

corrected

FINANCIAL SUPERVISION AUTHORITY
CONSOLIDATED HALF-YEAR REPORT PSr 2016

year

(pursuant to §82 sec.2 and §83 sec. 3 of the Regulation issued by the Minister of Finance on 19th of January, 2009 - Journal of Laws no. 33, item 259) for issuers of securities managing production, construction, trade and services activities

for first half of financial year 2016 from	2016-01-01 to 2016-06-30
including consolidated annual financial statement according to	International Financial Reporting Standards (IFRS)
in currency	PLN
and condensed financial statement according to	Act on Accounting (Journal of Laws 2013, pos. 330)
in currency	PLN
date of publication	2016-08-31

COMARCH SA	
(full name of an issuer)	
COMARCH	Information Technology (IT)
(abbreviated name of issuer)	(sector according to WSE classification)
31-864	Kraków
(postal code)	(city)
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Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k.
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	H1 2016	H1 2015	H1 2016	H1 2015
DATA RELATED TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT				
I. Net revenues from sales	516,425	505,441	117,892	122,261
II. Operating profit (loss)	35,209	44,340	8,038	10,725
III. Profit before income tax	26,599	43,987	6,072	10,640
IV. Net profit attributable to shareholders	12,756	35,782	2,912	8,655
V. Cash flows from operating activities	16,487	9,519	3,764	2,303
VI. Cash flows from investing activities	-52,374	-42,861	-11,956	-10,368
VII. Cash flows from financing activities	-2,924	-562	-668	-136
VIII. Total net cash flows	-38,811	-33,904	-8,860	-8,201
IX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
X. Earnings per single share (PLN/EURO)	1.57	4.40	0.36	1.06
XI. Diluted earnings (losses) per single share (PLN/EURO)	1.57	4.40	0.36	1.06
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	344,870	343,267	78,728	83,033
XIII. Profit (loss) on operating activities	26,905	40,016	6,142	9,679
XIV. Gross profit (loss)	21,777	42,906	4,971	10,379
XV. Net profit (loss)	19,540	40,747	4,461	9,856
XVI. Cash flows from operating activities	-11,681	18,591	-2,667	4,497
XVII. Cash flows from investing activities	-27,661	-46,801	-6,315	-11,321
XVIII. Cash flows from financing activities	-8,967	2,219	-2,047	537

XIX. Total net cash flow	-48,309	-25,991	-11,028	-6,287
XX. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XXI. Earnings (losses) per single share (PLN/EURO)	4.48	8.19	1.02	1.98
XXII. Diluted earnings (losses) per single share (PLN/EURO)	4.48	8.19	1.02	1.98
EQUITIES				
XXIII. Equity attributable to shareholders (consolidated)	789,677	767,559	178,438	180,115
XXIV. Equity (dominant unit)	744,812	731,905	168,300	171,748

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 01.01.2016 to 30.06.2016: 4.3805;
- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2015 to 30.06.2015: 4.1341;
The balance sheet items were presented based on NBP average exchange rates as of the end of the period:
- 30.06.2016: 4.4255;
- 31.12.2015: 4.2615.
Values of equities (positions XXIII, XXIV) were presented as at the end of first six 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 half-year 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
PSr 2016 separate.pdf	Condensed interim financial statement of Comarch S.A.– Appendix No. 1
Report from review –separate.pdf	Report from review of condensed interim financial statement of Comarch Group – Appendix No. 2
PSr 2016 consolidated.pdf	Condensed interim consolidated financial statement – Appendix No. 3
Report from review –consolidated.pdf	Report from review of condensed interim consolidated financial statement – Appendix No. 4
Report regarding activities.pdf	Report of the Management Board regarding activities – Appendix No. 5
The Management Board's Statement regarding the Reliability of Financial Statement.pdf	The Management Board's Statement regarding the Reliability of Financial Statement - Appendix No. 6
The Management Board's Statement regarding Auditor Independence.pdf	The Management Board's Statement regarding Auditor Independence -Appendix No. 7

SIGNATURES OF PERSONS REPRESENTING COMPANY

Date	Name and surname	Position	Signature
2016-08-31	Konrad Tarański	Vice-President of the Management Board	
2016-08-31	Maria Smolińska	Proxy	

**REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2016**

To the Shareholders and the Supervisory Board of Comarch S.A.

We have conducted a review of the condensed interim financial report of Comarch S.A. with its registered office in Krakow, at Al. Jana Pawła II 39A, that included introduction to the financial statement, balance sheet as at the 30th of June, 2016, income statement, changes in equity (fund), cash flow statement for the period from the 1st of January, 2016, to the 30th of June, 2016, and additional information and annotations.

The Management Board of the Company takes responsibility for preparing the financial statement compliant with the binding law. Our task was to review the financial statement.

The review of the financial report was conducted in compliance with the regulations of the Act on Accounting dated the 29th of September, 1994 (Journal of Laws from 2013, pos. 330 and subsequent changes) and national standards for financial review, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the financial statement does not include significant errors.

This review has been conducted largely by analyzing data from the financial report, by inspecting the account books as well as by using information obtained from the Management Board and from personnel responsible for finance and accounting at the Company.

The scope and the method of review of the interim financial statement differ significantly from audit that expresses our opinion on the annual financial statement compliant with the accounting principles as well as on reliability and clarity of information included in this report; hence we do not present such opinion.

The review we have carried out did not indicate anything which could state that the audited condensed financial statement was not prepared compliant with the binding accounting regulations and in all significant aspects presents a true and fair view on the Company's equity and financial situation as at the 30th of June, 2016, and on the financial result from the 1st of January to 30th of June, 2016, compliant with the accounting principles specified in the above-mentioned Act and the provisions of the Regulation issued by the Minister of Finance on the 19th of February, 2009, 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 (Journal of Laws from 2014, pos. 133).

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Radosław Kuboszek
Key Expert Auditor
Conducting the review
Registration no. 90029

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

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Radosław Kuboszek - Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 31st of August, 2016

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I. Balance Sheet

(PLN'000)	30 June 2016	31 December 2015	30 June 2015
ASSETS			
I. Non-current assets	673,064	689,344	664,742
1. Intangible assets	9,367	10,469	10,643
2. Property, plant and equipment	262,815	258,116	256,579
3. Non-current investments	392,431	412,612	389,456
3.1. Non-current financial assets	363,473	382,917	359,034
a) in related parties	362,638	382,358	358,792
b) in other entities in which the Company holds equity interests	420	480	150
c) in other parties	415	79	92
3.2 Real estates	28,915	29,652	30,379
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	8,451	8,147	8,064
4.1 Deferred income tax assets	7,355	7,348	7,424
4.2 Other accruals	1,096	799	640
II. Current assets	376,953	427,964	345,444
1. Inventories	37,448	27,746	22,322
2. Current receivables	265,134	291,780	208,991
2.1 from related parties	144,483	148,358	98,191
2.2 from other entities in which the Company holds equity interests	575	233	115
2.3 from other entities	120,076	143,189	110,685
3. Current investments	24,464	71,127	63,937
3.1 Current financial assets	24,464	71,127	63,937
a) in related parties	315	110	1,059
b) in other entities	1,961	632	949
- interest and shares	1	1	1
- granted loans	-	-	153
- other current financial assets	1,960	631	795
c) cash and cash equivalents	22,188	70,385	61,929
4. Short-term prepayments	49,907	37,311	50,194
Total assets	1,050,017	1,117,308	1,010,186
EQUITY AND LIABILITIES			
I. Equity	744,812	731,905	712,221
1. Share capital	8,133	8,133	8,133
2. Supplementary capital	619,975	562,292	562,293
3. Revaluation reserve	96,419	103,052	100,303
4. Other reserve capitals	745	745	745
6. Previous years' profit (loss)	-	-	-
7. Net profit (loss)	19,540	57,683	40,747
II. Liabilities and provisions for liabilities	305,205	385,403	297,965
1. Provisions for liabilities	107,302	140,669	94,690
1.1 Provision for deferred income tax	23,855	25,412	24,795
1.2 Other provisions	83,447	115,257	69,895
a) current	83,447	115,257	69,895

