by CCF FIZ, 17.33% held by Comarch S.A., 33.02% held by Comarch Software und Beratung AG, 11.38% held by CASA Management and Consulting sp. z o.o. SKA

Comarch Polska S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Pointshub S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Infrastruktura S.A.	Subsidiary	Full	100% held by CCF FIZ
iComarch24 S.A.	Subsidiary	Full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Swiss AG	Subsidiary	Full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	Subsidiary	Full	51% held by CASA Management and Consulting sp. z o.o. SK-A
Opso sp. z o.o.	Subsidiary	Full	100%
MKS Cracovia SSA	Subsidiary	Full	66.11%

### **3. Notes to the Consolidated Financial Statement**

#### **3.1. Segment Information**

In the Comarch Group, the 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 "Medical 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 distribution of its activities, the Comarch Group has defined the following market segments: "Poland", "DACH" (Germany, Austria and Switzerland), "Other countries". The "Sport Segment", the "Investment Segment" and the "Medicine Segment" operate solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

Comarch Group is highly diversified and not dependant on one single contractor. During the 12 months of 2018, the share of none of the customer exceeded 10% of the sale in Comarch Group's sales.

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

The Company notes that the comparative data for the four quarters of 2018 have been modified in connection with adoption of principles of IFRS 15 as at the 1<sup>st</sup> of January, 2018.

12 months ended 31 December 2017	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination s	Total
	Polish market	DACH market	Other markets					
<b>Revenues per segment - sales to external clients</b>	<b>591,570</b>	<b>271,233</b>	<b>262,508</b>	<b>4,111</b>	<b>32,845</b>	<b>12,383</b>	<b>-</b>	<b>1,174,650</b>
<i>including:</i>								
<b>Revenues from sales</b>	<b>563,004</b>	<b>268,067</b>	<b>259,577</b>	<b>626</b>	<b>23,485</b>	<b>10,351</b>	<b>-</b>	<b>1,125,110</b>
<i>To customers in Telecommunication, Media, IT sector</i>	<i>95,921</i>	<i>75,704</i>	<i>93,241</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>264,866</i>
<i>To customers in Finance and Banking sector</i>	<i>131,720</i>	<i>38,990</i>	<i>16,458</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>187,168</i>
<i>To customers in Trade and services sector</i>	<i>56,177</i>	<i>17,000</i>	<i>114,190</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>187,367</i>
<i>To customers in Industry&amp;Utilities</i>	<i>81,673</i>	<i>29,462</i>	<i>31,970</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>143,105</i>
<i>To customers in Public sector</i>	<i>53,180</i>	<i>7,139</i>	<i>3,699</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>64,018</i>
<i>To customers in small and medium enterprises sector</i>	<i>136,085</i>	<i>99,771</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>235,856</i>
<i>To customers in Medicine sector</i>	<i>5,669</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>10,351</i>	<i>-</i>	<i>16,020</i>
<i>To other customers</i>	<i>2,579</i>	<i>1</i>	<i>19</i>	<i>626</i>	<i>23,485</i>	<i>-</i>	<i>-</i>	<i>26,710</i>
<i>Other operating revenue</i>	<i>406</i>	<i>3,385</i>	<i>2,630</i>	<i>801</i>	<i>9,707</i>	<i>744</i>	<i>-</i>	<i>17,673</i>
<i>Finance revenue</i>	<i>28,160</i>	<i>(219)</i>	<i>301</i>	<i>2,684</i>	<i>(347)</i>	<i>1,288</i>	<i>-</i>	<i>31,867</i>
Revenues per segment - sales to other segments	264,930	40,133	30,350	6,936	8,904	2,066	(353,319)	-
<b>Revenues per segment - total*</b>	<b>856,500</b>	<b>311,366</b>	<b>292,858</b>	<b>11,047</b>	<b>41,749</b>	<b>14,449</b>	<b>(353,319)</b>	<b>1,174,650</b>
Costs per segment relating to sales to external clients	531,903	248,263	255,284	5,765	28,593	14,611	-	1,084,419
Costs per segment relating to sales to other segments	264,930	40,133	30,350	6,936	8,904	2,066	(353,319)	-
<b>Costs per segment - total*</b>	<b>796,833</b>	<b>288,396</b>	<b>285,634</b>	<b>12,701</b>	<b>37,497</b>	<b>16,677</b>	<b>(353,319)</b>	<b>1,084,419</b>
Current taxes	(2,644)	(4,905)	(7,453)	(259)	(189)	-	-	(15,450)
Assets for the tax due to investment allowances and other tax relief	(3,164)	(917)	(1,645)	(3)	141	-	-	(5,588)
Share of segment in the result of parties valued using the equity method of accounting	(125)	-	(2,957)	-	-	-	-	(3,082)
<b>Net result</b>	<b>53,734</b>	<b>17,148</b>	<b>(4,831)</b>	<b>(1,916)</b>	<b>4,204</b>	<b>(2,228)</b>	<b>-</b>	<b>66,111</b>
<i>including:</i>								
<i>Result attributable to shareholders of the parent company</i>	<i>53,734</i>	<i>17,148</i>	<i>(4,831)</i>	<i>(1,929)</i>	<i>2,732</i>	<i>(2,228)</i>	<i>-</i>	<i>64,626</i>
<i>Result attributable to minority interest</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>13</i>	<i>1,472</i>	<i>-</i>	<i>-</i>	<i>1,485</i>

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

Sales between specific segments are calculated based on market conditions.

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2017, as well as investment expenditures and depreciation in during 12 months of 2017:

**31 December 2017 / 12 months ended 31 December 2017**

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	842,195	202,412	257,751	140,235	60,139	5,720	<b>1,508,452</b>
Liabilities	449,822	56,436	92,713	34,764	20,420	3,107	<b>657,262</b>
Investment expenditures	98,227	16,157	26,384	6,555	6,233	172	<b>153,728</b>
Depreciation	40,237	12,411	2830	1,863	4,122	2,846	<b>64,309</b>

12 months ended 31 December 2018	IT Segment			Investme nt Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
<b>Revenues per segment - sales to external clients</b>	<b>765,704</b>	<b>285,700</b>	<b>267,951</b>	<b>4,464</b>	<b>35,140</b>	<b>11,386</b>	<b>-</b>	<b>1,370,345</b>
<i>including:</i>								
<b>Revenues from sales</b>	774,693	283,872	267,849	5,502	21,333	11,705	-	1,364,954
<i>To customers in Telecommunication, Media, IT sector</i>	124,511	76,538	111,475	-	-	-	-	312,524
<i>To customers in Finance and Banking sector</i>	151,094	37,878	15,180	-	-	-	-	204,152
<i>To customers in Trade and services sector</i>	58,798	31,609	110,428	-	-	-	-	200,835
<i>To customers in Industry&amp;Utilities</i>	76,748	28,954	27,754	4,808	-	-	-	138,264
<i>To customers in Public sector</i>	182,402	9,323	2,553	-	-	-	-	194,278
<i>To customers in small and medium enterprises sector</i>	160,857	99,568	-	-	-	-	-	260,425
<i>To customers in Medicine sector</i>	15,645	-	-	-	-	11,705	-	27,350
<i>To other customers</i>	4,638	2	459	694	21,333	-	-	27,126
<i>Other operating revenue</i>	1,216	1,532	2,538	51	13,589	321	-	19,247
<i>Finance revenue</i>	(10,205)	296	(2,436)	(1,089)	218	(640)	-	(13,856)
Revenues per segment - sales to other segments	436,425	39,425	34,443	7,582	8,543	2,161	(528,579)	-
<b>Revenues per segment - total*</b>	<b>1,202,129</b>	<b>325,125</b>	<b>302,394</b>	<b>12,046</b>	<b>43,683</b>	<b>13,547</b>	<b>(528,579)</b>	<b>1,370,345</b>
Costs per segment relating to sales to external clients	693,810	240,306	288,298	5,971	29,693	14,152	-	1,272,230
Costs per segment relating to sales to other segments	436,425	39,425	34,443	7,582	8,543	2,161	(528,579)	-
<b>Costs per segment - total*</b>	<b>1,130,235</b>	<b>279,731</b>	<b>322,741</b>	<b>13,553</b>	<b>38,236</b>	<b>16,313</b>	<b>(528,579)</b>	<b>1,272,230</b>
Current taxes	(11,785)	(17,261)	(6,358)	(335)	(621)	-	-	(36,360)
Assets for the tax due to investment allowances and other tax relief	3,938	(3,344)	1,550	49	737	-	-	2,930
Share of segment in the result of parties valued using the equity method of accounting	(332)	-	(10,779)	-	-	-	-	(11,111)
<b>Net result</b>	<b>63,715</b>	<b>24,789</b>	<b>(35,934)</b>	<b>(1,793)</b>	<b>5,563</b>	<b>(2,766)</b>	<b>-</b>	<b>53,574</b>
<i>including:</i>	-	-	-	-	-	-	-	-
<i>Result attributable to shareholders of the parent company</i>	63,715	24,789	(35,934)	(1,786)	3,643	(2,766)	-	51,661
<i>Result attributable to minority interest</i>	0	0	0	(7)	1,920	0	-	1,913

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

Sales between specific segments are calculated based on market conditions.

### Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2018, as well as investment expenditures and depreciation in during 12 months of 2018:

#### 31 December 2018 / 12 months ended 31 December 2018

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH region	Other countries				
Assets	942,195	223,106	300,523	137,661	66,107	5,645	<b>1,675,237</b>
Liabilities	528,292	80584	115,259	32,487	19,943	1,229	<b>777,794</b>
Investment expenditures	61,990	6,783	9,725	19,242	5,050	1,505	<b>104,295</b>
Depreciation	45,723	5,528	4,205	2,250	4,256	2,894	<b>64,856</b>

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

#### Revenues from basic sales - activities location

	12 months ended 31 December 2018	%	12 months ended 31 December 2017	%
Poland	813,233	59.6	597,466	53.1
DACH region	283,872	20.8	268,067	23.8
Other countries	267,849	19.6	259,577	23.1
<b>Total</b>	<b>1,364,954</b>	<b>100.0</b>	<b>1,125,110</b>	<b>100.0</b>

#### Assets – activities location

	31 December 2018	%	31 December 2017	%
Poland	1,151,589	68.8	1,048,264	69.5
DACH region	223,106	13.3	202,412	13.4
Other countries	300,542	17.9	257,776	17.1
<b>Total</b>	<b>1,675,237</b>	<b>100.0</b>	<b>1,508,452</b>	<b>100.0</b>



**Investment expenditures – activities location**

	31 December 2018	%	31 December 2017	%
Poland	87,787	84.2	111,187	72.4
DACH region	6,783	6.5	16,157	10.5
Other countries	9,725	9.3	26,384	17.1
<b>Total</b>	<b>104,295</b>	<b>100.0</b>	<b>153,728</b>	<b>100.0</b>

**3.2. Property, Plant and Equipment**

	31 December 2018	31 December 2017
Lands and buildings	393,255	324,518
Means of transport and machinery	138,333	109,000
Property, plant and equipment under construction	10,287	110,381
Others	10,295	12,760
Advance money for property, plant and equipment under construction	21	179
<b>Total</b>	<b>552,191</b>	<b>556,838</b>

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 31<sup>st</sup> of December, 2018, the Group's property, plant and equipment 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 (including office building at 12,572 square metres of the total space), one office building and data centre in Lille at 2,526 square meters of the total space and an office building and data centre in Dresden at 2,144 square metres of the total space. The Group owns also lands in the Special Economic Zone in Krakow at approx. 2.01 ha of the total area. As at the 30<sup>th</sup> of September, 2018, property, plant and equipment under construction comprise mostly expenditures to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA (an amount of PLN 5,582 thousand) and expenditures related to purchased but did put into use hardware in amount PLN 1,099 thousand.

On the basis of an agreement made between Comarch S.A. and Budimex S.A. on the 18<sup>th</sup> of March, 2016, the Group completed the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract was construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building is 27,736 m<sup>2</sup>. The value of this agreement amounts to PLN 69,643 thousand. The building was put into use in the first quarter of 2018.

On the 15<sup>th</sup> of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. signed an agreement with SNC-LAVALIN S.A.S., for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building in the data centre. The value of this agreement amounts to EUR 7,553 thousand net. The works were completed in the second quarter of 2018.

### 3.3. Investment Real Estate

	31 December 2018	31 December 2017
Lands	3,602	2,875
Buildings	27,815	12,482
<b>Total</b>	<b>31,417</b>	<b>15,357</b>

As at the 31<sup>st</sup> of December, 2018, investment real estate comprise two office buildings, placed in Krakow with a total space 8,629 square meters, used for lease to the entities outside Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside Group, as well as a real estate located in Kostrzyń leased to the entities outside Group.

### 3.4. Goodwill

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

	31 December 2018	31 December 2017
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG	8,413	8,413
Geopolis sp. z o.o.	1,462	1,462
<b>Total</b>	<b>42,197</b>	<b>42,197</b>

A test for loss in value regarding goodwill was run as at the 31<sup>st</sup> of December, 2018, according to the methodology used and described in details in the annual financial statements for 2018. There was no loss in value.

### 3.5. Other Intangible Assets

	31 December 2018	31 December 2017
Costs of finished development works	143	335
Perpetual usufruct right	38,570	39,312
Licences and software	15,382	15,355
Other	4,707	8,317
Advance money for intangible assets	-	-
<b>Total</b>	<b>58,802</b>	<b>63,319</b>

Other intangibles include valuation of assets, classified as intangible assets, related to the right to use MKS Cracovia SSA players' cards in the amount of PLN 4,707 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.

### 3.6. Investment in Associates

As at the 31<sup>st</sup> of December, 2018, the Group had shares in associates.

<b>At 1 January 2017</b>	<b>14,395</b>
Share in profit of Sointeractive S.A.	(111)
Acquiring shares in and share in profit of Metrum Capital S.A.	(14)
Repayment of loan by SoInteractive S.A.	(80)
Acquiring shares in and share in profit of Thanks Again LLC	(2,957)
<b>At 31 December 2017</b>	<b>11,233</b>
<b>At 1 January 2018</b>	<b>11,233</b>
Share in profit of Sointeractive S.A.	(331)
Acquiring shares in and share in profit of Metrum Capital S.A.	(2)
Repayment of loan by SoInteractive S.A.	1,390
Acquiring shares in and share in profit of Thanks Again LLC	(10,770)
<b>At 31 December 2018</b>	<b>1,520</b>

As at the 31<sup>st</sup> of December, 2018, investment in associates includes:

- acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SK-A shares in SoInteractive S.A. constituting 42.98% of shares in the company (27.37% of votes),
- shares of Metrum Capital S.A. in which Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) with the total value of PLN 0,
- shares in Thanks Again LLC (Comarch Pointshub, Inc. acquired 42.50% of shares, i.e. 42.50% of votes at the AGM, with total value of PLN 0 - the nominal value of acquired shares PLN 30,831 thousand was reduced by shares in the current results from years 2015 - 2018 and about the value of shares being updated),
- loans granted to SoInteractive S.A. by Comarch S.A. in the amount of PLN 1,520 thousand.