2. Non-current liabilities	97,817	101,209	105,552
2.1 to related parties	2,858	3,530	3,563
2.2 to other entities in which the Company holds equity interests	-	-	-
2.3 to other entities	94,959	97,679	101,989
3. Current liabilities	87,072	131,535	92,239
3.1 to related parties	18,019	20,996	8,636
3.2 to other entities in which the Company holds equity interests	1,548	1,932	941
3.3 to other entities	65,064	107,152	80,449
3.4 Special funds	2,441	1,455	2,213
4. Accruals	13,014	11,990	5,484
4.1 Other accruals	13,014	11,990	5,484
a) current	13,014	11,990	5,484
TOTAL EQUITY AND LIABILITIES	1,050,017	1,117,308	1,010,186
Book value	744,812	731,905	712,221
Number of shares	8,133,349	8,133,349	8,133,349
Book value per share (w PLN)	91.58	89.99	87.57
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per share (w PLN)	91.58	89.99	87.57

II. Income Statement

For the period 01.01 – 30.06 (PLN'000)	Q2 2016*	6 months ended 30 June 2016	Q2 2015	6 months ended 30 June 2015
I. Net revenues from sales of products, goods and materials, including:	183,652	344,870	161,250	343,267
- revenues from related parties	55,912	89,148	40,586	86,071
1. Net revenues from sales of products	172,040	322,093	148,824	293,501
2. Net revenues from sales of goods and materials	11,612	22,777	12,426	49,766
II. Costs of products, goods and materials sold, including:	128,453	249,183	109,415	243,728
- to related parties	7,599	13,810	6,597	15,174
1. Manufacturing cost of products sold	117,628	228,957	98,191	196,249
2. Value of products, goods and materials sold	10,825	20,226	11,224	47,479
III. Gross profit (loss) on sales	55,199	95,687	51,835	99,539
IV. Costs of sales	17,892	31,172	16,053	30,097
V. Administrative expenses	11,515	20,320	11,577	20,510
VI. Profit (loss) on sales	25,792	44,195	24,205	48,932
VII. Other operating revenues	307	666	341	1,616
1. Profit on disposal of non-financial non-current assets	88	88	101	162
2. Other operating revenues	219	578	240	1,454
VIII. Other operating costs	14,609	17,956	6,787	10,532
1. Loss on disposal of non-financial non-current assets	-25	-	-	-
2. Cost of works financed in part with subsidies	3,029	5,623	2,994	5,860
3. Other operating costs	11,605	12,333	3,793	4,672
IX. Profit (loss) on operating activities	11,490	26,905	17,759	40,016
X. Financial revenues	-3,300	2,740	1,643	5,002
1. Interest, including:	241	581	358	863
- from related parties	220	421	227	359
2. Dividends and share in profits, including:	257	257	1,378	1,378
a) from related parties, including:	257	257	1,378	1,378
- in which the Company holds equity interests	257	257	1,378	1,378
3. Other	-3,798	1,902	-93	2,761
4. Profit on disposal of financial assets	-	-	-	-
- in related parties	-	-	-	-
XI. Finance costs	4,870	7,868	995	2,112
1. Interest	502	1,130	270	704
- from related parties	28	68	17	50
2. Revaluation of investments	5,912	5,912	220	220
3. Other	-1,476	579	361	397
4. Loss on disposal of financial assets	-68	247	144	791
- in related parties	-	-	-	-
XII. Profit (loss) on business activities	3,320	21,777	18,407	42,906
XIII. Gross profit (loss)	3,320	21,777	18,407	42,906
XIV. Income tax	1,241	2,237	1,766	2,159
XV. Net profit (loss)	2,079	19,540	16,641	40,747

Net profit (loss) (annualised)	36,476	66,533
Weighted average number of shares 01.07.2015 – 30.06.2016	8,133,349	8,126,589
Earnings (losses) per single share (PLN)	4.48	8.19
Diluted weighted average number of shares 01.07.2015 – 30.06.2016	8,133,349	8,126,589
Diluted earnings (losses) per single share (PLN)	4.48	8.19

*) Data for the second quarter of 2016 were calculated by subtraction of the data presented by the Group in the report for the first quarter of 2016 from the data for the first half of 2016 (reviewed).

III. Changes in Equity

(PLN'000)	6 months ended 30 June 2016	12 months ended 31 December 2015	6 months ended 30 June 2015
I. Opening balance of equity	731,905	677,089	677,089
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	731,905	677,089	677,089
1. Opening balance of share capital	8,133	8,125	8,125
1.1 Changes in share capital	-	8	8
a) increases (due to)	-	8	8
- shares issue	-	8	8
1.2 Closing balance of share capital	8,133	8,133	8,133
2. Opening balance of supplementary capital	562,292	521,244	521,244
2.1 Changes in supplementary capital	57,683	41,048	41,049
a) increases (due to)	57,683	41,048	41,049
- profit-sharing for the previous years	57,683	41,048	41,049
3.2 Closing balance of supplementary capital	619,975	562,292	562,293
4. Opening balance of revaluation reserve	103,052	105,926	105,926
4.1 Changes in revaluation reserve	-6,633	-2,874	-5,623
a) increases (due to)	1,555	674	1,319
- provision for deferred income tax due to certificates valuation	1,555	674	1,319
b) decreases (due to)	8,188	3,548	6,942
- balance sheet valuation of investment certificates	8,188	3,548	6,942
4.2 Closing balance of revaluation reserve	96,419	103,052	100,303
5. Opening balance of capital from merger	-	-	-
5.1 Closing balance of capital from merger	-	-	-
6. Opening balance of other reserve capitals	745	745	745
6.1 Closing balance of other reserve capitals	745	745	745
7. Opening balance of previous years' profit	57,683	41,049	41,049
a) changes to adopted accounting principles (policies)	-	-	-
7.1 Opening balance of previous years' profit after adjustments	57,683	41,049	41,049
a) decreases (due to)	57,683	41,049	41,049
- transferring the result from the previous years to capital	57,683	41,049	41,049
7.2 Closing balance of previous years' profit	-	-	-
8. Net result	19,540	57,683	40,747
a) Net profit	19,540	57,683	40,747
II. Closing balance of equity	744,812	731,905	712,221
III. Equity including proposed profit-sharing (loss coverage)	744,812	731,905	712,221

IV. Cash Flow Statement

For the period 01.01–30.06 (PLN'000)	6 months ended 30 June 2016	6 months ended 30 June 2015
A. Cash flows from operating activities		
I. Net profit (loss)	19,540	40,747
II. Total adjustments	-31,221	-22,156
1. Depreciation	17,595	14,555
2. Exchange gains (losses)	-12	-1,038
3. Interest and profit sharing (dividends)	1,094	-478
4. (Profit) loss on investing activities	5,602	58
5. Change in provisions	-31,811	-33,670
6. Change in inventories	-9,700	-1,483
7. Change in receivables	32,938	54,700
8. Change in current liabilities, excluding credits and loans	-35,051	-32,703
9. Change in prepayments and accruals	-11,876	-22,097
10. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	-11,681	18,591
B. Cash flows from investing activities		
I. Inflows	6,123	3,307
1. Disposal of property, plant and equipment and intangible assets	815	561
2. From financial assets, including:	5,308	2,746
a) in related parties	5,308	2,746
- repaid interests on loans	-	70
- repaid loans	4,711	1,298
- received loans	340	-
- dividends received from related parties	257	1,378
b) in other entities	-	-
3. Other investment proceeds	-	-
II. Outflows	-33,784	-50,108
1. Purchase of property, plant and equipment and intangible assets	-20,382	-27,066
2. For financial assets, including:	-13,398	-23,042
a) in related parties	-13,151	-22,251
- purchase of financial assets	-7,674	-1,406
- granted non-current loans	-4,798	-20,845
- repayment of loans	-422	-
- repayment of interest on loans	-257	-
b) in other entities	-247	-791
- other (loss on forward)	-247	-791
3. Expenditure on investment in real estate	-4	-
III. Net cash used in investing activities (I-II)	-27,661	-46,801
C. Cash flows from financing activities		
I. Inflows	6,388	10,004
1. Net inflows from issuance of shares and other instruments, as well as additional payment to capital	-	8
2. Credits and loans	6,365	9,700
3. Loans repaid	20	271
4. Interest received on loan repayments	3	25
5. Other financial inflows	-	-
II. Outflows	-15,355	-7,785
1. Repayment of loans and credits	-14,175	-6,789
2. Interest	-1,180	-996
3. Granted loans	-	-
III. Net cash (used in)/generated from financing activities (I-II)	-8,967	2,219

D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	-48,309	-25,991
E. Balance sheet change in cash and cash equivalents, including:	-48,196	-24,971
- change in cash and cash equivalents due to exchange differences	113	1,020
F. Cash and cash equivalents opening balance	70,383	86,896
H. Closing balance of cash and cash equivalents (F+/- E), including:	22,187	61,925
- limited disposal	6,125	4,618

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on the 29th of September, 1994, on Accounting (unified text - Journal of Laws 2013, pos. 330 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 19th of February, 2009, 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 (Journal of Laws, 2009, No. 33 pos. 259 and subsequent changes).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from the 1st of January, 2015, until the 31st of December, 2015. If this financial statement for the 6 months ended the 30th of June, 2016, was prepared according to IFRS, the financial results would amount to PLN 17,787 thousand.

Profit according to the Act on Accounting	19,540
Depreciation of perpetual usufruct	(46)
Asset due to activity in the SEZ	(1,707)
Managerial option	0

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 Current Asset Items

In the first half of 2016, Comarch S.A. didn't created new write-offs that revaluated goods and materials. The Company resolved write-offs in the amount of PLN 1 thousand, which had been created in the previous years.

No hedges were made on inventories owned by the Company.

As at the 30th of June, 2016, due to payments of receivables, Comarch S.A. resolved revaluating write-offs, which had been created in the previous years and were worth PLN 1,635 thousand and created write-offs worth PLN 1,249 thousand that revaluated bad debts. The write-off for impairment of long-term financial assets (shares, stock) was also created in the amount of PLN 5,912 thousand in the first half of 2016.

a) Due to the fact that the Company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2016, an asset due to temporary differences in income tax worth PLN 1,005 thousand was created, a part of this asset created at the 31st of December, 2015, worth PLN 998 thousand was resolved as well as a provision for deferred tax due to temporary differences in the amount of PLN 21 thousand was created and resolved in the amount of PLN 22 thousand. The total effect of these operations on the result of the first half of 2016 amounted to plus PLN 8 thousand.

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was diminished by PLN 1,556 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

3. Selected Notes to the Summary Financial Statement

3.1. NON-CURRENT FINANCIAL ASSETS	30 June 2016	31 December 2015	30 June 2015
a) in subsidiaries and correlated parties	362,908	382,688	358,942
- interest or shares	226,733	230,402	200,781
- granted loans	15,099	23,052	32,514
- other securities	120,096	128,284	124,891
- other non-current financial assets, including:	980	950	756
- interest on granted loans	980	950	756
b) in associates	150	150	-
c) in other entities	415	79	92
Non-current financial assets, TOTAL	363,473	382,917	359,034

3.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (BY TYPES)	6 months ended 30 June 2016	2015	6 months ended 30 June 2015
a) Opening balance	382,917	345,891	345,891
- interests or shares	230,552	199,594	199,594
- loans	23,052	13,956	13,956
- other securities	128,284	131,833	131,833
- other non-current assets (interest on granted loans)	950	508	508
- others	79	-	-
b) increases (due to)	8,232	79,721	21,738
- purchases of shares in subsidiaries	2,243	50,663	1,407
- loans granted to subsidiaries	4,798	26,965	19,764
- loans granted to other entities	-	390	-
- interest to long-term loans	423	670	381
- balance sheet and adjusted valuation long-term loans	420	181	94
- balance sheet and adjusted valuation of interest on long-term loans	12	-	-
- valuation of forward contracts	336	79	92
- resolving of write-off for impairment of loans	-	565	-
- resolving of write-off for impairment of interest	-	208	-
c) decreases (due to)	27,676	42,695	8,595
- repayment of subsidiaries' loans	4,711	18,919	1,298
- repayment of other entities' loans	-	60	-
- repayment of interest on subsidiaries' loans	343	362	70
- balance sheet valuation of loans	159	26	-
- balance sheet and adjusted valuation of interests on loans	-	-	17
- valuation of participation units in CCF FIZ	8,188	3,549	6,942
- balance sheet valuation of shares	-	19,705	-
- revaluation of shares in foreign currencies	5,912	-	220
- redemption of loans in subsidiaries	664	-	-
- redemption of interest on loans to subsidiaries	12	-	-
- creating write-offs revaluating loans	50	74	46
- creating write-offs revaluating interest on loans	7,416	-	2
- change of the nature of loans on short-term	221	-	-
d) Closing balance	363,473	382,917	359,034

3.3. CURRENT FINANCIAL ASSETS	30 June 2016	31 December 2015	30 June 2015
a) in subsidiaries and correlated parties	315	110	1,059
- loans granted	315	110	1,059
- other financial assets	-	-	-
b) in other entities	1,961	632	949
- loans granted	-	-	153
- interest and shares	1	1	1
- other current financial assets, including:	1,960	631	795
- forward contracts	1,960	631	795
c) cash and cash equivalents	22,188	70,385	61,929
- cash in hand and at banks	22,187	70,383	61,925
- other monetary assets	1	2	4
TOTAL current financial assets	24,464	71,127	63,937

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

In the first half of 2016, Comarch S.A. achieved favourable financial results. Revenue from sales were higher than in a previous year by 0.5% (PLN 344.9 million compared to PLN 343.3 million in the first half of 2015). Net sales of products constituted 93.4% of total Company's sales and were higher by PLN 28.6 million, i.e. 9.7% compared to the first half of 2015. In the first half of 2015, the Company generated operating profit in the amount of PLN 26.9 million and net profit was PLN 19.5 million. EBIT margin reached level of 7.8% and net margin was 5.7%.