### 3.7. Derivative Financial Instruments

#### a) Assets

	31 December 2018	31 December 2017
Forward foreign exchange contracts – held-for-trading	4,199	11,316
Transaction on change of IRS	-	104
	<b>4,199</b>	<b>11,420</b>
<i>Current portion</i>	<i>3,264</i>	<i>8,516</i>
<i>Non-current portion</i>	<i>935</i>	<i>2,904</i>

#### b) Liabilities

	31 December 2018	31 December 2017
Forward foreign exchange contracts – held-for-trading	451	426
Transaction on change of IRS	1,366	819
	<b>1,817</b>	<b>1,245</b>
<i>Current portion</i>	<i>479</i>	<i>509</i>
<i>Non-current portion</i>	<i>1,338</i>	<i>736</i>

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in Euro. As at the 31<sup>st</sup> of December, 2018, 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 31<sup>st</sup> of December, 2018, amounted to EUR 34,500 thousand, USD 5,200 thousand and GBP 1,000 thousand.

On the 27<sup>th</sup> of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevealing credit taken on the 4<sup>th</sup> of January, 2013, from Bank Zachodni WBK S.A. with its registered office in Wrocław. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 28<sup>th</sup> of June, 2019. As at the 31<sup>st</sup> of December, 2018, valuation of IRS transaction amounted to minus PLN 26 thousand.

On the 9<sup>th</sup> of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June 2006 from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29<sup>th</sup> of July, 2024. As at the 31<sup>st</sup> of December, 2018, valuation of the IRS transaction amounted to minus PLN 399 thousand.

On the 23<sup>rd</sup> of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4<sup>th</sup> of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30<sup>th</sup> of November, 2023. As at the 31<sup>st</sup> of December, 2018, valuation of the IRS transaction amounted to minus PLN 308 thousand.

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

concluded till the 30<sup>th</sup> of September, 2019. As at the 31<sup>st</sup> of December, 2018, valuation of the IRS transaction amounted to minus PLN 2 thousand.

On the 20<sup>th</sup> of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 29<sup>th</sup> of February, 2028. At the 31<sup>st</sup> of December, 2018, valuation of the IRS transaction amounted to minus PLN 457 thousand.

On the 27<sup>th</sup> of November, 2017, Bonus Development Sp. z o.o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29<sup>th</sup> of June, 2015, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 31<sup>st</sup> of May, 2030. As at the 31<sup>st</sup> of December, 2018, valuation of the IRS transaction amounted to minus PLN 147 thousand.

### 3.8. Deferred Income Tax

	31 December 2018	31 December 2017
<b>Deferred income tax assets</b>		
Temporary differences	18,660	12,591
Asset due to a tax loss	4,530	9,783
Asset due to activities in Special Economic Zone ("SEZ")	11,162	8,863
<b>Total</b>	<b>34,352</b>	<b>31,237</b>
<i>Charged to financial result</i>	<i>34,352</i>	<i>31,237</i>

Due to the level of zone income achieved in the four quarters of 2018, all assets created as at December 31, 2017 were dissolved in the amount of PLN 8 863 thousand. At the same time, an asset was created from the anticipated zone income for the 2019 in the amount of PLN 11,162 thousand.

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

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

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

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of December, 2018, constitutes a deferred income tax asset. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity was the 31<sup>st</sup> of December, 2017). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 7,873 thousand as at the 31<sup>st</sup> of December, 2018 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 28,929 thousand as at the 31<sup>st</sup> of December, 2018 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in March 2016, regarding investment in the office building SSE7 in Cracow, amounted to approx. PLN 22,759 thousand as at the 31<sup>st</sup> of December, 2018 (after discounting at the permit date).

During the four quarters of 2018, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31<sup>st</sup> of December, 2017, and worth PLN 4,260 thousand as well as an asset due to temporary differences was recognized in the amount of PLN 10,329 thousand. An asset due to tax loss was recognized and settled in the amount of PLN 9,800 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 3,115 thousand.

	31 December 2018	31 December 2017
<b>Provision for deferred income tax</b>		
Temporary differences	16,394	16,152
Provision due to fair value valuation of assets recognised as a result of acquisition of the Comarch SuB, ESAProjekt sp. z o.o. and A-MEA Informatik AG and due to valuation of MKS Cracovia SSA's real estates	5,430	5,430
Provision due to valuation of certificates in CCF FIZ	22,322	22,380
<b>Total</b>	<b>44,146</b>	<b>43,962</b>
<i>Charged to equity</i>	<i>5,430</i>	<i>5,430</i>
<i>Charged to financial result</i>	<i>38,716</i>	<i>38,532</i>

Due to valuation of net assets of CCF FIZ in 2018, the Group dissolved in part a deferred tax provision, which was recognized in the previous years in the amount of PLN 58 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 4,947 thousand and dissolved in the amount of PLN 4,705 thousand. The total effect of the above-mentioned operations on the net result of 2018 was minus PLN 184 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 2,931 thousand.

In relation to 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.

### 3.9. Inventories

	31 December 2018	31 December 2017
Raw materials	2,007	1,273
Work in progress	85,099	87,838
Goods	9,454	25,078
Finished products	131	150
Advance due to finished products	547	628
<b>Total</b>	<b>97,238</b>	<b>114,967</b>

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 412,360 thousand (12 months ended the 31<sup>st</sup> of December, 2018), PLN 333,918 thousand (12 months ended the 31<sup>st</sup> of December, 2017).

Over four quarters of 2018, Comarch Group created write-offs that revaluated goods, materials and finished products in the amount of PLN 104 thousand. The Company resolved write-offs in the amount of PLN 210 thousand, which had been created in the previous years.

**3.10. Trade and Other Receivables**

	31 December 2018	31 December 2017
Trade receivables - net	385,576	347,254
<i>Trade receivables</i>	<i>446,523</i>	<i>376,110</i>
<i>Write-off revaluating receivables</i>	<i>(60,947)</i>	<i>(28,856)</i>
Other receivables	36,182	19,687
Short-term prepayments	18,923	13,593
Other prepayments	134	452
Loans	13,329	7,541
Trade receivables and other receivables from related parties - net	1,892	3,626
<i>Trade receivables and other receivables from related parties</i>	<i>7,799</i>	<i>6,511</i>
<i>Write-off revaluating receivables</i>	<i>(5,907)</i>	<i>(2,885)</i>
<b>Total</b>	<b>456,036</b>	<b>392,153</b>
<i>Current portion</i>	<i>456,036</i>	<i>392,153</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of customers. Over 12 months of 2018, the Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 39,971 thousand and dissolved previously created write-offs worth PLN 3,844 thousand in relation to payment of debts. These operations were presented in the income statement in other operating costs and revenues, respectively.

**3.11. Long-term Contracts**

	12 months ended 31 December 2018	12 months ended 31 December 2017
Revenues from completed contracts recognized in the reporting period	68,049	89,912
Revenues from contracts not completed recognized in the reporting period	392,015	202,679
Revenues from contracts not completed recognized in the reporting period- an effect of settlement pursuant to IAS 11	(5,660)	32,270
<b>Revenues due to long-term contracts recognized in the reporting period</b>	<b>454,404</b>	<b>324,861</b>

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 revenues.

At the end of the reporting period, long-term contracts were evaluated in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognized in assets and liabilities between the 31<sup>st</sup> of December, 2017, and the 31<sup>st</sup> of December, 2018, are presented below:



	31 December 2018	31 December 2017
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	1,107,104	695,896
Issued invoices	(1,131,011)	(714,143)
<b>Total</b>	<b>(23,907)</b>	<b>(18,247)</b>

	Long-term contracts receivables	Long-term contracts liabilities	Net
<b>Revenues from long-term contracts included in the reporting period</b>			
<b>Value at 1 January 2017</b>	<b>39,960</b>	<b>(40,044)</b>	<b>(84)</b>
Correction of the value at 1 January 2017 due to IFRS 15	882	(51,314)	(50,432)
<b>Value at 1 January 2017 after adjustment due to IFRS 15</b>	<b>40,842</b>	<b>(91,358)</b>	<b>(50,516)</b>
Correction of the current period due to IFRS 15 (reversal of the correction recognised in the opening balance sheet as at 1 January 2017)	(752)	36,229	35,477
Correction of the current period	6,797	(10,005)	(3,208)
<b>Value at 31 December 2017</b>	<b>46,886</b>	<b>(65,133)</b>	<b>(18,247)</b>
<b>Change</b>	<b>6,044</b>	<b>26,225</b>	<b>32,269</b>
<b>Value at 1 January 2018 before adjustment due to IFRS 15</b>	<b>40,349</b>	<b>(30,754)</b>	<b>9,595</b>
Correction of the value at 1 January 2018 due to IFRS 15	6,537	(34,379)	(27,842)
<b>Value at 1 January 2018 after adjustment due to IFRS 15</b>	<b>46,886</b>	<b>(65,133)</b>	<b>(18,247)</b>
Correction of the current period due to IFRS 15 (reversal of the correction recognised in the opening balance sheet as at 1 January 2018)	(4,107)	22,368	18,261
Correction of the current period	94,961	(118,882)	(23,921)
<b>Value at 31 December 2018</b>	<b>137,740</b>	<b>(161,647)</b>	<b>(23,907)</b>
<b>Change</b>	<b>90,854</b>	<b>(96,514)</b>	<b>(5,660)</b>

### 3.12. Available-for-Sale Financial Assets

Within the 12 months of 2018, as well as in the comparative period, the Group had no financial assets available for sale.

### 3.13. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	Total
<b>At 1 January 2017</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>
<b>At 31 December 2017</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>
<b>At 31 December 2018</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>

The nominal value of one share is PLN 1.

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

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

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

- a) disposal for the benefit of persons who were shareholders of the company on the 18<sup>th</sup> of March, 1998,
- b) disposal for the benefit of descendants of a disposer,
- c) conveying property of a registered share as a result of succession.

d) disposal for the benefit of a legal person or non-corporate organizational unit of Polish or foreign law, including in particular, for the benefit of quasi-corporate unit of Polish or foreign law ("Structure") controlled, within the meaning of art. 8 sec 5 of the Company's articles of association, only by a shareholder who contributes (disposes) registered preference shares to the Structure ("Contributing Shareholder") or (jointly) controlled only by the Contributing Shareholder's relatives in the ascending and descending line, siblings or spouse, or (jointly) controlled by some or all of the persons mentioned above ("Related Person or Related Persons") and the Contributing Shareholder jointly ("Controlled Structure") and disposal by the one Controlled Structure of the registered preference shares for the benefit of the other Controlled Structure.

To disposal of registered shares, the consent of the Management Board of Comarch S.A. in written form is required. Disposal of shares without mentioned consent is possible under the terms of the Article of Association of the Comarch S.A.

Bearer share corresponds with 1 votes at the General Meeting. The conversion of bearer shares into registered shares is not allowed.

**3.13.1. Changes in Share Capital in Q4 2018**

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

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

None present.

**3.14. Credits and Loans**

	31 December 2018	31 December 2017
<b>Non-current</b>		
Non-revolving credits	165,783	177,920
Revolving credits	-	-
Loans	9,227	7,676
	<b>175,010</b>	<b>185,596</b>
<b>Current</b>		
Non-revolving credits	32,893	33,739
Revolving credits	-	3,018
Loans	7,374	2,354
	<b>40,267</b>	<b>39,111</b>
<b>Total credits and loans</b>	<b>215,277</b>	<b>224,707</b>

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

In 2018, the value of drawdown non-revolving credits and loans granted from entities outside the Group amounted to PLN 45,942 thousand and the value of paid principal instalments of non-revolving bank credits and loans from entities outside the Group amounted to PLN 58,887 thousand. As at the balance sheet date, the Comarch Group did not use current account credit.

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

The exposure of Group bank credits to interest rate changes	6 months or less	6-12 months	1-5 years	Over 5 years	Total
<b>At 31 December 2017</b>					
Credits and loans	18,636	20,969	118,365	67,231	225,201
Interest	(494)	-	-	-	(494)
<b>Total</b>	<b>18,142</b>	<b>20,969</b>	<b>118,365</b>	<b>67,231</b>	<b>224,707</b>
<b>At 31 December 2018</b>					
Credits and loans	20,740	19,997	126,877	48,133	215,747
Interest	(470)	-	-	-	(470)
<b>Total</b>	<b>20,270</b>	<b>19,997</b>	<b>126,877</b>	<b>48,133</b>	<b>215,277</b>

The maturity of non-current bank credits, loans and financial liabilities	31 December 2018	31 December 2017
Between 1 and 2 years	38,755	33,701
Between 2 and 5 years	88,122	84,664
Over 5 years	48,133	67,231
	<b>175,010</b>	<b>185,596</b>

Currency structure of the balance sheet values of credits, loans and financial liabilities	31 December 2018	31 December 2017
In Polish currency (PLN)	16,601	12,484
In EUR (equivalence in PLN)	198,676	212,223
	<b>215,277</b>	<b>224,707</b>

Effective interest rates at the balance sheet date	31 December 2018	31 December 2017
Bank credits	1.61%	1.64%
Loans	2.56%	3.66%

### 3.14.1. Non-Revolving Credits

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

Company of Comarch Group	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
<b>Comarch S.A.</b> office buildings SSE4 in Krakow	BGŻ BNP Paribas Bank Polska S.A	44,000	PLN	3,563 (4,182 as at the 31 <sup>st</sup> of December, 2017)	EUR	15,320 (17,444 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin  IRS till the 29 <sup>th</sup> of July, 2024	29 <sup>th</sup> of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch SA</b> office buildings SSE5 in Krakow - refinancing	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	1,418 (1,977 as at the 31 <sup>st</sup> of December, 2017)	EUR	6,099 (8,426 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of September, 2021	mortgage on the SSE5 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
<b>Comarch SA</b> nonrevealing operating credit	Bank Zachodni WBK S.A.	7,400	EUR	1,910 (2,944 as at the 31 <sup>st</sup> of December, 2017)	EUR	8,212 (12,280 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin  IRS till the 28 <sup>th</sup> of June, 2019	31 <sup>st</sup> of December, 2020	mortgage on the SSE3 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement

<b>Comarch SA</b> office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	8,188 (9,854 as at the 31 <sup>st</sup> of December, 2017)	EUR	35,209 (41,098 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin IRS till the 30 <sup>th</sup> of November, 2023	30 <sup>th</sup> of November, 2023	mortgage on the SSE6 building, assignment of rights from the building's insurance policy, assignment of rights from the guarantee of due performance and guarantee of the warranty, declaration on submission to enforcement
<b>Comarch SA</b> office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	13,333 (11,286 as at the 31 <sup>st</sup> of December, 2017)	EUR	57,330 (47,075 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin IRS till the 29 <sup>th</sup> of February, 2028	29 <sup>th</sup> of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
<b>Comarch SA</b> Nonrevealing, long-term credit	Bank Handlowy w Warszawie S.A.	2,508	EUR	1,188 (2,508 as at the 31 <sup>st</sup> of December, 2017)	EUR	5,109 (10,461 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin IRS till the 30 <sup>th</sup> of September, 2019	30 <sup>th</sup> of September, 2019	declaration of submission to enforcement
<b>Comarch SA</b> Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,188 (2,508 as at the 31 <sup>st</sup> of December, 2017)	EUR	5,109 (10,461 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin	30 <sup>th</sup> of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
<b>Comarch Healthcare SA</b> Non-current assets - medical equipment for Medical Centre iMed24 in Krakow	Bank Polska Kasa Opieki S.A.	15,889	PLN			0 (2,459 as at the 31 <sup>st</sup> of December, 2017)	PLN	WIBOR1M + bank margin	31 <sup>st</sup> of December, 2018	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, surety Comarch SA, declaration on submission to enforcement
<b>Comarch AG</b> Office building in Dresden - refinancing	BGŻ BNP Paribas Bank Polska S.A	6,000	EUR	0 (621 as at the 31 <sup>st</sup> of December, 2017)	EUR	0 (2,589 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR3M + bank margin	15 <sup>th</sup> of May, 2018	land debt on an office building in Dresden, assignment of rights under the insurance policy of an office building in Dresden, surety Comarch S.A. statement by Comarch S.A. about submission to execution
<b>Bonus Development Sp. z o.o. SK-A</b> Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	7,346 (8,043 as at the 31 <sup>st</sup> of December, 2017)	EUR	31,586 (33,545 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin	31 <sup>st</sup> of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK-A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of due performance and warranty guarantee,

										assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
<b>Comarch S.A.S, Comarch S.A.</b> Data centre in Lille in France	BGŻ BNP Paribas Bank Polska S.A	8,000	EUR	6,218 (6,734 as at the 31 <sup>st</sup> of December, 2017)	EUR	26,736 (28,085 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR3M + bank margin	18 <sup>th</sup> of September, 2023	mortgage on the second place on the estate Comarch S.A. (Krakow, Michał Życzkowski Street 23, building SSE4), statement by Comarch S.A. on submission to enforcement, assignment of rights from the insurance policy of the SSE4 building
<b>Comarch S.A.</b> Comarch infrastructure modernization program	CaixaBank SA Oddział w Polsce	3,500	EUR	1,399 (0 as at the 31 <sup>st</sup> of December, 2017)	EUR	6,016 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin	23 <sup>rd</sup> of August, 2023	Declaration of submission to enforcement
<b>Comarch SA</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			7,463 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of March, 2022	-
<b>Comarch S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	17,691	PLN			766 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	31 <sup>st</sup> of January, 2019	-
<b>Comarch Polska S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			3,991 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of May, 2022	Guarantee by Comarch S.A.
<b>Comarch S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,474	PLN			737 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of July, 2019	-

<b>Comarch S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			2,745 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of May, 2022	-
<b>Comarch Polska S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,200	PLN			900 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of September, 2019	Guarantee by Comarch S.A.
<b>Comarch S.A.</b> Delivery of IT equipment related to IT project realized by the Comarch Group.	IBM Global Financing Polska Sp. z o.o.	999	PLN			999 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	01.12.2019	-

### 3.14.2. Current Credit Lines

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

Company of Comarch Group	Financial Institution	Purpose	Total amount of credit/loan		Amount remained to payment				Interest conditions	Repayment date	Securities
			Value	Currency	Value	Currency	Value	PLN			
Comarch SA	Powszechna Kasa Oszczędności Bank Polski S.A.	Financing operating activities	20,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	20 <sup>th</sup> of December, 2019	declaration of submission to enforcement
Comarch SA	Bank Polska Kasa Opieki S.A.	Financing operating activities	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	30 <sup>th</sup> of June, 2019	declaration of submission to enforcement
Comarch S.A.	mBank S.A.	Financing operating activities	10,000	PLN	0	PLN	0	PLN	EURIBOR1M + bank margin	14 <sup>th</sup> of March, 2019	declaration of submission to enforcement

	31 December 2018	31 December 2017
<b>Credit lines in the current account and revolving credits, including:</b>	<b>60,000</b>	<b>55,422</b>
Used at the balance sheet date	0	3,018
Available at the balance sheet date	60,000	52,404

**3.15. Other Financial Liabilities**

	31 December 2018	31 December 2017
Liabilities due to finance lease	459	611
<i>Current portion</i>	156	165
<i>Non-current portion</i>	303	446
Liabilities due to dividend	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities for fees for acquired shares	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
<b>Total</b>	<b>459</b>	<b>611</b>

Liabilities due to the Comarch Group's finance lease (excluding lease agreements between the companies in the Group) comprise liabilities MKS Cracovia SSA, a subsidiaries of Comarch S.A., due to finance lease agreements for cars. As at the 31<sup>st</sup> of December, 2018, value of these liabilities amounted to PLN 459 thousand. The dividend was paid out on 31<sup>th</sup> of August, 2018 to shareholders form outside the Group.

**3.16. Provisions for Other Liabilities and Charges**

	Costs related to current period that will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Total
<b>Current</b>						
<b>At 1 January 2017</b>	<b>4,380</b>	<b>13,407</b>	<b>20,776</b>	<b>26,751</b>	<b>71,890</b>	<b>137,204</b>
Included in the consolidated income statement:	(453)	348	(1,119)	2,222	(5,788)	(4,790)
- <i>additional provisions created</i>	20,506	24,109	4,909	19,608	81,407	150,539
- <i>provisions used during the year and transferred to current provisions</i>	(20,959)	(23,761)	(6,028)	(17,386)	(87,195)	(155,329)
<b>At 31 December 2017</b>	<b>3,927</b>	<b>13,755</b>	<b>19,657</b>	<b>28,973</b>	<b>66,102</b>	<b>132,414</b>
<b>At 1 January 2018</b>	<b>3,927</b>	<b>13,755</b>	<b>19,657</b>	<b>28,973</b>	<b>66,102</b>	<b>132,414</b>
Change:	2,587	(1,773)	(2,354)	523	14,621	13,604
<i>Provisions created</i>	26,732	26,862	17,871	23,972	94,745	190,182
<i>Provisions used and dissolved</i>	(24,145)	(28,635)	(20,225)	(23,449)	(80,124)	(176,578)
<b>At 31 December 2018</b>	<b>6,514</b>	<b>11,982</b>	<b>17,303</b>	<b>29,496</b>	<b>80,723</b>	<b>146,018</b>

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



**3.17. Trade and Other Payables**

	31 December 2018	31 December 2017
Trade payables	56,125	75,071
Advance payments received due to services	1,098	986
Trade payables and other liabilities to related parties	196	1,323
Liabilities due to social insurance and other tax charges	63,993	38,906
Investments liabilities	2,413	11,542
Liabilities due to remuneration	28,146	24,107
Revenues from the future periods	29,809	21,176
Other payables	4,858	2,365
Special funds (Social Services Fund and Residential Fund)	1,783	1,844
<b>Total</b>	<b>188,421</b>	<b>177,320</b>

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

**3.18. Liabilities due to Operating Lease**

	Up to 1 year	Up to 5 years	Total
<b>At 31 December 2017</b>			
Liabilities due to lease of usable space	21,718	45,097	66,815
Liabilities due to lease agreements for electronic equipment and means of transport	1,407	955	2,362
<b>Total</b>	<b>23,125</b>	<b>46,052</b>	<b>69,177</b>
<b>At 31 December 2018</b>			
Liabilities due to lease of usable space	21,688	42,043	63,731
Liabilities due to lease agreements for electronic equipment and means of transport	976	292	1,268
<b>Total</b>	<b>22,664</b>	<b>42,335</b>	<b>64,999</b>

Presented above, liabilities due to lease agreements for usage places comprise Group's liabilities, including those between Comarch Group's companies and related to leases of office spaces and company flats. Agreements including the given expiration date were directly recorded to the liabilities within 1 year or less, or within 5 years or less, respectively. However, most of the agreements have been concluded for an indefinite period, therefore the amounts of the liabilities were established by multiplying the amount of monthly rent by 12 months (column: 1 year or less) or by 60 months (column: 5 years or less).

As at the 31<sup>st</sup> of December, 2018, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 1,268 thousand (PLN 2,362 thousand as at the 31<sup>st</sup> of December, 2017).

### 3.19. Contingent Liabilities

On the 31<sup>st</sup> of December, 2018, 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 81,163 thousand, whereas it was PLN 65,876 thousand on the 31<sup>st</sup> of December, 2018.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Geopolis sp. z o.o. was PLN 63 thousand, whereas it was PLN 82 thousand on the 31<sup>st</sup> of December, 2017.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 392 thousand, i.e. PLN 1,673 thousand, whereas it was EUR 392 thousand, i.e. PLN 1,634 thousand on the 31<sup>st</sup> of December, 2017.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 69 thousand, whereas it was EUR 16 thousand, i.e. PLN 67 thousand on the 31<sup>st</sup> of December, 2017.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch Healthcare S.A. (valid till the 30<sup>th</sup> of June, 2019), Comarch Malaysia SDN. BHD. (valid for an indefinite period), Comarch Argentina S.A. (valid for an indefinite period) and Comarch R&D S.à r.l. (valid for an indefinite period).

	31 December 2018	31 December 2017
<b>Granted credit lines for financing of current activities</b> (guarantees, letters of credit, credit lines in current account)		
Credit lines*	229,293	190,450
	<b>229,293</b>	<b>190,450</b>

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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 51,993 thousand. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2018 and are worth PLN 7,651 thousand. They include provisions for claims recognised in 2018 and worth PLN 203 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 56,868 thousand. Provisions for these claims presented in the balance sheet as at the 31<sup>st</sup> of December, 2018 are worth PLN 3,810 thousand. They include provisions for claims recognized in 2018 and worth PLN 1,608. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims in legal proceedings or matters in disputes but not legal proceedings.

Due to legal proceedings in 2018 the Comarch Group created write-offs that revalue receivables in amount PLN 666 thousand. Due to the matters in disputes, in 2018 the Comarch Group created write-offs that revalue receivables for the amount of PLN 6,573 thousand.

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

None present.

**3.21. Related-Party Transactions****3.21.1. Revenue from Sales of Goods and Services**

	12 months ended 31 December 2018	12 months ended 31 December 2017
<b>Revenue from sales of goods</b>		
SoInteractive S.A.	-	-
Thanks Again LLC	-	-
	-	-
<b>Revenue from sales of services</b>		
SoInteractive S.A.	270	791
Thanks Again LLC	1,056	1,075
Metrum Capital S.A.	-	2
	<b>1,326</b>	<b>1,868</b>
	<b>1,326</b>	<b>1,868</b>

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

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

**3.21.2. Purchase of Goods and Services**

	12 months ended 31 December 2017	12 months ended 31 December 2016
<b>Purchases of goods</b>		
SoInteractive S.A.	-	188
Thanks Again LLC	-	-
	-	<b>188</b>
<b>Purchases of services</b>		
SoInteractive S.A.		
<i>Included in generation costs</i>	1,441	4,894
<i>Included in other costs</i>	1,341	3,455
	<b>2,782</b>	<b>8,349</b>
Thanks Again LLC		
<i>Included in generation costs</i>	31	5,090
<i>Included in other costs</i>	-	-
	<b>31</b>	<b>5,090</b>
<b>Total</b>	<b>2,813</b>	<b>13,627</b>

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

	31 December 2018	31 December 2017
<b>Receivables from related parties</b>		
SoInteractive S.A.	212	775
Thanks Again LLC	814	3,937
	<b>1,026</b>	<b>4,712</b>
<b>Payables from related parties</b>		
SoInteractive S.A.	195	1,322
Thanks Again LLC	1	1
	<b>196</b>	<b>1,323</b>

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

	12 months ended 31 December 2018	12 months ended 31 December 2017
Purchases from personally related entities	4,414	2,921
Sales to personally related entities	4,998	191
Loans and interest on loans repaid by personally related entities	11,405	2,104
Loans and interest on loans granted to personally related entities	16,703**	8,480*
Purchases from associates	2,813	13,627
Sales to associates	1,326	1,868
Loans and interest on loans repaid by associates	776	-
Loans and interest on loans granted to associates	1,520	828

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

\*\* The item contains a loan in the amount of PLN 2,353 thousand granted to the Chairman of the Supervisory Board of Comarch S.A. by Bonus Management sp. z o.o II Activia SK-A and Comarch S.A. Until the 31<sup>st</sup> of March, 2018, this loan was fully repaid.

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

	31 December 2018	31 December 2017
Trade receivables from personally related parties	2,846	15
Loans receivables from personally related parties	12,780	7,012
Trade payables to personally related parties	457	792
Liabilities due to loans from personally related parties	-	-

**3.22. Earnings per Share**

	12 months ended 31 December 2018	12 months ended 31 December 2017
Net profit for the period attributable to equity holders of the Company	51,661	64,626
Weighted average number of shares in issue	8,133,349	8,133,349
<b>Basic earnings per share (PLN)</b>	<b>6.35</b>	<b>7.95</b>
Diluted number of shares	8,133,349	8,133,349
<b>Diluted earnings per share (PLN)</b>	<b>6.35</b>	<b>7.95</b>

Basic earnings per share in the column "12 months ended 31 December 2018" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2018, to the 31<sup>st</sup> of December, 2018, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2018, to the 31<sup>st</sup> of December, 2018, where the number of days is the weight. Basic earnings per share in the column "12 months ended 31 December 2017" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2017, to the 31<sup>st</sup> of December, 2017, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2017, to the 31<sup>st</sup> of December, 2017, where the number of days is the weight.

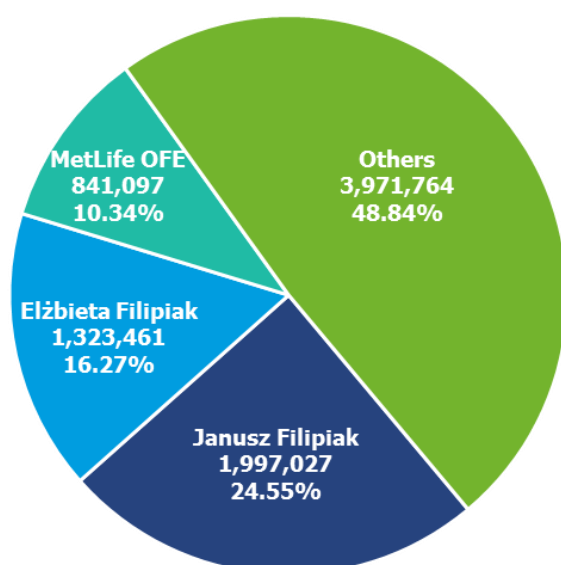
Diluted earnings per share in the column "12 months ended 31 December 2018" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2018, to the 31<sup>st</sup> of December, 2018, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2018, to the 31<sup>st</sup> of December, 2018, where the number of days is the weight. Diluted earnings per share in the column "12 months ended 31 December 2017" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2017, to the 31<sup>st</sup> of December, 2017, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2017, to the 31<sup>st</sup> of December, 2017, where the number of days is the weight.