In the second quarter of 2016, Comarch S.A. achieved PLN 183.7 million from sales (an increase of 13.9% compared to the second quarter of 2015). Net revenue from sales of products constituted 93.7% of total Company's sales and were higher by PLN 23.2 million compared to the second quarter of 2015. The Company's operating profit in Q2 2016 amounted to PLN 11.5 million and net profit was PLN 2.1 million. EBIT margin amounted to 6.3% and net margin was 1.1%.

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

None were present, except for the ones described in point 2 of the financial statement.

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

Over 2015, Comarch Group revenue structure was as follows: 24% of annual sales were achieved in the first quarter, 22% in the second quarter, 20% in the third quarter and 34% in the fourth quarter. Over 2016, the Company expects the distribution of sales revenue similar to that of 2015.

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

In H1 2016, Comarch S.A. didn't create new write-offs that revaluated goods and materials. The Company resolved write-offs in the amount of PLN 1 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 relations to impairment of:	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2015	37,933	2,914	-	-	40,847
Change:	220	-	-	-	220
-creation	220	-	-	-	220
-dissolution	-	-	-	-	-
Balance at 30 June 2015	38,153	2,914	-	-	41,067

Revaluating write-offs in relations to impairment of:	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2015	37,933	2,914	-	-	40,847
Change:	19,706	(39)	-	-	19,667
-creation	19,706	-	-	-	19,706
-dissolution	-	(39)	-	-	(39)
Balance at 31 December 2015	57,639	2,875	-	-	60,514

Revaluating write-offs in relations to impairment of:	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2016	57,639	2,875	-	-	60,514
Change:	13,378	-	-	-	13,779
-creation	13,378	-	-	-	13,779
-dissolution	-	-	-	-	-
Balance at 30 June 2016	71,017	2,875	-	-	73,893

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

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2015	18,610	8,694	14,593	61,711	103,608
Change:	(3,288)	39	4,577	(35,041)	(33,713)
-creation	4,030	227	6,608	20,114	30,979
-dissolution	(7,318)	(188)	(2,031)	(55,155)	(64,692)
Balance at 30 June 2015	15,322	8,733	19,170	26,670	69,895

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2015	18,610	8,694	14,593	61,711	103,608
Change:	(936)	570	1,609	10,406	11,649
-creation	13,928	3,203	10,010	85,485	112,626
-dissolution	(14,864)	(2,633)	(8,401)	(75,079)	(100,977)
Balance at 31 December 2015	17,674	9,264	16,202	72,117	115,257

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2016	17,674	9,264	16,202	72,117	115,257
Change:	(3,264)	(134)	6,430	(34,842)	(31,810)
-creation	2,434	8	9,100	17,185	28,727
-dissolution	(5,698)	(142)	(2,670)	(52,027)	(60,537)
Balance at 30 June 2016	14,410	9,130	22,632	37,275	83,447

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	
At 1 January 2015	6,733
Creation in I-VI 2015	694
Dissolution in I-VI 2015	(3)
At 30 June 2015	7,424
Provision due to deferred income tax	
At 1 January 2015	26,071
Creation in I-VI 2015	65
Dissolution in I-VI 2015	(1,341)
At 30 June 2015	24,795

Asset due to deferred income tax	
At 1 January 2015	6,733
Creation in I-XII 2015	1,094
Dissolution in I-XII 2015	(479)
At 31 December 2015	7,348
Provision due to deferred income tax	
At 1 January 2015	26,071
Creation in I-XII 2015	73
Dissolution in I-XII 2015	(732)
At 31 December 2015	25,412

Asset due to deferred income tax	
At 1 January 2016	7,348
Creation in I-VI 2016	1,005
Dissolution in I-VI 2016	(998)
At 30 June 2016	7,355
Provision due to deferred income tax	
At 1 January 2016	25,412
Creation in I-VI 2016	21
Dissolution in I-VI 2016	(1,578)
At 30 June 2016	23,855

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

In the first half of 2016, Comarch S.A. purchased computer hardware for the amount of PLN 9,244 thousand, land for the amount of PLN 3,831 thousand and intangible assets for the amount of PLN 1,265 thousand.

In the first half of 2016, revenue from sales of property, plant and equipment amounted to PLN 320 thousand.

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

As at the 30th of June, 2016, Comarch S.A. has investment liabilities in the amount of PLN 1,696 thousand related to the construction of an office building SSE7 and Platforma Bezpieczeństwa Comarch (SOC – Comarch Security Platform), liabilities due to purchase of computer hardware in the amount of PLN 890 thousand as well as liabilities due to purchase of intangible assets in the amount of PLN 175 thousand.

Comarch S.A. has also liabilities due to acquisition of shares in increased share capital of subsidiary, Comarch Pointshub Inc., in the amount of PLN 3,542 thousand. Settlement of this liability is expected by the 31st of December, 2016.

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 Recognised in Fair Value or in Adjusted Purchase Price (Depreciated Cost)

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital). At the date of this report, the capital increase as well as changes in the Articles of Association related to the capital increase have not been registered in the National Court.

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

As at the 30th of June, 2016, 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 45,463 thousand, whereas it was PLN 48,740 thousand as at the 31st of December, 2015.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 60,931 thousand of which PLN 7,603 thousand is covered by provisions included in the balance sheet at the 30th of June, 2016 (although provisions for claims related to the court proceedings were not created in 2016).

The Comarch S.A. is a party to the matters in disputes, but not legal proceedings, in which the potential total amount of third party claims is PLN 13,400 thousand. Claims by third parties in relation to matters of dispute were not covered by provisions as at the 30th of June, 2016.

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

None present, except for the ones described in point 2 of the financial statement.

31th of August, 2016

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Marcin Dąbrowski	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Andrzej Przewięźlikowski	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

NAME AND SURNAME	POSITION	SIGNATURE
Maria Smolińska	Head Accountant	

REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2016

To the Shareholders and the Supervisory Board of Comarch S.A.

We have conducted a review of the condensed interim consolidated financial report of the Comarch Capital Group's, where Comarch S.A. with its registered office in Krakow, at Al. Jana Pawła II 39A is the parent company, including consolidated balance sheet as at the 30th of June, 2016, income statement and total income consolidated statement, changes in consolidated equity, consolidated cash flow statement for the period from the 1st of January, 2016, to the 30th of June, 2016, and additional information, including information on adopted accounting policy and other annotations.

The Management Board and the Supervisory Board of the parent company take responsibility for preparing of this consolidated report compliant with International Accounting Standard 34 "Interim Financial Reporting", as approved by the European Union ("IAS 34") and with other binding regulations. Our task was to review this consolidated financial statement.

The review of the financial report was prepared and conducted in compliance with the national standards for financial review, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the consolidated financial statement does not include significant errors.

This review has been conducted largely by analyzing data from the financial statement, by inspecting the account books as well as by using information obtained from the managing persons and from personnel responsible for finance and accounting at the Group.

The scope and the method of review of the condensed interim financial statement differ significantly from audit that expresses our opinion on the annual financial statement compliant with the accounting principles as well as on reliability and clarity of information included in this report; hence we do not present such opinion.

The review we have carried out did not indicate anything which could state that the condensed interim consolidated financial report was not prepared compliant in all significant aspects with International Accounting Standard 34 “Interim Financial Reporting” as approved by the European Union.

.....
Radosław Kuboszek
Key Expert Auditor
Conducting the review
Registration no. 90029

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....
Radosław Kuboszek - Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 31st of August, 2016

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I. Consolidated Balance Sheet

	Note	30 June 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3.2	448,606	422,566
Investment real estates	3.3	15,831	17,063
Goodwill	3.4	40,735	40,735
Other intangible assets	3.5	63,134	66,474
Non-current prepayments		1,875	819
Investments in associates	3.6	18,257	23,177
Other assets at fair value - derivatives	3.9a	415	79
Other investments		106	106
Deferred income tax assets	3.19	30,481	33,432
Other non-current receivables		1,659	1,548
		621,099	605,999
Current assets			
Inventories	3.7	68,209	51,413
Trade and other receivables	3.10	324,572	385,375
Current income tax receivables		8,387	7,143
Long-term contracts receivables	3.14	55,536	32,440
Available-for-sale financial assets	3.8	-	-
Other financial assets at fair value – derivatives	3.9a	1,960	664
Interest and shares		1	1
Cash and cash equivalents		187,400	221,793
		646,065	698,829
TOTAL ASSETS		1,267,164	1,304,828
EQUITY			
Capital and reserves attributable to the company's shareholders			
Share capital	3.11	8,133	8,133
Other capitals		148,226	148,226
Exchange differences		15,871	6,509
Net profit for the current period		12,756	79,651
Retained earnings		604,691	525,040
		789,677	767,559
Minority interest		14,257	13,022
Total equity		803,934	780,581
LIABILITIES			
Non-current liabilities			
Credit and loans	3.15	115,847	113,540
Other liabilities		83	83
Financial liabilities at fair value - derivatives	3.9b	3,195	1,411
Other financial liabilities	3.16	32	33
Provision for deferred income tax	3.19	40,574	37,619
Provisions for other liabilities and charges	3.20	-	-
		159,731	152,686
Current liabilities			
Trade and other payables	3.13	127,098	150,898
Current income tax liabilities		8,771	13,010
Long-term contracts liabilities	3.14	20,219	26,176
Credit and loans	3.15	25,114	24,152
Financial liabilities at fair value - derivatives	3.9b	2,329	1,639
Other financial liabilities	3.16	2,038	7,939
Provisions for other liabilities and charges	3.20	117,930	147,747
		303,499	371,561
Total liabilities		463,230	524,247
TOTAL EQUITY AND LIABILITIES		1,267,164	1,304,828

II. Consolidated Income Statement

	Q2 2016*	6 months ended 30 June 2016	Q2 2015	6 months ended 30 June 2015
Revenue	273,269	516,425	259,108	505,441
Cost of sales	(184,286)	(366,389)	(177,396)	(360,256)
Gross profit	88,983	150,036	81,712	145,185
Other operating income	3,330	8,409	(277)	1,545
Sales and marketing costs	(36,339)	(62,997)	(32,185)	(56,812)
Administrative expenses	(20,463)	(40,791)	(22,022)	(40,144)
Other operating expenses	(12,568)	(19,448)	(1,817)	(5,434)
Operating profit	22,943	35,209	25,411	44,340
Finance revenue/(costs) - net	(5,637)	(4,037)	(3,987)	(90)
Share of profit /(loss) of associates	(1,439)	(4,573)	147	(263)
Profit / (loss) before income tax	15,867	26,599	21,571	43,987
Income tax expense	(9,385)	(12,646)	(4,047)	(7,679)
Net profit for the period	6,482	13,953	17,524	36,308
Attributable to:				
Shareholders of the parent company	5,579	12,756	17,011	35,782
Interests not entitled to control	903	1,197	513	526
Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)				
- basic		1.57		4.40
- diluted		1.57		4.40

III. Total Income Consolidated Statement

	Q2 2016*	6 months ended 30 June 2016	Q2 2015	6 months ended 30 June 2015
Net profit for the period	6,482	13,953	17,524	36,308
Other total income				
Currency translation differences from currency translation in related parties	8,879	9,400	834	(534)
Total other total income	8,879	9,400	834	(534)
Sum of total income for the period	15,361	23,353	18,358	35,774
Attributable to the parent company's shareholders	14,418	22,118	17,846	35,260
Attributable to the interests not entitled to control	943	1,235	512	514

*) Data for the second quarter of 2016 were calculated by subtraction of the data presented by the Group in the report for the first quarter of 2016 from the data for the first half of 2016 (reviewed).

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
Balance at 1 January 2015	8,125	148,226	6,917	67,894	457,146	12,385	700,693
Transferring result for 2014	-	-	-	(67,894)	67,894	-	-
Increase in share capital	8	-	-	-	-	-	8
Subsidiaries' result dedicated to general partners outside Group	-	-	-	-	-	-	-
Dividend to be paid	-	-	-	-	-	-	-
Capital from valuation of the managerial option	-	-	-	-	-	-	-
Exchange rates differences ¹	-	-	(522)	-	-	(12)	(534)
Profit/(loss) for the period ²	-	-	-	35,782	-	526	36,308
Total income recognised in equity ⁽¹⁺²⁾	-	-	(522)	35,782	-	514	35,774
Balance at 30 June 2015	8,133	148,226	6,395	35,782	525,040	12,899	736,475
Balance at 1 January 2016	8,133	148,226	6,509	79,651	525,040	13,022	780,581
Transferring result for 2015	-	-	-	(79,651)	79,651	-	-
Increase in share capital	-	-	-	-	-	-	-
Subsidiaries' result dedicated to general partners outside Group	-	-	-	-	-	-	-
Dividend to be paid	-	-	-	-	-	-	-
Capital from valuation of the managerial option	-	-	-	-	-	-	-
Exchange rates differences ¹	-	-	9,362	-	-	38	9,400
Profit/(loss) for the period ²	-	-	-	12,756	-	1,197	13,953
Total income recognised in equity ⁽¹⁺²⁾	-	-	9,362	12,756	-	1,235	23,353
Balance at 30 June 2016	8,133	148,226	15,871	12,756	604,691	14,257	803,934

As at the 30th of June, 2016, there is no reason to make dividend payments for 2015 to entities outside the Group.

V. Consolidated Cash Flow Statement

	6 months ended 30 June 2016	6 months ended 30 June 2015
Cash flows from operating activities		
Net profit (loss)	13,953	36,308
Total adjustments	15,450	(15,992)
Share in net (gains) losses of related parties valued using the equity method of accounting	4,573	263
Depreciation	32,577	25,157
Exchange gains (losses)	(3,873)	(3,556)
Interest and profit-sharing (dividends)	1,991	1,049
(Profit) loss on investing activities	1,841	771
Change in inventories	(13,608)	5,630
Change in receivables	63,086	29,534
Change in liabilities and provisions excluding credits and loans	(70,856)	(74,972)
Other adjustments	(281)	132
Net profit less total adjustments	29,403	20,316
Income tax paid	(12,916)	(10,797)
Net cash used in operating activities	16,487	9,519
Cash flows from investing activities		
Purchases of property, plant and equipment	(38,088)	(32,530)
Proceeds from sale of property, plant and equipment	-	485
Purchases of intangible assets	(7,480)	(6,533)
Proceeds from disposal of investment in real estates and intangible assets	2,872	1
Expenses for investment in real estates	(4,129)	(1,272)
Expenses for purchase of financial assets	(5,901)	(300)
Proceeds from sales of available-for-sale financial assets	-	-
Granted loans	(60)	(3,800)
Repayment of granted loans	810	254
Interest	150	401
Other investment expenses	(376)	(76)
Other investment proceeds	75	-
Other expenditures on financial assets	(247)	(791)
Other proceeds from financial assets	-	1,300
Net cash used in investing activities	(52,374)	(42,861)
Cash flows from financing activities		
Proceeds from contracted credits and loans	16,500	9,725
Repayments of credits and loans	(18,029)	(9,298)
Proceeds from repayment of granted loans	83	272
Net proceeds from issuance of shares and other capital instruments	-	8
Received interest on loans	6	-
Other interest and expenses	(1,442)	(1,271)
Payment of financial lease liabilities	(42)	-
Other financial proceeds	-	2
Net cash (used in)/generated from financing activities	(2,924)	(562)
Net change in cash, cash equivalents and bank overdrafts	(38,811)	(33,904)
Cash, cash equivalents and bank overdrafts at beginning of the period	221,781	232,436
Positive (negative) exchange differences in cash and bank overdrafts	4,425	1,344
Cash, cash equivalents and bank overdrafts at end of the period	187,395	199,876
- including limited disposal	8,546	8,074