### 4. Additional Notes

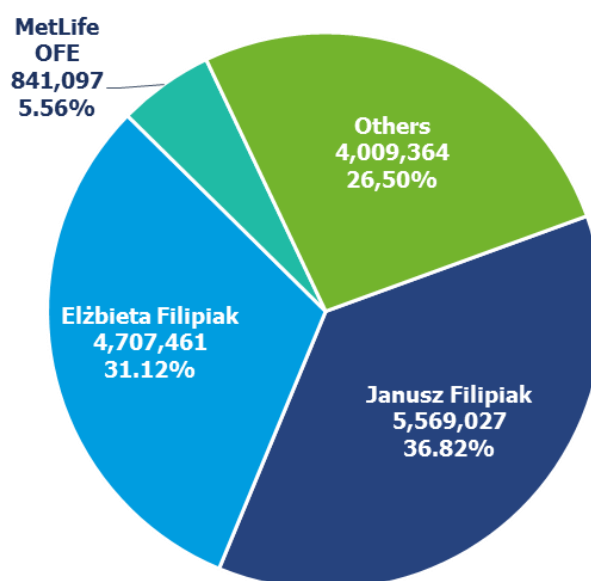
#### 4.1. Information About Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

##### 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 1 March 2019

Shareholders by number of shares



Shareholders by number of votes



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

None present.

##### 4.1.3. Changes in Significant Holdings of Comarch S.A. Shares between 17 November 2018 and 1 March 2019

Entity	At 1 March 2019				At 17 November 2018			
	Shares	% in share capital	Number of votes	% in votes	Shares	% in share capital	Number of votes	% in votes
Janusz Filipiak	1,997,027	24.55%	5,569,027	36.82	1,997,027	24.55%	5,569,027	36.82
Elżbieta Filipiak	1,323,461	16.27%	4,707,461	31.12	1,323,461	16.27%	4,707,461	31.12
MetLife OFE	841,097	10.34%	841,097	5.56	841,097	10.34%	841,097	5.56

#### 4.1.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 17 November 2018 and 1 March 2019

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the consolidated report for Q3 2018 was published, i.e. on the 17<sup>th</sup> of November, 2018, and on the 1<sup>st</sup> of March, 2019, pursuant to the information possessed by the Company.

Members of the Management Board and the Board of Supervisors	Position	At 17 November 2018		At 1 March 2019	
		Shares	% in votes	Shares	% in votes
Janusz Filipiak	President of the Management Board	1,997,027	36.82	1,997,027	36.82
Elżbieta Filipiak	Chairman of the Board of Supervisors	1,323,461	31.12	1,323,461	31.12
Marcin Dąbrowski	Vice-President of the Management Board	0	0.00	0	0.00
Paweł Prokop	Vice-President of the Management Board	30,080	0.45	30,080	0.45
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	33,230	0.22	33,230	0.22
Konrad Tarański	Vice-President of the Management Board	10,608	0.07	10,608	0.07
Marcin Warwas	Vice-President of the Management Board	10,608	0.07	10,608	0.07
Number of issued shares		8,133,349	100.00	8,133,349	100.00

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

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

Over four quarters of 2018, the Group settled in part deferred tax assets due to temporary differences in the amount of PLN 4,260 thousand and created the deferred tax assets due to temporary differences in the amount of PLN 10,329 thousand. An asset due to tax loss was recognized and settled in the amount of PLN 4,547 thousand and dissolved in amount 9,800 PLN. An asset due to activities in the SEZ established as at 31<sup>st</sup> of December, 2017, was dissolved in the amount of PLN 8,863 thousand. At the same time the Group created an asset of the same type in the amount of PLN 11,162 thousand (planned income from activities in SEZ in 2019). This asset will be gradually dissolved within 2019 in proportion to the generated tax-exempt income in this period. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 3,115 thousand.

Due to valuation of net assets of CCF FIZ, in 2018, the Group decreased a deferred tax provision, which was recognised in the previous years and was worth PLN 58 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 4,947 and dissolved in the amount of PLN 4,705 thousand. The total effect of the all above-mentioned operations on the net result of 2018 was minus PLN 184 thousand.

Total changes in deferred tax resulted in an increase in net profit by PLN 2,931 thousand.

Details are described in point [3.8](#).

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

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31<sup>st</sup> of December, 2018, decreased revenue and operating profit of Comarch Group by PLN 485 thousand (while in 12 months of 2017 decreased by PLN 19,429 thousand). Exchange rate differences from other activities decreased the result of Comarch Group by PLN 8,770 thousand (while in 12 months of 2017 increased by PLN 6,628 thousand). The valuation of financial instruments and realized transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments decreased the Group's net result by PLN 1,599 thousand (while in 2017 increased by PLN 24,493 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of the Comarch Group in 12 months of 2018 amounted to minus PLN 10,854 thousand (plus PLN 11,692 thousand in 2017).

#### 4.2.3. Creation of write-offs for doubtful debts

In the period of 12 months of 2018, the Group created impairment losses on trade receivables in the amount of PLN 39 971 thousand and terminated previously created write-offs in the amount of PLN 3,844 thousand in connection with the payment of receivables. These operations were recognized in other operating costs and revenues in the profit and loss account, respectively. Details are described in section [3.10](#)

#### 4.2.4. Share in result of Thanks Again LLC and loss of value of shares

In the period of 12 months of 2018, the Group created write-offs due to losses on trade receivables in the amount of PLN 39 971 thousand and terminated previously created write-offs in the amount of PLN 3,844 thousand due the payment of receivables. These operations were recognized in other operating costs and revenues in the profit and loss account, respectively. Details are described in section [3.6](#)

### 4.3. Other events in Q4 2018

None present.

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

#### 4.4.1. Dates of Periodical Financial Reports in 2019

On the 4<sup>th</sup> of January, 2019, in the current report no. [RB-1-2019](#), ENG: [RB-1-2019](#), Comarch S.A.'s Management Board set dates of periodical financial reports in 2018.

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

- 1) Q4 2018 - on the 1<sup>st</sup> of March, 2019;
- 2) Q1 2019 – on the 17<sup>th</sup> of May, 2019;
- 3) Q2 2019 - Pursuant to §79 sec. 2 of the Regulation issued by the Minister of Finance concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, Comarch S.A. will not publish quarterly report for the second quarter of 2019;
- 4) Q3 2019 – on the 15<sup>th</sup> of November, 2018.

HALF-YEAR AND ANNUAL REPORTS:

- 1) Annual report for 2018 – on the 29<sup>th</sup> of April, 2019;
- 2) Consolidated annual report for 2018 - on the 29<sup>th</sup> of April, 2019;
- 3) Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2018 - on the 30<sup>th</sup> of August, 2019.



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

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

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

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

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

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

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

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

Between the 1<sup>st</sup> of January, 2019, and the 1<sup>st</sup> of March, 2019, Comarch S.A. has concluded new forward contracts for the value of EUR 2,500 thousand. The total net value of open forward contracts as of the 1<sup>st</sup> of March, 2019, amounted to EUR 32,700 thousand, USD 4,100 thousand. The contracts will be settled within 24 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency.

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

The Management Board did not forecast any results neither for fourth quarter 2018, nor for full year 2018.

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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 51,993 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 47,562 thousand. Details are described in point [3.19](#).

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

None present.

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

- a) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- b) Due to conclusion of a contract with a customer by Comarch AG, a subsidiary of Comarch S.A., for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- c) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31<sup>st</sup> of December, 2021.
- d) 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.
- e) 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.
- f) 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.
- g) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from Sachsische AufbauBank, Comarch S.A. took on a debt in the event of a

liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 263 thousand increased by interest for the period from the granting of the subsidy to its return.

- h) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15<sup>th</sup> of May, 2020.
- i) 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.
- j) 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.
- k) 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.
- l) 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.
- m) Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. The surety has been renewed and is valid till the 31<sup>st</sup> of May, 2019, and the total amount of granted surety is PLN 100 thousand.
- n) 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.
- o) 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 and is valid till the 31<sup>st</sup> of May, 2019, and the total amount of granted surety is PLN 50 thousand.
- p) Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The total amount of granted surety is PLN 50 thousand. The surety has been renewed and is valid till the 31<sup>st</sup> of May, 2018.
- q) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and is valid 5 years.

- r) 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.
- s) Due to conclusion of a contract for investment credit by Bonus Development sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development sp. o.o. SK-A funding in the amount of EUR 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development sp. z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28<sup>th</sup> of June, 2030.
- t) Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, i.e. the 31<sup>st</sup> of October, 2018.
- u) 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 is valid until the 14<sup>th</sup> of September, 2019, and was granted up to the amount of PLN 10 thousand.
- v) 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.
- w) 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.
- x) 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.
- y) 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.
- z) 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.
- aa) 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.
- bb) Due to conclusion of by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- cc) Due to conclusion of a contract by Comarch SAS, a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch SAS was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.

- dd) Due to conclusion of a contract by Comarch Colombia S.A.S., a subsidiary of Comarch S.A., the contract for implementation and service of Loyalty Management Solutions, a surety for liabilities of Comarch Columbia S.A.S. was granted to the amount USD 10,710 thousand and is valid for the duration of the contract.
- ee) Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract for implementation, service and providing the necessary licenses for the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount USD 7,240 thousand and is valid for the duration of the contract.
- ff) 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.
- gg) 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.
- hh) 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 9,967 thousand by Comarch S.A. and is valid for the duration of the contract.
- ii) 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.
- jj) 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.
- kk) Due to of a contract by Comarch AB, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for e-Care service, a surety for liabilities of Comarch AB was granted to the amount of EUR 1,151 thousand by Comarch S.A. and is valid for the duration of the contract.

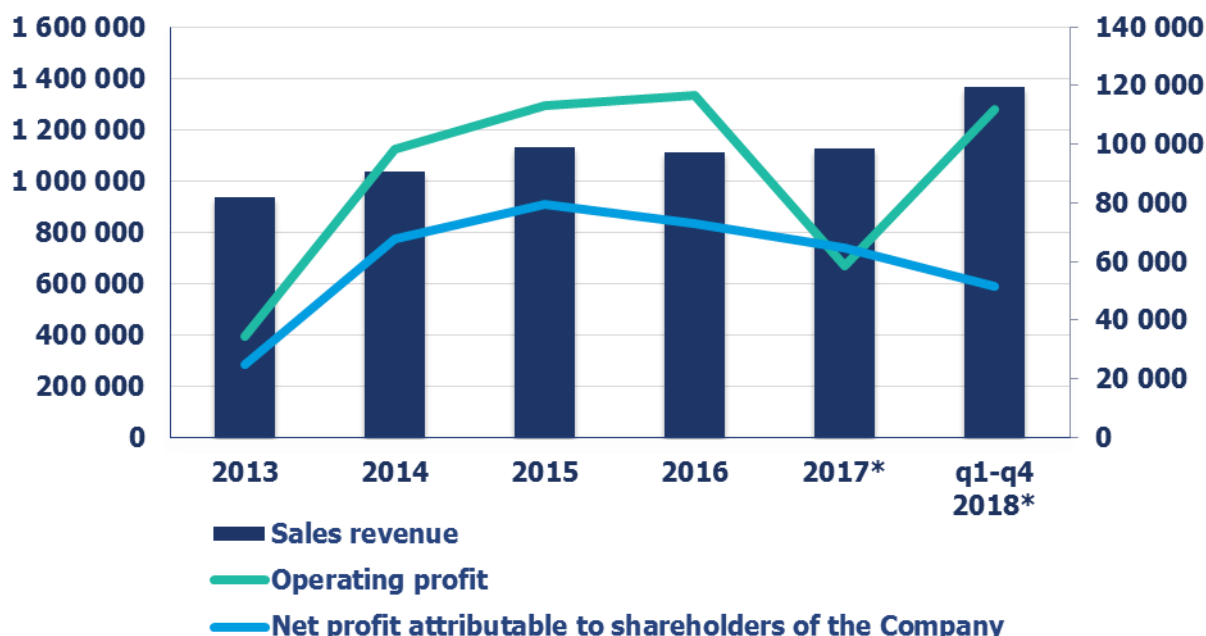
#### **4.9. Other Information Significant for the Assessment of Means and Employees, Financial Rating, Financial Results and Their Changes and Information Significant for the Assessment of the Possibility of the Execution of Obligations by the Issuer**

None present.



### 5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the Fourth Quarter of 2018 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter

#### 5.1. Revenues and Financial Results



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

In the fourth quarter of 2018, the Comarch Group generated sales revenue in the amount of PLN 415,635 thousand. They were higher by PLN 61,629 thousand, i.e. 17.4% than those achieved in the fourth quarter of 2017. Operating profit amounted to PLN 49,914 thousand and was higher by PLN 14,324 thousand i.e. 40.2% than in Q4 2017. Net result attributable to the shareholders of the parent company was PLN 29,199 thousand and was lower by PLN 10,646 thousand compared to the fourth quarter of 2016. The EBIT margin was +12% and net margin amounted to +7.0%.

Within four quarters of 2018, the Comarch Group generated sales revenue in the amount of PLN 1,364,954 thousand. They were higher by PLN 239,844 thousand, i.e. 21.3% than those achieved in 2017. Operating result amounted to PLN 111,971 thousand and was higher by PLN 53,607 thousand i.e. 91.8% than within four quarters of 2017. Net result attributable to the shareholders of the parent company was PLN 51,661 thousand and decreased by PLN 12,965 thousand compared to the previous year. The EBIT margin was +8.2% and net margin amounted to +3.8%. During the described period, the Comarch Group generated EBITDA in the amount of PLN 176,827 thousand, higher by PLN 54,154 thousand i.e. 44.1% than in the similar period of the previous year.

The profitability of the operating activity of the Comarch Group in 2018 was significantly improved in relation to 2017. Net profitability was slightly lower than last year, which results from the worse than in 2017 result on financial activities and a larger amount of income tax. The results achieved by the Comarch Group in 2018 were influenced by, among others:

- dynamic increase of domestic sales (increase by PLN 170,658 thousand, i.e. by 36.9%), which was the result of new contracts in the public sector and dynamic development of sales of ERP solutions,

- increase in revenues from foreign sales, which amounted to PLN 69,186 thousand (i.e. by 10.4%), which was achieved mainly due to higher sales of IT solutions for telecommunications for European countries and Asia,
- increase in operating expenses, resulting from wage pressure in the IT sector - the basic wage bill in the Comarch Group in the reporting period increased by 7.7% compared to 12 months 2018,
- negative result on financial activities, caused by the strengthening of the PLN against EUR and USD during 2018. The completed transactions and the balance sheet valuation of financial instruments hedging the Group's foreign exchange risk decreased the Group's net result by PLN 1,657 thousand. Balance sheet valuation of loans and borrowings contracted in foreign currencies decreased the Group's net result by PLN 8,770 thousand,
- high value of current income tax for 2018, which amounted to PLN 36,360 thousand and was the result of high profitability of operations of the Group companies in Germany, Great Britain, and a high share of Comarch SA income not covered by the scope of the permit to operate in the Special Economic Zone in Krakow,
- changes in the value of deferred tax assets and provisions, which increased the net result of the Group by PLN 2,931 thousand,
- high value of created write-offs for doubtful trade receivables, mainly related to operations in the Middle East. They reduced the Group's operating and net result in 2018 by PLN 39,971 thousand,
- inclusion in 2018 of the share in the result and write-offs due loss of value of shares in the associated company Thanks Again LLC, which reduced the Group's net result by PLN 10,770.
- application of the IFRS 15 accounting standard in 2018, which caused that a significant part of revenues from the sale of Comarch software licenses was not recognized in the profit and loss account for 2018. The value of this adjustment in the fourth quarter of 2018 amounted to PLN 43,209 thousand, and in the entire 2018 – PLN 39,931 thousand.