VI. Supplementary Information

1. Information about Group Structure and Activities

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

1.1. Organisational Structure of Comarch Group

On the 30th of June, 2016, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow in Poland,
- Comarch AG with its registered office in Dresden in Germany (100%),
 - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
 - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG*),
 - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
- Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (100%),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
 - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Espace Connecté Inc. with its registered office in Montreal in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Technologies Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),
 - Comarch Colombia S.A.S. with its registered office in Bogota in Colombia (100% subsidiary of Comarch Software Spain S.L.U.),
- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch SRL with its registered office in Milan in Italy (100%),
- Comarch Malaysia SDN. BHD. with its registered office in Kuala Lumpur in Malaysia (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Pointshub, Inc. with its registered office in Rosemont, IL, USA (100%),
- Comarch AB with its registered office in Stockholm in Sweden (100%),
- Comarch Argentina S.A. with its registered office in Buenos Aires in Argentina (95% subsidiary of Comarch S.A., 5% subsidiary of Comarch AG),
- Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
 - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (25.00% votes held by CCF FIZ; 75.00% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any

- votes),
- Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A (66.67% votes held by Bonus Management spółka z ograniczoną odpowiedzialnością SK-A; 33.33% votes held by MKS Cracovia SSA),
 - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Healthcare S.A. with its registered office in Krakow in Poland (77.08% votes held by CCF FIZ, 22.92% votes held by CASA Management and Consulting sp. z o.o. SKA),
 - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Pointshub S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Infrastruktura S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
 - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

() including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group*

On the 30th of June, 2016, associates of the parent company are:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A),
- 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. Changes in Ownership and Organisational Structure in H1 2016

On the 15th of January, 2016, a share capital of Comarch SRL was increased from EUR 200 thousand to EUR 700 thousand, i.e. EUR 500 thousand (PLN 2,203,750 at the exchange rate of the 15th of January, 2016).

On the 22th of January, 2016, a share capital increase of Comarch Management sp. o.o. to the amount of PLN 300 thousand was registered in the National Court.

On the 9th of February, 2016, the Management Board of Comarch AG adopted an oral resolution on approval of the acquisition from Comarch S.A. of 5,000 shares of Comarch Argentina S.A., i.e. 5% of the share capital. On the 15th of February, 2016, the Management Board resolution has been confirmed in writing and then on the 25th of April, 2016, the notary confirmed authenticity of handwritten signatures of the members of the Management Board on this resolution. As a result of the above mentioned operations, shareholders of Comarch Argentina S.A. are Comarch S.A. (95% of the share capital) and Comarch AG (5% of the share capital).

On the 4th of April, 2016, a resolution was passed to increase the share capital of Comarch Sistemas LTDA from the amount of BRL 1 thousand to BRL 1,000 thousand. Comarch AG

purchased 799,200 shares at a nominal price BRL 1 (PLN 1.0480 at the exchange rate of 4.04.2016) each and currently holds 80% of shares with a total value of BRL 800 thousand, while Comarch Software und Beratung AG acquired 199,800 shares at the nominal price of BRL 1 each and currently holds a 20% stake with a total value of BRL 200 thousand. The capital increase was registered on the 14th of April, 2016.

On the 4th of May, 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S. The target capital of the company amounts to COP 3,600,000,000 (i.e. PLN 4,726,800 at the exchange rate of 4.05.2016) and consists of 3,600,000 shares with a nominal value of COP 1,000 each. On the day of publication of the report, the share capital amounts to COP 182,000,000 (i.e. PLN 238,966 at the exchange rate of 4.05.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

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

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital). At the date of this report, the capital increase as well as changes in the Articles of Association related to the capital increase have not been registered in the National Court.

2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the six months ended the 30th of June, 2016 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 6 months ended the 30th of June, 2016, 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 period from the 1st of January, 2015, until the 31st of December, 2015, ("the Interim IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from the 1st of January, 2015, until the 31st of December, 2015, (the notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31st of December, 2015).

The Interim Consolidated Financial Statement for the 6 months ended the 30th of June, 2016, 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 6 months ended the 30th of June, 2016, is prepared in thousands of Polish zloty ("PLN") and was authorised for issuance by the Management Board on 31st of August, 2016.

Standards and interpretations applied in 2016 for the first time

The following standards, amendments to existing standards and interpretations issued by the International Accounting Standards Board (IASB) and approved for use in the EU enter into force for the first time in 2016:

- **IFRS 11 "Joint Arrangements"** - Accounting for the acquisition of shares in joint operations - approved by the EU on the 24th of November, 2015 (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - The initiative in relation to disclosures - approved by the EU on the 18th of December, 2015 (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation - approved by the EU on the 2nd of December, 2015 (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants - approved by the EU on the 23rd of November, 2015 (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - approved by the EU on the 17th of December, 2014 (effective for annual periods beginning on or after the 1st of February, 2015),
- **Amendments to IAS 27 "Separate Financial Statements"** - Equity method in the separate financial statements - approved by the EU on the 18th of December, 2015 (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to various standards "Improvements to IFRS (period 2010-2012)"** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38). The purpose of these annual improvements is to resolve inconsistencies and clarify guidance or wording - approved by the EU on the 17th of December, 2014 (effective for annual periods beginning on or after the 1st of February, 2015),
- **Amendments to various standards "Annual Improvements (period 2012-2014)"** – adopted within the frame of annual improvements process to IFRS (IFRS 5, IFRS 7, IAS 19, and IAS 34). The purpose of these annual improvements is to resolve inconsistencies and clarify guidance or wording - approved by the EU on the 15th of December, 2015 (effective for annual periods beginning on or after the 1st of January, 2016).

The above mentioned standards, interpretations and amendments to standards did not have a material effect on the Company's accounting policy and Group's financial report for 2016.

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

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 31st of August, 2016, (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after the 1st of January, 2018),

- **IFRS 14 „Regulatory Deferral Accounts”** (effective for annual periods beginning on or after the 1st of January, 2016) - The European Commission has decided not to initiate the process of approval of this temporary standard for use in the EU until a final version of IFRS 14,
- **IFRS 15 "Revenue from Contracts with Customers"** and subsequent changes (effective for annual periods beginning on or after the 1st of January, 2018),
- **IFRS 16 " Leasing"** (effective for annual periods beginning on or after the 1st of January, 2019),
- **Amendments to IFRS 2 "Payments based on shares"** - Classification and measurement of share-based payment (effective for annual periods beginning on or after the 1st of January, 2018), the amendment has been added on the 20th of June, 2016.
- **Amendments to IFRS 10 “Consolidated Financial Statement”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in associates and joint ventures”** – investments units: use of the exemption from consolidation (effective for annual periods beginning on or after the 1st of January, 2016),
- **Amendments to IFRS 10 “Consolidated Financial Statement” and IAS 28 “Investments in associates and joint ventures”** – sales or contribution of assets between the investor and the associate or joint venture and the subsequent changes (date of entry into force of amendments has been postponed until the end of the research on the equity method),
- **Amendments to IAS 7 “Statement of cash flows”** - The initiative in relation to disclosures (effective for annual periods beginning on or after the 1st of January, 2017),
- **Amendments to IAS 12 “Income tax”** - Recognition of deferred income tax on unrealized losses (effective for annual periods beginning on or after the 1st of January, 2017).