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

In 2018, the employment in the Comarch Group increased by 9.0%, mainly as a result of the summer internships program. As at 31<sup>st</sup> of December, 2018, the Comarch Group employed 6,040 people, i.e. by 498 more than on at 31<sup>st</sup> of December, 2017.

The Comarch Group is actively looking for new sales markets (including in Western Europe and Asia), continues to invest in new products and IT services, as well as constantly extends and modernizes its infrastructure. Thanks to the very good financial results achieved in 2018, the financial situation of the Comarch Group is very good and guarantees the safety of operations in the event of a changing macroeconomic situation in Poland and in the world. The Group consciously bears the costs of developing new products and new business segments, as well as developing operations on new foreign markets, thus investing in building a competitive advantage for the future

In subsequent periods the Comarch Group intends to continue strategy assuming:

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

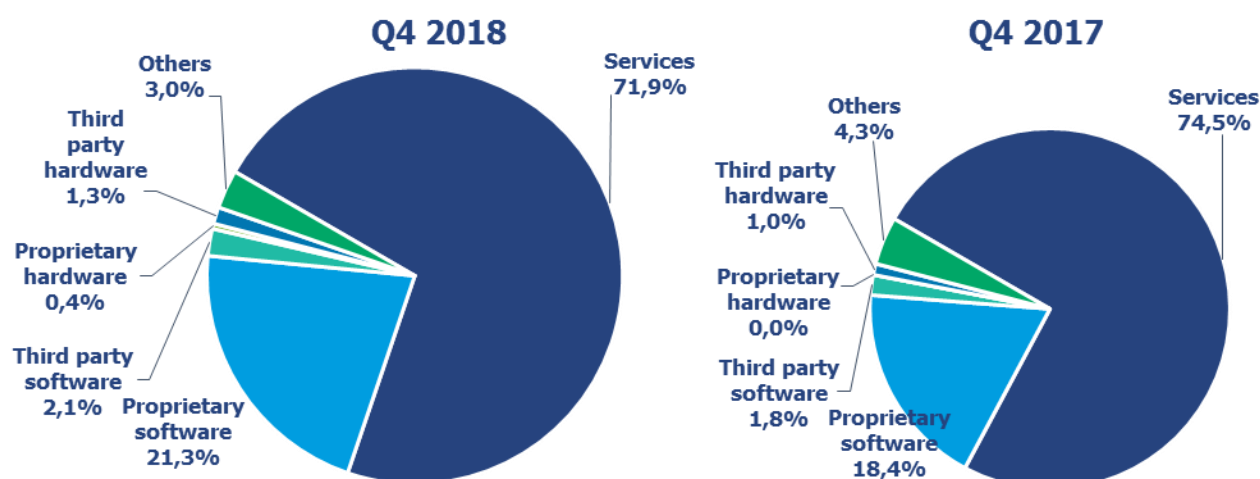
## 5.2. Sales Structure

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

In the fourth quarter of 2018, Group's products sales structure was changed significantly compared to this presented in Q4 2016.

Products sales structure	Q4 2018	%	Q4 2017	%	Change in PLN	Change in %
Services	298,944	71.9%	263,839	74.5%	35,105	13.3%
Proprietary software	88,485	21.3%	65,135	18.4%	23,350	35.8%
Third-party software	8,846	2.1%	6,174	1.8%	2,672	43.3%
Proprietary hardware	1,551	0.4%	144	0.0%	1,407	977.1%
Third party hardware	5,509	1.3%	3,491	1.0%	2,018	57.8%
Others	12,300	3.0%	15,223	4.3%	-2,923	-19.2%
<b>Total</b>	<b>415,635</b>	<b>100.0%</b>	<b>354,006</b>	<b>100.0%</b>	<b>61,629</b>	<b>17.4%</b>

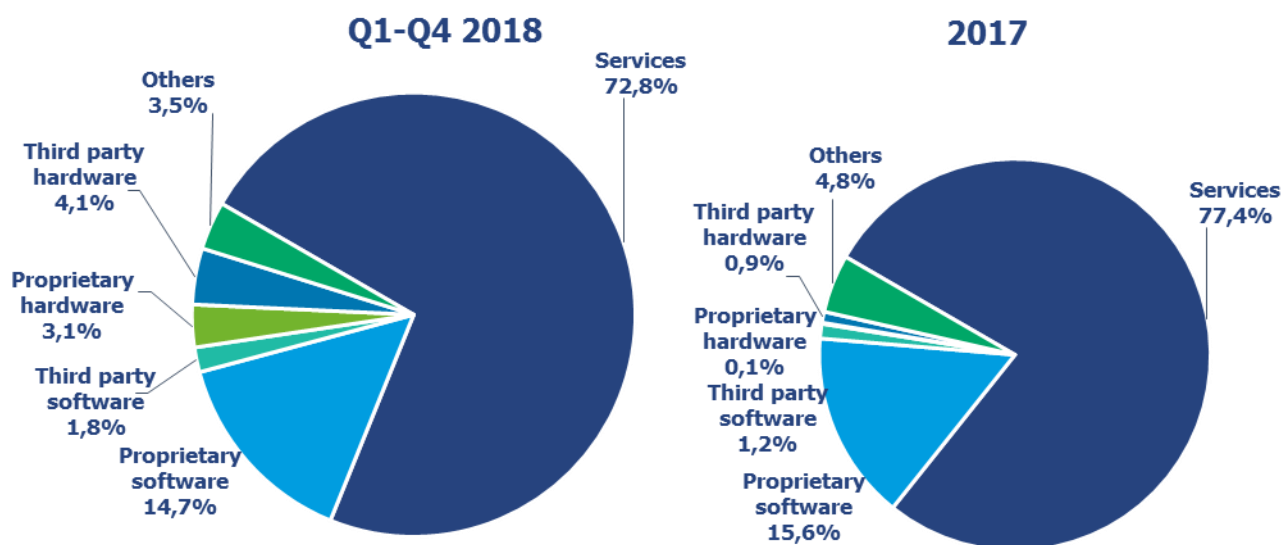
In the fourth quarter of 2018, the Group recorded a significant increase in revenues from the sale of services, it amounted to PLN 35 105 thousand, i.e. by 13.3%. Revenues from the sale of proprietary software grew dynamically by PLN 23 350 thousand, i.e. by 35.8%. The increase in the value of revenues from services and proprietary software resulted from the acquisition and implementation of new contracts of significant value. The value of revenues from the sale of both foreign software (by PLN 2,672 thousand, i.e. 43.3%) and foreign hardware (by PLN 2,018 thousand, i.e. by 57.8%) also increased. However, they did not have a significant share in the total revenues of the Group in the fourth quarter (their total share amounted to 3.4%). The value of sales of finished products in the fourth quarter amounted to PLN 1,551 thousand and was much smaller than in the previous quarters of 2018, which was the result of the completion in Q3 of 2018 of deliveries and implementation of the digital system for registering court proceedings in common courts. In Q4 2018, the value of other sales dropped significantly (by PLN 2,923 thousand, i.e. by 19.2%), as a result of a decrease in deliveries of goods (awards) as part of a comprehensive operator service for maintaining loyalty programs.





Products sales structure	Q1-Q4 2018	%	2017	%	Change in PLN	Change in %
Services	994,440	72.8%	871,415	77.4%	123,025	14.1%
Proprietary software	200,995	14.7%	175,174	15.6%	25,821	14.7%
Third-party software	24,040	1.8%	13,475	1.2%	10,565	78.4%
Proprietary hardware	42,223	3.1%	804	0.1%	41,419	5151.6%
Third party hardware	55,741	4.1%	10,096	0.9%	45,645	452.1%
Others	47,515	3.5%	54,146	4.8%	-6,631	-12.2%
<b>Total</b>	<b>1,364,954</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	239,844	21.3%

In the period of 12 months of 2018, the value of revenues from the sales of proprietary software amounted to PLN 200,995 thousand and were by PLN 25 821 thousand (i.e. by 14.7%) higher than in the corresponding period of the previous year. Revenues from the sale of services increased by PLN 123,025 thousand, i.e. by 14.1%. Sales of own finished products increased very significantly, by PLN 41,419 thousand, i.e. by 5,151.6%, similarly sales of third party hardware (increase in revenues by PLN 45,645 thousand, i.e. by 452.1%). This was the result of the implementation in Q2 and Q3 2018 of contracts for the supply and implementation of a digital system for registering court proceedings in common courts. Revenues from the sale of third party software increased by PLN 10,565 thousand, i.e. by 78.4%. Other sales decreased by PLN 6,631 thousand, i.e. by 12.2%.

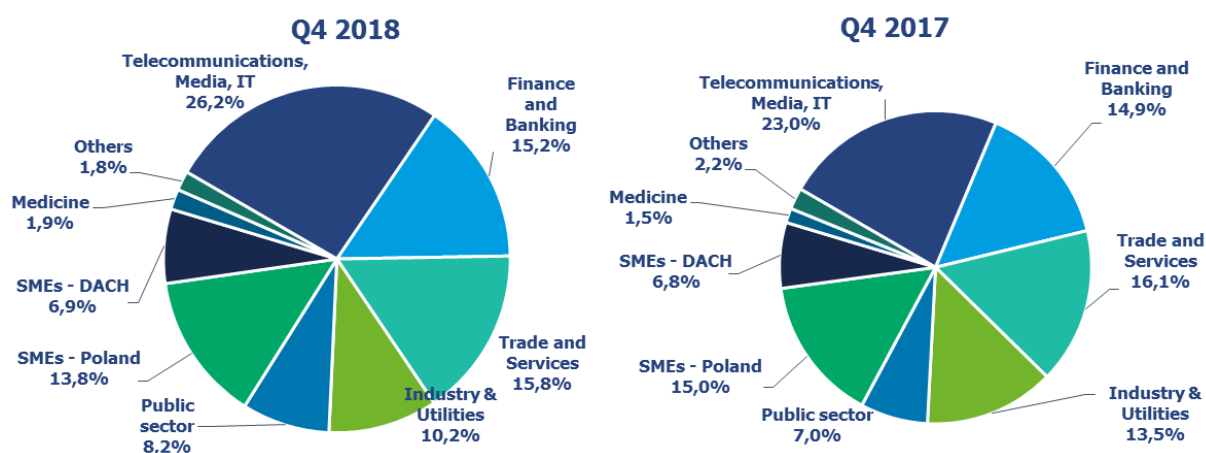


**Market Sales Structure (in thousands of PLN)**

In Q4 2018, revenues from sales of the Comarch Group to customers in the TMT sector amounted to PLN 108,446 thousand, which represents an increase of PLN 27,006 thousand (i.e. 33.2%) compared to Q4 2017, which is mainly due to increased sales of services to customers from Asian countries and Western Europe.

Market sales structure	Q4 2018	%	Q4 2017	%	Change in PLN	Change in %
Telecommunications, Media, IT	108,446	26.2%	81,440	23.0%	27,006	33.2%
Finance and Banking	63,384	15.2%	52,655	14.9%	10,729	20.4%
Trade and Services	65,841	15.8%	57,048	16.1%	8,793	15.4%
Industry & Utilities	42,279	10.2%	47,756	13.5%	-5,477	-11.5%
Public sector	34,053	8.2%	24,753	7.0%	9,300	37.6%
Small and Medium-Sized Enterprises - Poland	57,354	13.8%	53,151	15.0%	4,203	7.9%
Small and Medium-Sized Enterprises - DACH	28,593	6.9%	24,135	6.8%	4,458	18.5%
Medicine	8,074	1.9%	5,237	1.5%	2,837	54.2%
Others	7,611	1.8%	7,831	2.2%	-220	-2.8%
<b>Total</b>	<b>415,635</b>	<b>100.0%</b>	<b>354,006</b>	<b>100.0%</b>	<b>61,629</b>	<b>17.4%</b>

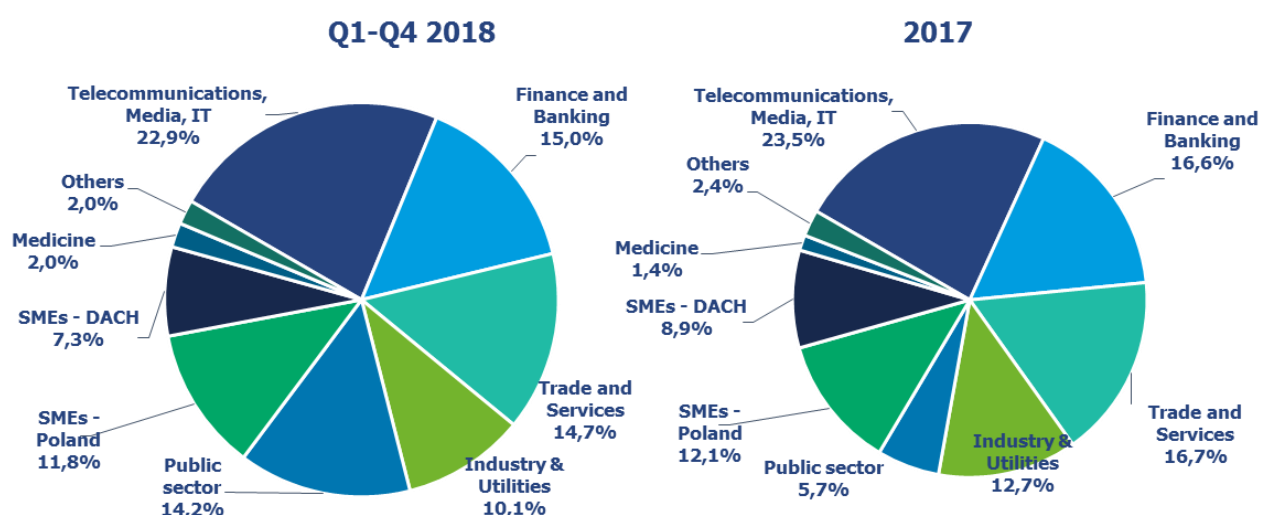
In Q4 2018 clients from the finance and banking sector purchased products and services worth PLN 63,384 thousand, higher than in the same period of the previous year by PLN 10,729 thousand, i.e. 20.4%, which is the effect of increased revenues from the Polish market. The upward trend was maintained in the case of the sale of ERP solutions to small and medium enterprises in Poland (increase by PLN 4,203 thousand, i.e. by 7.9%). In the case of sales to clients from the SME sector in the DACH region, there was an increase of PLN 4,458 thousand, i.e. 18.5%. Revenues from the sales of loyalty solutions, EDI and ICT to clients from the trade and services sector increased by PLN 8,793 thousand, i.e. by 15.4%, while in the case of clients from the industrial sector decreased by PLN 5,477 thousand, i.e. by 11.5%. In the fourth quarter of 2018, the situation on the public procurement market improved, revenues increased by PLN 9,300,000, i.e. by 37.6%. Revenues from sales to customers from the medical sector also increased: by PLN 2,837 thousand, i.e. by 54.2%. Revenues from sales to other clients in Q4 2018 remained at a similar level to last year.



During the 12 months of 2018, the Comarch Group's revenue from sales to customers from the TMT sector amounted to PLN 312,524 thousand, which represents an increase of PLN 47,658 thousand, i.e. 18% compared to that achieved in 2017.

Market sales structure	Q1-Q4 2018	%	2017	%	Change in PLN	Change in %
Telecommunications, Media, IT	312,524	22.9%	264,866	23.5%	47,658	18.0%
Finance and Banking	204,152	15.0%	187,168	16.6%	16,984	9.1%
Trade and Services	200,835	14.7%	187,367	16.7%	13,468	7.2%
Industry & Utilities	138,264	10.1%	143,105	12.7%	-4,841	-3.4%
Public sector	194,278	14.2%	64,018	5.7%	130,260	203.5%
Small and Medium-Sized Enterprises - Poland	160,857	11.8%	136,085	12.1%	24,772	18.2%
Small and Medium-Sized Enterprises - DACH	99,568	7.3%	99,771	8.9%	-203	-0.2%
Medicine	27,350	2.0%	16,020	1.4%	11,330	70.7%
Others	27,126	2.0%	26,710	2.4%	416	1.6%
<b>Total</b>	<b>1,364,954</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	239,844	21.3%

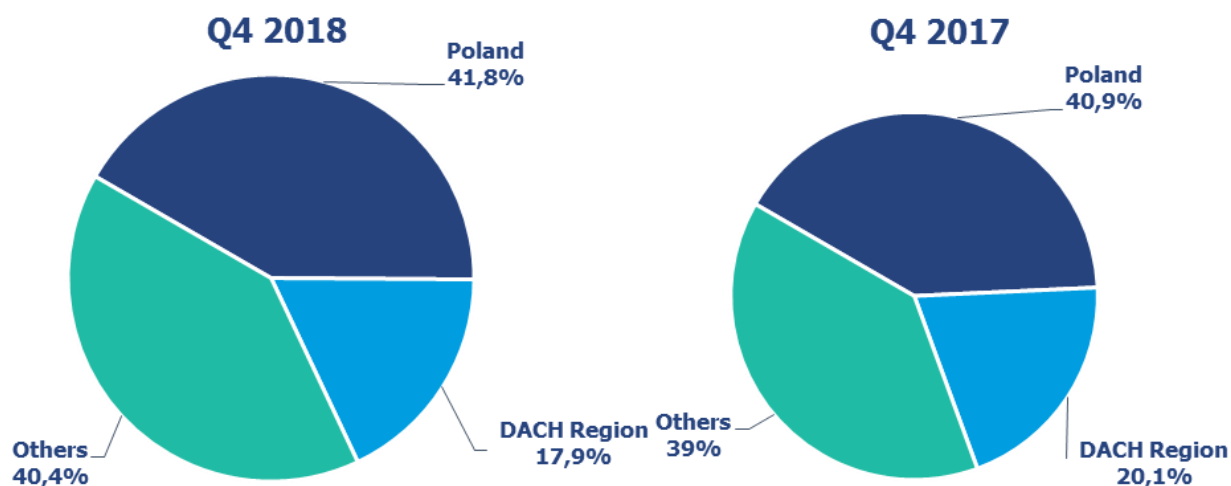
Customers from the finance and banking sector purchased products and services worth PLN 204,152 thousand, higher than in the same period of the previous year by PLN 16,984 thousand, i.e. by 9.1%, which is the effect of an increase in revenues from sales on the domestic market. The increase was recorded in the sales of loyalty solutions, EDI and ICT to clients from the trade and services sector (by PLN 13,468 thousand, i.e. by 7.2%), while it decreased in the case of clients from the industry and utilities sector (by PLN 4,841 thousand, i.e. by 3.4%). Revenues from sales to recipients from the public sector grew dynamically, by PLN 130,260 thousand, i.e. by 203.5%, mainly due to the implementation of a contract for the supply and implementation of a digital system for registering court proceedings in common courts. The increase also occurred in the case of sales to the medicine sector (increase of PLN 11,330 thousand, i.e. by 70.7%), as a result of new contracts for computerization of hospitals. Customers from the MSP-Poland sector purchased products and services worth PLN 24,722 thousand, i.e. 18.2% higher than in the same period of the previous year. Sales to clients from the SME sector in the DACH area and to other clients remained at a level similar to the one achieved in the same period of the previous year.



Business situation in the 12 months of 2018 confirms, that maintaining the diversification of revenue sources and offer, the Comarch Group has secured the opportunity to sustain stable business development.

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

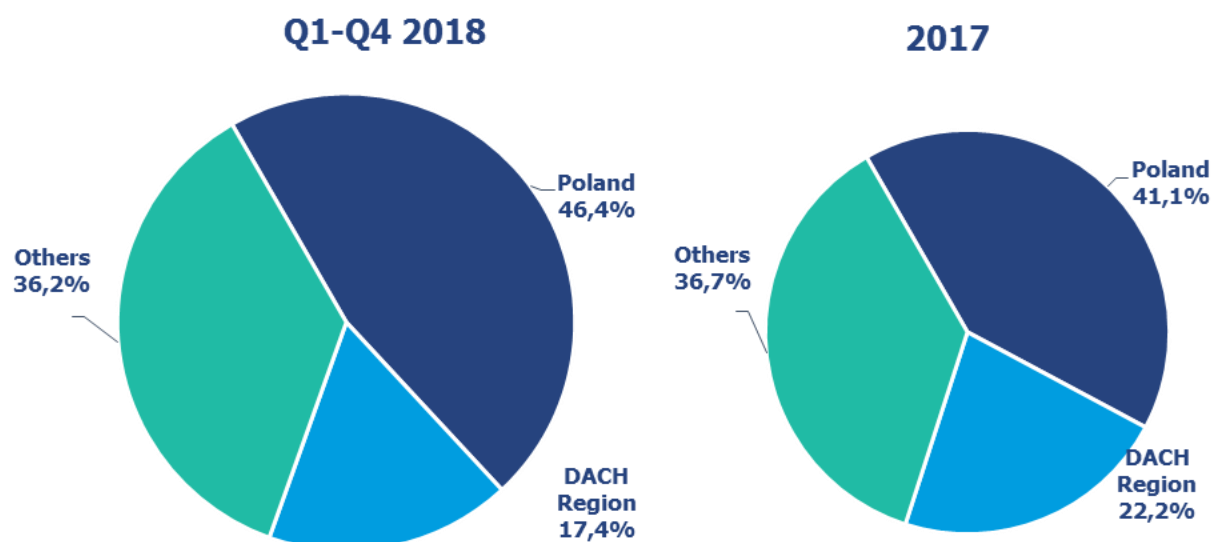
Geographical sales structure	Q4 2018	%	Q4 2017	%	Change in PLN	Change in %
Domestic (Poland)	173,632	41.8%	144,919	40.9%	28,713	19.8%
Export	242,003	58.2%	209,087	59.1%	32,916	15.7%
<b>Total</b>	<b>415,635</b>	<b>100.0%</b>	<b>354,006</b>	<b>100.0%</b>	<b>61,629</b>	<b>17.4%</b>



In the fourth quarter of 2018, the Group recorded PLN 242,003 thousand of revenues from foreign sales, by PLN 32,916 thousand (i.e. by 15.7%) more than in Q4 2017, which is mainly related to the increase in sales revenues to TMT customers on European and Asian markets. In the fourth quarter of 2018, foreign sales accounted for 58.2% of the total revenues of the Group.

The value of revenues from domestic sales was higher by PLN 28,713 thousand, i.e. by 19.8% compared to Q4 2017.

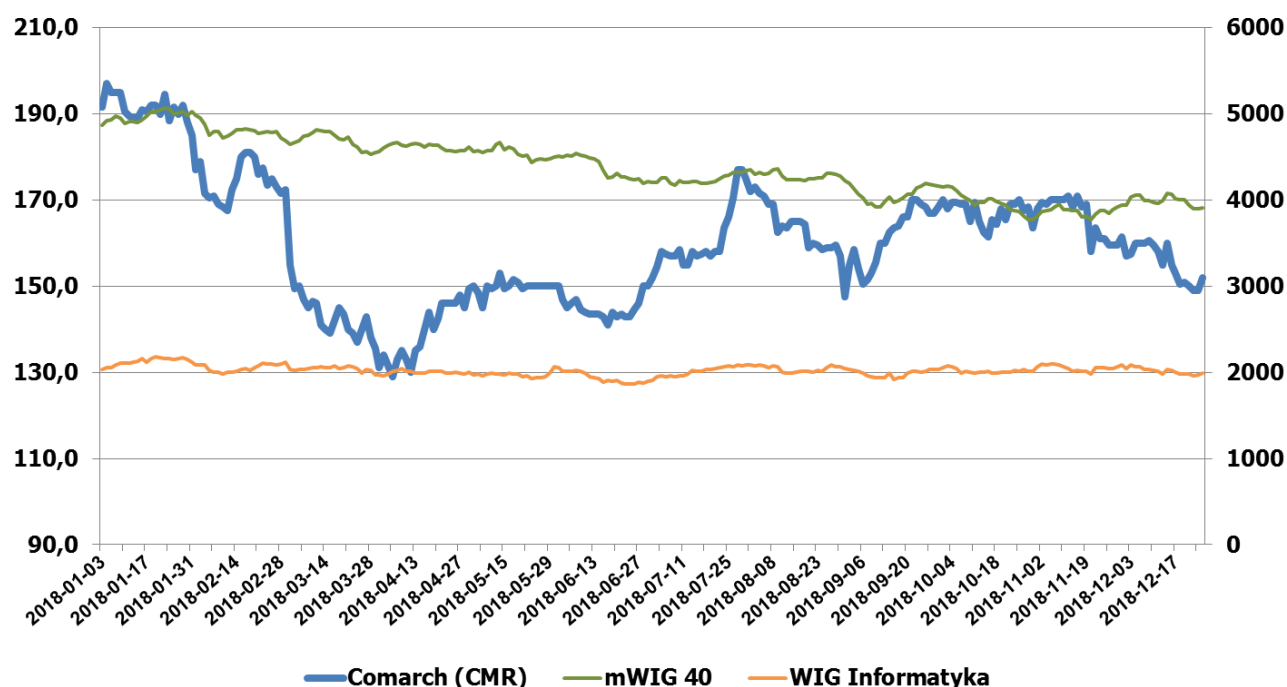
Geographical sales structure	Q1-Q4 2018	%	2017	%	Change in PLN	Change in %
Domestic (Poland)	633,580	46.4%	462,922	41.1%	170,658	36.9%
Export	731,374	53.6%	662,188	58.9%	69,186	10.4%
<b>Total</b>	<b>1,364,954</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>239,844</b>	<b>21.3%</b>



In the period of 12 months of 2018, the Group generated PLN 633,580 thousand of revenues from domestic sales by PLN 170,658 thousand (i.e. by 36.9%) more than in the corresponding period of 2017. Such a large increase was mainly due to the development of sales to clients from the public sector and the growing sales of ERP solutions in Poland.

The value of revenues from foreign sales in the period of 12 months of 2018 amounted to 731,374 thousand and was by PLN 69,186 thousand (i.e. by 10.4%) higher than in the corresponding period of the previous year and accounted for 53.6% of the Group's total revenues.

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



On the 31<sup>st</sup> of December, 2018, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange amounted to PLN 152 which is a 20% decrease compared to PLN 174.00 on the 31<sup>st</sup> of December, 2017. Group's results and Comarch S.A. stock price in the next quarters will depend in large part on the development of sales of Comarch proprietary products and services, shaped by economic and political conditions on the Polish and the European markets and on the financial situation of medium-sized and large enterprises (which constitute the Group's clients base). Currency exchange rates (EUR/PLN, USD/PLN, GBP/PLN and BRL/PLN) and the rate of increase in the remuneration of IT employees will also have significant impact on Group's results and Comarch S.A. stock price.

	12 months ended 31 December 2018 / 31 December 2018	12 months ended 31 December 2017 / 31 December 2017
Closing price at the balance sheet date	152.00	190.00
Average price during the reporting period	159.96	198.17
MIN price during the reporting period	129.00	160.60
MAX price during the reporting period	197.00	239.00
Average volume during the reporting period	3,236	4,592
Capitalization at the balance sheet date	1,236,269,048	1,545,336,310

	<i>Ratios for unconsolidated data</i>		
P/E at the balance sheet date		18.77	39.26
P/BV at the balance sheet date		1.45	1.94
P/S at the balance sheet date		1.28	2.05
	<i>Ratios for consolidated data</i>		
P/E at the balance sheet date		23.93	23.90
P/BV at the balance sheet date		1.41	1.85
P/S at the balance sheet date		0.91	1.37

#### 5.4. Events in the Fourth Quarter of 2018 that Greatly Impacted the Current Activities of the Comarch Group

None present.

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

None present.