The Management Board of Comarch S.A. anticipates that the application of IFRS 15 and IFRS 16 may have a future impact on the amounts and disclosures presented in the consolidated financial statements of the Group. But there is no opportunity to present reliable estimates on the impact of IFRS 15 or IFRS 16 until the Group did not carry out a detailed analysis in this respect. According to the parent Company's estimates, the other aforementioned standards, interpretations and amendments to standards would not have a material impact on the financial statements, if would be applied as at the balance sheet date.

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 have significant impact on the financial statements, if applied as at the balance sheet date.

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, as well as sales of IT hardware (hereinafter referred to as the "IT Segment"),
- professional sports (hereinafter referred to as the "Sport Segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estate investment, (hereinafter referred to as the "Investment Segment"),
- activity in relation to medical services (hereinafter referred to as the "Medicine Segment").

Please note, that the "Medicine Segment" has been reclassified in the Q1-Q4 2015 report. Currently the "Medicine Segment" presents the results of business related to providing medical services by iMed24 Medical Center. Activities related to software production and providing services for the customers in the "Medicine Segment" is presented in the IT segment. Analogical adjustments were introduced in the presentation of comparable data.

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

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

The Group's sales is highly diversified and there is no dependency on a single customer. Within 6 months of 2016 the share of none of the customer exceeded 10% of total sales of the Comarch Group.

Over 2015, Comarch Group revenue structure was as follows: 22% of annual sales were achieved in the first quarter, 23% in the second quarter, 20% in the third quarter and 35% in the fourth quarter. Over 2016, the Group expects the distribution of sales revenue similar to that of 2015.

Revenue, costs and financial result

6 months ended 30 June 2015	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	315,282	106,422	71,952	420	9,318	3,502	-	506,896
<i>including:</i>								
<i>revenues from sales</i>	314,778	106,234	71,700	158	9,094	3,477	-	505,441
<i>To customers in Telecommunication, Media, IT sector</i>	78,010	44,528	23,861	-	-	-	-	146,399
<i>To customers in Finance and Banking sector</i>	51,684	3,647	5,945	-	-	-	-	61,276
<i>To customers in Trade and services sector</i>	30,104	2,964	39,706	-	-	-	-	72,774
<i>To customers in Industry&Utilities</i>	37,614	2,286	1,833	-	-	-	-	41,733
<i>To customers in Public sector</i>	57,508	-	354	-	-	-	-	57,862
<i>To customers in small and medium enterprises sector</i>	44,982	52,809	-	-	-	-	-	97,791
<i>To customers in Medicine sector</i>	14,036	-	-	-	-	3,477	-	17,513
<i>To other customers</i>	840	-	1	158	9,094	-	-	10,093
<i>other operating revenue</i>	803	521	32	-	164	25	-	1,545
<i>finance revenue</i>	(299)	(333)	220	262	60	-	-	(90)
Revenues per segment - sales to other segments	105,919	10,725	12,622	1,375	4,404	738	(135,783)	-
Revenues per segment - total*	421,201	117,147	84,574	1,795	13,722	4,240	(135,783)	506,896
Costs per segment relating to sales to external clients	272,537	96,504	77,786	1,599	8,875	5,345	-	462,646
Costs per segment relating to sales to other segments	105,919	10,725	12,622	1,375	4,404	738	(135,783)	-
Costs per segment - total*	378,456	107,229	90,408	2,974	13,279	6,083	(135,783)	462,646
Current taxes	(3,126)	(109)	(3,099)	(25)	-	-	-	(6,359)
Assets for the tax due to investment allowances and other tax relief	274	(2,033)	2	(5)	442	-	-	(1,320)
Share of segment in the result of parties valuated using the equity method of accounting	(263)	-	-	-	-	-	-	(263)
Net result	39,630	7,776	(8,931)	(1,209)	885	(1,843)	-	36,308
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	39,630	7,550	(8,931)	(1,209)	585	(1,843)	-	35,782
<i>result attributable to minority interest</i>	-	226	-	-	300	-	-	526

*) 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT
FOR THE FIRST HALF OF 2016

COMARCH

All amounts are expressed in thousands of PLN unless otherwise indicated

6 months ended 30 June 2016	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total DACH market
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	284,182	113,429	104,655	388	14,561	3,582	-	520,797
<i>including:</i>								
<i>revenues from sales</i>	284,655	113,444	102,216	158	11,802	4,150	-	516,425
<i>To customers in Telecommunication, Media, IT sector</i>	65,630	34,822	44,967	-	-	-	-	145,419
<i>To customers in Finance and Banking sector</i>	58,490	4,490	5,648	-	-	-	-	68,628
<i>To customers in Trade and services sector</i>	34,728	4,165	37,197	-	-	-	-	76,090
<i>To customers in Industry&Utilities</i>	42,342	8,839	11,649	-	-	-	-	62,830
<i>To customers in Public sector</i>	30,036	3,537	2,747	-	-	-	-	36,320
<i>To customers in small and medium enterprises sector</i>	49,091	57,591	-	-	-	-	-	106,682
<i>To customers in Medicine sector</i>	3,130	-	-	-	-	4,150	-	7,280
<i>To other customers</i>	1,208	-	8	158	11,802	-	-	13,176
<i>other operating revenue</i>	2,871	943	1,722	138	2,735	-	-	8,409
<i>finance revenue</i>	(3,344)	(958)	717	92	24	(568)	-	(4,037)
Revenues per segment - sales to other segments	96,936	17,485	20,419	1,413	4,480	833	(141,566)	-
Revenues per segment - total*	381,118	130,914	125,074	1,801	19,041	4,415	(141,566)	520,797
Costs per segment relating to sales to external clients	257,701	106,565	106,616	1,373	11,548	5,822	-	489,625
Costs per segment relating to sales to other segments	96,936	17,485	20,419	1,413	4,480	833	(141,566)	-
Costs per segment - total*	354,637	124,050	127,035	2,786	16,028	6,655	(141,566)	489,625
Current taxes	(2,413)	(1,183)	(3,115)	(29)	-	-	-	(6,740)
Assets for the tax due to investment allowances and other tax relief	(350)	(2,740)	(2,466)	(35)	(315)	-	-	(5,906)
Share of segment in the result of parties valued using the equity method of accounting	(231)	-	(4,342)	-	-	-	-	(4,573)
Net result	23,487	2,941	(11,884)	(1,049)	2,698	(2,240)	-	13,953
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	23,487	2,654	(11,884)	(1,045)	1,784	(2,240)	-	12,756
<i>result attributable to minority interest</i>	-	287	-	(4)	914	-	-	1,197

*) 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.

*) Please note, that the "Medicine Segment" has been reclassified in the Q1-Q4 2015 report. Currently the "Medicine Segment" presents the results of business related to providing medical services by iMed24 Medical Center. Activities related to software production and providing services for the customers in the "Medicine Segment" is presented in the IT segment. Analogical adjustments were introduced in the presentation of comparable data.