## QUARTERLY SUMMARY OF COMARCH S.A. FINANCIAL STATEMENT FOR THE FOURTH QUARTER OF 2018

### I. Balance Sheet

ASSETS	31 December 2018	30 September 2018	30 June 2018	31 December 2017
<b>I. NON-CURRENT ASSETS</b>	<b>736,122</b>	<b>750,480</b>	<b>751,589</b>	<b>756,155</b>
1. Intangible assets	11,052	11,410	12,054	14,628
2. Property, plant and equipment	332,220	336,745	335,314	346,398
3. Non-current investments	383,826	393,561	395,352	386,122
3.1. Non-current financial assets	343,518	352,676	353,988	359,299
a) in related parties	342,583	351,007	353,505	356,182
b) in other entities in which the Company holds equity interests	0	150	150	280
c) in other entities	935	1,519	333	2,837
3.2 Real estates	40,265	40,842	41,321	26,780
3.3 Other non-current investment	43	43	43	43
4. Non-current prepayments	9,024	8,764	8,869	9,007
4.1 Deferred income tax assets	6,205	6,245	6,225	5,816
4.2 Other accruals	2,819	2,519	2,644	3,191
<b>II. CURRENT ASSETS</b>	<b>604,743</b>	<b>573,854</b>	<b>534,872</b>	<b>491,051</b>
1. Inventories	61,260	64,667	93,295	78,120
2. Current receivables	382,871	387,276	345,309	312,373
2.1 from related parties	233,034	264,573	222,615	184,106
2.2 from other entities in which the Company holds equity interests	151	108	364	560
2.3 from other entities	149,686	122,595	122,330	127,707
3. Current investments	70,762	28,002	18,751	57,670
3.1 Current financial assets	70,762	28,002	18,751	57,670
a) in related parties	508	407	322	322
b) in other entities in which the Company holds equity interests	-	-	5	303
c) in other entities	3,264	5,554	3,548	8,516
- interest and shares	-	-	-	-
- granted loans	-	367	373	-
- other current financial assets	3,264	5,187	3,175	8,516
d) cash and cash equivalents	66,990	22,041	14,876	48,529
4. Short-term prepayments	89,850	93,909	77,517	42,888
<b>TOTAL ASSETS</b>	<b>1,340,865</b>	<b>1,324,334</b>	<b>1,286,461</b>	<b>1,247,206</b>

EQUITY AND LIABILITIES	31 December 2018	30 September 2018	30 June 2018	31 December 2017
<b>I. EQUITY</b>	<b>850,396</b>	<b>853,202</b>	<b>793,344</b>	<b>796,984</b>
1. Share capital	8,133	8,133	8,133	8,133
2. Supplementary capital	680,501	680,501	680,501	653,363
3. Revaluation reserve	95,162	92,461	94,981	95,405
4. Other reserve capitals	745	745	745	745
5. Previous years' profit (loss)	-	-	-	-
6. Net profit (loss)	65,855	71,362	8,984	39,338
<b>II. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>490,469</b>	<b>471,132</b>	<b>493,117</b>	<b>450,222</b>
<b>1. Provisions for liabilities</b>	<b>133,093</b>	<b>95,458</b>	<b>98,790</b>	<b>122,701</b>
1.1 Provision for deferred income tax	23,733	23,698	23,203	25,255
1.2 Other provisions	109,360	71,760	75,587	97,446
a) current	109,360	71,760	75,587	97,446
<b>2. Non-current liabilities</b>	<b>152,343</b>	<b>155,790</b>	<b>160,202</b>	<b>154,762</b>
2.1 to related parties	28,240	28,131	27,657	22,472
2.2 to other entities in which the Company holds equity interests	-	-	-	-
2.3 to other entities	124,103	127,659	132,545	132,290
<b>3. Current liabilities</b>	<b>154,966</b>	<b>186,928</b>	<b>205,776</b>	<b>155,174</b>
3.1 to related parties	28,110	44,734	36,650	26,901
3.2 to other entities in which the Company holds equity interests	-	1	110	894
3.3 to other entities	125,443	140,218	166,538	125,780
3.4 Special funds	1,413	1,975	2,478	1,599
<b>4. Accruals</b>	<b>50,067</b>	<b>32,956</b>	<b>28,349</b>	<b>17,585</b>
4.1 Other accruals	50,067	32,956	28,349	17,585
a) current	50,067	32,956	28,349	17,585
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,340,865</b>	<b>1,324,334</b>	<b>1,286,461</b>	<b>1,247,206</b>
Book value	850,396	853,202	793,344	796,984
Number of shares	8,133,349	8,133,348	8,133,349	8,133,349
Book value per single share (PLN)	104.56	104.90	97.54	97.99
Diluted number of shares	8,133,349	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	104.56	104.90	97.54	97.99



## II. Income Statement

For period 01.01 – 31.12.2018 and 01.01 – 31.12.2017	Q4 2018	12 months ended 31 December 2018	Q4 2017	12 months ended 31 December 2017
<b>I. Net revenues from sales of products, goods and materials, including:</b>	<b>263,726</b>	<b>965,699</b>	<b>247,248</b>	<b>755,517</b>
- revenues from related parties	106,773	419,483	97,871	248,831
1. Net revenues from sales of products	248,710	874,108	237,289	713,775
2. Net revenues from sales of goods and materials	15,016	91,591	9,959	41,742
<b>II. Costs of products, goods and materials sold, including:</b>	<b>194,414</b>	<b>719,487</b>	<b>162,469</b>	<b>576,096</b>
- to related parties	9,536	35,703	7,874	32,887
1. Manufacturing cost of products sold	180,820	634,198	153,893	538,736
2. Value of products, goods and materials sold	13,594	85,289	8,576	37,360
<b>III. Gross profit (loss) on sales</b>	<b>69,312</b>	<b>246,212</b>	<b>84,779</b>	<b>179,421</b>
IV. Costs of sales	25,573	72,579	26,933	72,449
V. Administrative expenses	22,522	58,185	20,948	53,971
<b>VI. Profit (loss) on sales</b>	<b>21,217</b>	<b>115,448</b>	<b>36,898</b>	<b>53,001</b>
<b>VII. Other operating revenues</b>	<b>461</b>	<b>1,964</b>	<b>(698)</b>	<b>1,280</b>
1. Profit on disposal of non-financial non-current assets	245	687	174	444
2. Other operating revenues	216	1,277	(872)	836
<b>VIII. Other operating costs</b>	<b>4,192</b>	<b>10,737</b>	<b>6,514</b>	<b>13,748</b>
1. Loss on disposal of non-financial non-current assets	-	-	-	-
2. Cost of works financed in part with subsidies	462	2,265	687	5,285
3. Revaluation of non-financial assets	-	-	-	-
4. Other operating costs	3,730	8,472	5,827	8,463
<b>IX. Profit (loss) on operating activities</b>	<b>17,486</b>	<b>106,675</b>	<b>29,686</b>	<b>40,533</b>
<b>X. Financial revenues</b>	<b>2,392</b>	<b>10,845</b>	<b>6,485</b>	<b>26,971</b>
1. Interest, including:	180	491	112	451
- from related parties	161	334	30	176
2. Dividends and share in profits	-	3,070	-	107
- from related parties	-	3,070	-	107
3. Profit (loss) on disposal of investment	1,413	6,485	4,696	13,081
4. Revaluation of financial assets	-	-	(31)	(57)
5. Other	799	799	1,708	13,389
<b>XI. Finance costs</b>	<b>23,627</b>	<b>43,160</b>	<b>10,151</b>	<b>23,260</b>
1. Interest	944	3,632	632	2,796
- from related parties	204	675	198	736
2. Revaluation of investments	18,932	30,826	7,564	7,564
3. Loss on disposal of investments	-	-	-	-
4. Other	3,751	8,702	1,955	12,900
<b>XII. Profit (loss) on business activities</b>	<b>(3,749)</b>	<b>74,360</b>	<b>26,020</b>	<b>44,244</b>
<b>XIII. Gross profit (loss)</b>	<b>(3,749)</b>	<b>74,360</b>	<b>26,020</b>	<b>44,244</b>
XIV. Income tax	1,758	8,505	1,245	4,906
<b>XV. Net profit (loss)</b>	<b>(5,507)</b>	<b>65,855</b>	<b>24,775</b>	<b>39,338</b>

	12 months ended 31 December 2018	12 months ended 31 December 2017
Net profit (loss) (annualised)	65,855	39,338
Weighted average number of shares 01.01.2017 – 31.12.2017	8,133,349	8,133,349
Earnings (losses) per single share (PLN)	8.10	4.84
Diluted weighted average number of shares 01.01.2017 – 31.12.2017	8,133,349	8,133,349
Diluted earnings (losses) per single share (PLN)	8.10	4.84

### III. Changes in Equity

	Q4 2018	12 months ended 31 December 2018	Q4 2017	12 months ended 31 December 2017
I. Opening balance of equity	781,840	796,984	777,548	771,742
a) changes to adopted accounting principles (policies)	0	0	0	0
I. a. Opening balance of equity after adjustments	781,840	796,984	777,548	771,742
1. Opening balance of share capital	8,133	8,133	8,133	8,133
1.1 Changes in share capital	0	0	0	0
a) increases (due to)	0	0	0	0
- shares issue	0	0	0	0
<b>1.2 Closing balance of share capital</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>	<b>8,133</b>
2. Opening balance of supplementary capital	680,501	653,363	653,363	619,975
2.1 Changes in supplementary capital	0	27,138	0	33,388
a) increases (due to)	0	27,138	0	33,388
- profit-sharing for the previous years	0	27,138	0	33,388
<b>2.2 Closing balance of supplementary capital</b>	<b>680,501</b>	<b>680,501</b>	<b>653,363</b>	<b>653,363</b>
3. Opening balance of revaluation reserve	92,461	95,405	100,744	97,301
3.1 Changes in revaluation reserve	2,701	(243)	(5,339)	(1,896)
a) increases (due to)	(633)	58	(3,805)	445
- provision for deferred income tax due to certificates valuation	(633)	58	445	445
- balance sheet valuation of investment certificates	0	0	(4,250)	0
b) decreases (due to)	(3,334)	301	1,534	2,341
- balance sheet valuation of investment certificates	(3,334)	301	2,341	2,341
- provision for deferred income tax due to certificates valuation	0	0	(807)	0
<b>3.2 Closing balance of revaluation reserve</b>	<b>95,162</b>	<b>95,162</b>	<b>95,405</b>	<b>95,405</b>
4. Opening balance of capital from merger	0	0	0	0

<b>4.1 Closing balance of capital from merger</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5. Opening balance of other reserve capitals	745	745	745	745
<b>5.1 Closing balance of other reserve capitals</b>	<b>745</b>	<b>745</b>	<b>745</b>	<b>745</b>
6. Opening balance of previous years' profit	0	0	0	45,588
a) changes to adopted accounting principles (policies)	0	0	0	0
6.1 Opening balance of previous years' profit after adjustments	0	39,338	0	45,588
a) decreases (due to)	0	39,338	0	45,588
- transferring the result from the previous years to capital	0	27,138	0	33,388
- payment of dividend	0	12,200	0	12,200
<b>6.2 Closing balance of previous years' profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7. Result for Q1–Q3 2017 (opening balance)	71,362	0	14,563	0
7.1 Net result for the period	(5,507)	65,855,	24,775	39,338
<b>7.2. Net result</b>	<b>65,855</b>	<b>65,855</b>	<b>39,338</b>	<b>39,338</b>
<b>II. Closing balance of equity</b>	<b>850,396</b>	<b>850,396</b>	<b>796,984</b>	<b>796,984</b>
III. Equity including proposed profit-sharing (loss coverage)	850,396	850,396	796,984	796,984

## IV. Cash Flow Statement

For period 01.01 – 31.12.2018 and 01.01 – 31.12.2017	Q4 2018	12 months ended 31 December 2018	Q4 2017	12 months ended 31 December 2017
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	(5,507)	65,855	24,775	39,338
II. Total adjustments	79,769	17,256	(12,071)	7,652
1. Depreciation	11,215	43,436	9,764	38,052
2. Exchange gains (losses)	(8)	(227)	597	243
3. Interest and profit sharing (dividends)	1,061	204	1,263	2,917
4. (Profit) loss on investing activities	19,458	31,565	7,422	7,152
5. Change in provisions	13,874	9,982	31,072	55
6. Change in inventories	3,298	17,112	(17,998)	(34,848)
7. Change in receivables	5,085	(69,298)	(71,309)	(9,528)
8. Change in current liabilities, excluding credits and loans	(20,962)	(1,487)	25,062	17,775
9. Change in prepayments and accruals	46,748	(14,031)	(733)	(14,166)
10. Change in deferred income	-	-	2,789	-
11. Other adjustments	-	-	-	-
<b>III. Net cash used in operating activities (I+/-II) – indirect method</b>	<b>74,262</b>	<b>83,111</b>	<b>12,704</b>	<b>46,990</b>
<b>B. Cash flows from investing activities</b>				
I. Inflows	3,619	14,765	(12,058)	22,006
1. Disposal of property, plant and equipment and intangible assets	2,088	4,777	839	2,759
2. From financial assets, including:	1,531	9,988	(12,897)	19,247
a) in related parties	119	3,504	(17,593)	6,165
- repaid loans	81	322	505	5,886
- repaid interest on loans	112	112	172	172
- received loans	-	-	(18,127)	-
- received interest	(74)	-	(143)	-
- received dividends	-	3,070	-	107
b) in other entities	1,412	6,484	4,696	13,082
- interest	-	-	-	-
- dividends and share in profit	-	3,070	-	-
- other proceeds from financial assets	1,412	6,484	4,696	13,082
3. Other investment proceeds	-	-	-	-
II. Outflows	(17,937)	(72,501)	(22,897)	(109,429)
1. Purchase of property, plant and equipment and intangible assets	(10,931)	(55,073)	(21,425)	(96,533)
2. Expenses for investment in real estates	-	(2)	-	-

3. For financial assets, including:	(7,006)	(17,426)	(1,472)	(12,896)
a) in related parties	(7,006)	(17,426)	(1,472)	(12,896)
- purchase of financial assets	(1,443)	(1,783)	(4,570)	(12,129)
- granted non-current loans	(5,563)	(15,643)	-	(767)
- repayment of loans from related parties	-	-	3,048	-
- repayment of interest on loans	-	-	50	-
b) in other entities	-	-	-	-
4. Other investment expenses	-	-	-	-
<b>III. Net cash used in investing activities (I-II)</b>	<b>(14,318)</b>	<b>(57,736)</b>	<b>(34,955)</b>	<b>(87,423)</b>
<b>C. Cash flows from financing activities</b>				
I. Inflows	3,767	55,730	51,865	98,874
1. Credits and loans	3,399	54,928	49,643	96,244
2. Net proceeds from shares issue	-	-	-	-
3. Repaid loans	364	774	-	-
4. Interest received on paid loans	4	28	-	-
5. Other financial inflows	-	-	2,222	2,630
II. Outflows	(18,788)	(62,935)	(34,233)	(63,401)
1. Purchase of own shares (shares) + additional capital contributions	(680)	(680)	-	-
2. Dividends and other payments to owners	-	(12,200)	815	(12,200)
3. Repayment of loans and credits	(17,004)	(46,288)	(33,707)	(48,005)
4. Interest	(1,104)	(3,414)	(1,341)	(3,196)
5. Granted loans	-	(353)	-	-
6. Other financial expenses	-	-	-	-
<b>III. Net cash (used in)/generated from financing activities (I-II)</b>	<b>(15,021)</b>	<b>(7,205)</b>	<b>17,632</b>	<b>35,473</b>
<b>D. TOTAL net cash flow (A.III+/- B.III+/-C.III)</b>	<b>44,923</b>	<b>18,170</b>	<b>(4,619)</b>	<b>(4,960)</b>
E. Balance sheet change in cash and cash equivalents, including:	44,950	18,469	(5,248)	(5,261)
- change in cash and cash equivalents due to exchange differences	27	299	(629)	(301)
F. Cash and cash equivalents opening balance	22,039	48,520	53,768	53,781
<b>H. Closing balance of cash and cash equivalents (F+/- E), including:</b>	<b>66,989</b>	<b>66,989</b>	<b>48,520</b>	<b>48,520</b>
- limited disposal	(415)	1,341	186	1,686

## V. Additional Information and Commentary

### 1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29<sup>th</sup> of September, 1994, on Accounting (unified text - Journal of Laws, 2016, pos. 1,047 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29<sup>th</sup> of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for

recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018 pos. 757).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from the 1<sup>st</sup> of January, 2017, until the 31<sup>st</sup> of December, 2017. If this financial statement for the 12 months ended the 31<sup>st</sup> of December, 2018, was prepared according to IFRS, the financial results would amount to PLN 37,487 thousand.

Earnings according to Act on Accounting	65,855
Depreciation of perpetual usufruct	(93)
Assets due to activity in the SEZ	2,298
Correction of the result due to adoption IFRS 15	(30,573)
<b>Profit according to IFRS</b>	<b>37,487</b>

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

Over four quarters of 2018, Comarch S.A. created write-offs that revaluated goods, materials and finished products in the amount of PLN 102 thousand. The Company dissolved write-offs in the amount of PLN 210 thousand, which had been created in the previous years.

No hedges were made on inventories owned by the Company.

As at the 31<sup>st</sup> of December, 2018 in relation with payments of receivables, Comarch S.A. dissolved revaluating write-offs worth PLN 3,372 thousand and recognized write-offs worth PLN 8,332 thousand that revaluated bad debts.

Due to the fact that the Company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realized within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realized is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2018 an asset due to temporary differences in income tax worth PLN 389 thousand was recognized. A provision for deferred income tax due to temporary differences worth 14 PLN thousand was recognized, but a provision in the amount of PLN 1,478 thousand was dissolved. The total effect of these operations on the result of 2018 was plus PLN 1,854 thousand.

Provision for deferred income tax related to valuation of investment certificates in CCF FIZ was decreased by PLN 58 thousand. This provision as well as valuation of certificates are settled with revaluation reserve.

As at the 31<sup>st</sup> of December, 2018, Comarch S.A. created write-offs due the loss of value of shares in subsidiaries in the total amount of PLN 30,826 thousand, of which PLN 27,342 thousand is related to the shares in Comarch Pointshub, Inc. (due to revaluation of the shares held by Comarch Pointshub, Inc. in Thank Again LLC to the level of the probable sales value) and the amount of PLN 2,294 thousand in Comarch Software Spain SLU.

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

#### 3.1. Non-current Financial Assets

	31 December 2018	30 September 2018	30 June 2018	31 December 2017
a) in subsidiaries and correlated parties	342,583	351,007	353,505	356,182
- interest or shares	204,977	222,241	221,962	233,622
- loans granted	18,560	13,069	12,736	3,242
- other securities	119,046	115,712	118,824	119,347
- other non-current financial assets, including:	-	(15)	(17)	(29)
- interest on granted loans	-	(15)	(17)	(29)
b) in other entities in which the Company holds equity interests	-	150	150	280
- interest or shares	-	150	150	150
- loans granted	-	-	-	130
- other non-current financial asset, including	-	-	-	-
- interest on granted loans	-	-	-	-
c) in other entities	935	1,519	333	2,837
- other non-current financial assets (types)	935	1,519	333	2,837
- Forward contracts	935	1,519	333	2,837
<b>Total</b>	<b>343,518</b>	<b>352,676</b>	<b>353,988</b>	<b>359,299</b>

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

	Q4 2018	12 months ended 31 December 2018	Q4 2017	12 months ended 31 December 2017
<b>a) Opening balance</b>	<b>352,676</b>	<b>359,299</b>	<b>369,522</b>	<b>360,783</b>
- interests or shares	222,391	233,772	236,951	229,861
- loans granted	13,069	3,372	4,024	8,742
- other securities	115,712	119,347	125,939	121,688
- other non-current assets, including interest on granted loans	(15)	(29)	(16)	492
- others	1,519	2,837	2,624	0
<b>b) increases (due to)</b>	<b>7,143</b>	<b>17,855</b>	<b>(5)</b>	<b>14,605</b>
- purchases of shares in related parties	1,443	1,783	4,569	12,129
- loans granted to related parties	5,562	15,642	(421)	-
- change in the nature of loans on short-term (other entities in which the Company holds equity interests)	-	-	(140)	-
- due interest to non-current loans	27	117	25	131
- balance sheet valuation of non- current loans	21	36	-	-
- balance sheet and adjusted valuation of interest on loans	15	29	-	-
- valuation of forward contracts	-	-	213	2,345

- balance sheet valuation of investment certificates	-	-	(4,251)	-
- balance sheet valuation of shares	75	248	-	-
<b>c) decreases (due to)</b>	<b>16,301</b>	<b>33,636</b>	<b>10,218</b>	<b>16,089</b>
- repayment of related entities' loans	79	321	80	5,120
- repayment of other entities' loans in which the Company holds equity interest	-	-	80	80
- repayment of related parties' interest on loans	37	112	27	109
- repayment of other units' loans	-	130	-	-
- change in the nature of loans on short-term (related entities)	-	-	(80)	-
- valuation of participation units in CCF FIZ	(3,334)	301	2,341	2,341
- revaluation of shares	18,932	30,826	7,597	7,597
- valuation of derivatives	584	1,902	-	-
- balance sheet valuation of shares	-	-	151	621
- capitalization of interests	5	5	54	54
- balance sheet and adjusted valuation of interest on loans	-	-	6	10
- balance sheet valuation of loans and exchange differences realized in relation to repaid loans and from the balance sheet valuation	-	-	(17)	191
- creating revaluation write-offs on loans to related parties	13	39	28	-
- creating revaluation write-offs on interest on loans to related parties	(15)	-	(49)	(34)
<b>d) Closing balance</b>	<b>343,518</b>	<b>343,518</b>	<b>359,299</b>	<b>359,299</b>

### 3.3. Current Financial Assets

	31 December 2018	30 September 2018	30 June 2018	31 December 2017
a) in related parties	508	407	322	322
- loans granted	322	322	322	322
- other financial assets	186	85	-	-
b) in other entities in which the Company holds equity interests	-	-	5	303
- loans granted	-	-	-	280
- other financial assets	-	-	5	23
c) in other entities	3,264	5,554	3,548	8,516
- loans granted	-	-	-	-
- interest or shares	-	367	373	-
- other current financial assets, including:	3,264	5,187	3,175	8,516
- forward contracts	3,264	5,187	3,175	8,516
d) cash and cash equivalents	66,990	22,041	14,876	48,529



- cash in hand and at banks	66,989	22,039	14,875	48,520
- other monetary assets	1	2	1	9
<b>Total</b>	<b>70,762</b>	<b>28,002</b>	<b>18,751</b>	<b>57,670</b>

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

During the four quarters of 2018, Comarch S.A. reached revenue from sales in the amount of PLN 966,699 thousand, what constitutes an increase of 27.8% compared to that achieved in the analogous period in the previous year. Net sales of products constituted 90.5% of total Company's sales and were higher by PLN 160,333 thousand compared to that in 2017. In the four quarters of 2018, the Company's operating profit amounted to PLN 106,675 thousand and net profit was PLN 65,855 thousand. EBIT margin amounted to 11.0% and net margin was 6.8%.

In the fourth quarter of 2018, Comarch S.A. reached revenue from sales in the amount of PLN 263,726 thousand, which was a higher value to that achieved in Q4 2017 (amount of PLN 247,248 thousand). Net sales of products constituted 94.3% of total sales of the Company and were higher by PLN 11,421 thousand than in the similar period of 2017. The Company's operating profit achieved in Q4 2018 amounted to PLN 17,486 thousand, net result was minus PLN 5,507 PLN. EBIT margin was 6.6%, and net margin was minus 2.1%.

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

Except for the ones described in [point 2](#) of the financial statement, foreign exchange rate differences and financial instruments based on exchange rates had an impact on the financial result. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31<sup>st</sup> of December, 2018, increased revenue and operating profit of Comarch S.A. by PLN 6,044 thousand (while during the corresponding period in 2017 decreased by PLN 16,406 thousand). Exchange rate differences from other activities decreased the result of Comarch S.A. by PLN 5,245 thousand (while during the corresponding period in 2017 increased by PLN 3,879 thousand). The valuation of financial instruments and realised transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments, decreased Comarch S.A.'s net result by PLN 1,067 thousand (while in the corresponding period of 2017 they increased it by PLN 24,457 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of Comarch S.A. in 2018 amounted to minus PLN 268 thousand (plus PLN 11,930 thousand in 2017).

As at the 31<sup>st</sup> of December, 2018, Comarch S.A. created write-offs due the loss of value of shares in subsidiaries in the total amount of PLN 30,826 thousand, of which PLN 27,341 thousand is related to the shares in Comarch Pointshub, Inc. (due to revaluation of the shares held by Comarch Pointshub, Inc. in Thank Again LLC to the level of the probable sales value) and the amount of PLN 2,294 thousand in Comarch Software Spain SLU

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

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

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

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

Over four quarters of 2018, Comarch S.A. created write-offs that revaluated goods and materials and finished products in the amount of PLN 102 thousand. The Company dissolved write-offs in the amount of PLN 210 thousand, which had been created in the previous years.

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

Revaluating write-offs in relation to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>At 1 January 2017</b>	<b>82,612</b>	-	-	-	<b>82,612</b>
Change:	7,596	-	-	-	7,596
- creation	7,596	-	-	-	7,596
- dissolution	-	-	-	-	-
<b>At 31 December 2017</b>	<b>90,208</b>	-	-	-	<b>90,208</b>
<b>At 1 January 2018</b>	<b>90,208</b>	-	-	-	<b>90,208</b>
Change:	30,826	-	-	-	30,826
- creation	30,826	-	-	-	30,826
- dissolution	-	-	-	-	-
<b>At 31 December 2018</b>	<b>121,034</b>	-	-	-	<b>121,034</b>

As at December 31, 2018, Comarch S.A. made write-offs for impairment of shares in subsidiaries in the total amount of PLN 30,826 thousand, of which PLN 27,342 thousand refers to shares in Comarch Pointshub, Inc. (due to the revaluation of shares in Thanks Again LLC held by Comarch Pointshub, Inc.), and the amount of PLN 2,294 thousand of shares in Comarch Software Spain SLU.

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

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2017</b>	<b>12,290</b>	<b>9,508</b>	<b>18,473</b>	<b>60,545</b>	<b>100,816</b>
Change:	(2,533)	452	2,353	(3,642)	(3,370)
- creation	9,935	1,148	13,326	69,551	93,960
- dissolution	(12,468)	(696)	(10,973)	(73,193)	(97,330)
<b>At 31 December 2017</b>	<b>9,757</b>	<b>9,960</b>	<b>20,826</b>	<b>56,903</b>	<b>97,446</b>
<b>At 1 January 2018</b>	<b>9,757</b>	<b>9,960</b>	<b>20,826</b>	<b>56,903</b>	<b>97,446</b>
Change:	2,171	(2,067)	(173)	11,983	11,914
- creation	10,945	1,406	12,771	79,571	104,693
- dissolution	(8,774)	(3,473)	(12,944)	(67,587)	(92,778)
<b>At 31 December 2018</b>	<b>11,928</b>	<b>7,893</b>	<b>20,653</b>	<b>68,886</b>	<b>109,360</b>

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

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

	Asset due to deferred income tax	Provision due to deferred income tax
<b>At 1 January 2017</b>	<b>6,510</b>	<b>23,830</b>
Creation in Q1-Q4 2017	744	1,921
Dissolution in Q1-Q4 2017	(1,438)	(496)
<b>At 31 December 2017</b>	<b>5,816</b>	<b>25,255</b>
<b>At 1 January 2018</b>	<b>5,816</b>	<b>25,255</b>
Creation in Q1-Q4 2018	389	14
Dissolution in Q1-Q4 2018	-	1,536
<b>At 31 December 2018</b>	<b>6,205</b>	<b>23,733</b>

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

During the reporting period, Comarch S.A. purchased computer hardware for the amount of PLN 20,250 thousand, technical devices and equipment related to them for the amount of PLN 19,772 thousand and intangible assets for the amount of PLN 2,361 thousand. The Company also incurred expenditures for the construction of an office building in the amount of PLN 8,198 thousand.

As at the of 31<sup>st</sup> of December, 2018, revenue from sales of property, plant and equipment amounted to PLN 5,317 thousand.

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

As at the of 31<sup>st</sup> of December, 2018, Comarch S.A. holds an investment liabilities amounted to PLN 105 thousand related to the construction of an office building SSE7, liability due to purchase of computer hardware in the amount of PLN 522 thousand, liability due to purchase of cars in the amount of PLN 760 thousand and liability due to purchase of intangible assets in the amount of PLN 811 thousand.

Comarch S.A. also has liability due to acquisition of shares in the increased capital in its subsidiary, Comarch Pointshub Inc., in the amount of PLN 3,346 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 Individually or in Total are Significant and Concluded on Terms Different from Market Conditions**

None present.

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

None present.

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

None present.

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

None present.

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

On the 21<sup>st</sup> of May, 2018, in current report no. [RB-7-2018](#), ENG: [RB-7-2018](#) The Management Board of Comarch S.A. announced, that the Company's General Shareholders' Meeting gave a positive opinion on recommendation of the Management Board of Comarch S.A. regarding distribution of the net profit for 2017 in financial year from 1<sup>st</sup> of January, 2017 to 31<sup>st</sup> of December, 2017 in the amount of PLN 39,338,096.57 was divided in such a way that :

1) Part of the net profit in the amount of PLN 12,200,023.50 was paid as dividend. The dividend in the amount of PLN 1.50 per one share was received by person who are shareholders of the Company on August, 2018 (the dividend day). The number of shares covered by the dividend was 8,133,349 shares.

2) The remaining part of the net profit in the amount of PLN 27,138,073.07 was passed to supplementary capital.

On the 27<sup>th</sup> of June, 2018, Company's General Shareholders' Meeting adopted the resolution no. 9 related to distribution of the net profit for a period from 1<sup>st</sup> of January, 2017 to 31<sup>st</sup> of December, 2017, according to the details above ([RB-11-2018](#), ENG: [RB-11-2018](#) of the 27<sup>th</sup> of June, 2018). The dividend was paid at the 31<sup>st</sup> of August, 2018.

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

None present.

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

On the 31<sup>st</sup> of December, 2018, 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 81,163 thousand, whereas it was PLN 65,876 thousand on the 31<sup>st</sup> of December, 2017.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 40,448 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31<sup>st</sup> of December, 2018 and are worth PLN 5,873 thousand (while provisions for claims relating to the court proceedings created in 2018 amounted to PLN 76 thousand).

Comarch S.A. is the party to the matters in disputes, not covered by court proceedings, in which the potential total amount of third party claims is PLN 24,203 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31<sup>st</sup> of December, 2018 and are worth PLN 2,020 thousand, (while provisions for claims relating to the court proceedings created in 2018 amounted to PLN 1,330 thousand).

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

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

### Comarch S.A.

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