Share of business segments in assets and liabilities and investment expenditures

The following tables present the assets and liabilities of particular segments, as well as investment expenditures and depreciation as at the 30th of June, 2015 and as at the 30th of June, 2016:

30 June 2015 / 6 months ended 30 June 2015

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	692,297	209,819	110,039	110,019	43,919	10,975	1,177,068
Liabilities	313,012	90,455	19,429	1,457	7,959	8,281	440,593
Investment expenditures	29,376	4,764	4,209	5,534	594	825	45,302
Depreciation	16,348	6,068	474	426	451	1,390	25,157

30 June 2016 / 6 months ended 30 June 2016

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	651,679	224,531	206,784	126,954	48,569	8,647	1,267,164
Liabilities	297,511	85,364	39,444	19,043	15,739	6,129	463,230
Investment expenditures	18,603	6,223	9,829	18,642	2,192	792	56,281
Depreciation	19,671	8,740	1,543	396	806	1,421	32,577

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

Revenues from basic sales - activities location

	6 months ended 30 June 2016	%	6 months ended 30 June 2015	%
Poland	300,765	58.2	327,507	64.8
DACH	113,444	22.0	106,233	21.0
Other countries	102,216	19.8	71,701	14.2
TOTAL	516,425	100.0	505,441	100.0

Assets – activities location

	30 June 2016	%	31 December 2015	%
Poland	835,849	66.0	876,925	67.2
DACH	224,531	17.7	243,805	18.7
Other countries	206,784	16.3	184,098	14.1
TOTAL	1,267,164	100.0	1,304,828	100.0

Investments expenditures - activities location

	6 months ended 30 June 2016	6 months ended 30 June 2015
Poland	40,229	36,329
DACH	6,223	4,764
Other countries	9,829	4,209
TOTAL	56,281	45,302

3.2. Property, Plant and Equipment

	30 June 2016	31 December 2015
Lands and buildings	305,204	293,642
Means of transport and machinery	91,585	85,288
Property, plant and equipment under construction	36,882	27,597
Others	14,365	15,938
Advance money for property, plant and equipment under construction	570	101
Total	448,606	422,566

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 30th of June, 2016, the Group's property are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 56,760 square metres of the total space, two office buildings in Warsaw at 2,582 square metres of the total space and office and storage buildings in Łódź, one office and storage building in Lille, and an office building and data centre in Dresden. The Group owns also lands in the Special Economic Zone in Krakow at 3.01 ha of the total area. As at the 30th of June, 2016, property, plant and equipment under construction comprise mostly expenditures related to an investment in the Special Economic Zone in Krakow, involving the construction of an office building SSE7, Comarch Security Platform (SOC), redevelopment of former factory building and the construction of an adjacent office building in Łódź and expenditures related to modernization works of the storage building in Lille and adapting it to the function of the data center.

In Comarch Healthcare S.A. began to conduct the diagnostic and medical activity (Medical Center iMed24) in the first quarter of 2012 and commenced use of the diagnostic and medical equipment purchased in 2011. As at the 30th of June, 2016, the book value of this equipment amounted to PLN 7,089 thousand.

On the 16th of June, 2015 an agreement on the building investment in Łódź was made between Bonus Development spółka z ograniczoną odpowiedzialnością S.K.A., a subsidiary of Comarch S.A. and Skanska S.A. The subject of the agreement is the construction of office building together with the rebuilding and change of usage of the adjacent former factory building, located in Łódź, 76/78 Jaracza Street including traffic and technical infrastructure and the supply of building materials and machinery. The total space of the building will be 9,906.20 m². The net value of the agreement amounts to PLN 38,800 thou. The planned completion date of the investment is the third quarter of 2016. Capital expenditures incurred in connection with the above mentioned agreement until the 30th of June, 2016, amounted to PLN 16,865 thousand.

The office building that was purchased by Comarch S.A.S. in Lille is the new office of the company. On the 15th 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 at 17 Rue Paul Langevin in Lezennes in the data center. The value of this agreement amounts to EUR 7,500 thousand net, i.e. PLN 32,118 thousand (exchange rate as of the date of signing the agreement). The planned completion date of this investment is the second quarter of 2017. The investment will be financed by a long-term loan. Comarch S.A. announced concluding of above mentioned contract in current report RB-2-2016 dated the 15th of March, 2016.

On the 18th of March, 2016, Comarch SA concluded two contracts with Budimex SA:

- 1) On implementation of the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract is construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building will be 27,736 m². The contract value is PLN 69,704 thousand net. Construction work will begin after the transfer of the construction site. Anticipated completion date is the third quarter of 2017.
- 2) On reconstruction of the SSE6 building (Studio 1) in the Special Economic Zone in Krakow. The subject of the contract is the reconstruction of the building from the warehouse to production purpose with road and technical infrastructure and the delivery of necessary materials and equipment. The contract value is PLN 4,350 thousand net. Anticipated completion date is the third quarter of 2016.

The total value of contracts signed with the Budimex SA amounted to PLN 74,054 thousand net. Comarch SA announced details in current report RB-3-2016 dated the 18th of March, 2016.

In the first half of 2016, Comarch Group purchased the following plots of land: in the Krakow Special Economic Zone with an area of 1.31 ha (value of the transaction amounted to PLN 3,831 thousand) and in Świeradów Zdrój (value of the transaction amounted to PLN 3,921 thousand).

3.3. Investment Real Estates

	30 June 2016	31 December 2015
Lands	8,068	9,815
Buildings	7,763	7,248
Total	15,831	17,063

On the 30th of June, 2016, investment properties include built properties located in Krakow, rented to third parties outside the Group, landplots situated in Krakow, acquired for the construction of buildings intended for rental for third parties outside the Group and property located in Kostrzyn leased to third parties outside the Group.

3.4. Goodwill

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

	30 June 2016	31 December 2015
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG (A-MEA Informatik AG do 31 grudnia 2012 r.)	8,413	8,413
Total	40,735	40,735

The impairment test conducted as at the 31st of December, 2015 didn't indicate impairment of the above assets. The methodology of this test is described in details in the annual financial statements for 2015. The next test for impairment will be conducted as at the 31st of December, 2016.

3.5. Other Intangible Assets

	30 June 2016	31 December 2015
Costs of finished development works	622	2,135
Perpetual usufruct right	38,803	38,850
Licences and software	18,852	21,588
Other	4,857	3,901
Total	63,134	66,474

Other intangibles include valuation of assets, classified as intangible assets, related to the value of relationships with customers in Comarch Swiss AG (formerly: A-MEA Informatik AG) in the amount of PLN 350 thousand and the right to use MKS Cracovia SSA players' cards in the amount of PLN 4,507 thousand.

In the first half of 2016 there was no necessity to upgrade the assets classified as intangible assets associated with the acquisition of A-MEA Informatik AG.

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 30th of June, 2016, Group had shares in associates.

At the 1st of January 2015	567
Share in profit of Sointeractive S.A.	(64)
Acquisition of shares and share in profit of Metrum Capital S.A.	80
Granting of a loan for SolInteractive S.A.	578
At the 30th of June 2015	1,161
Share in profit of Sointeractive S.A.	(39)
Acquisition of shares and share in profit of Metrum Capital S.A.	76
Granting of a loan for SolInteractive S.A.	159
Acquisition of shares and share in profit of Thanks Again LLC	21,820
At the 31st of December 2015	23,177
At the 1st of January 2016	23,177
Share in profit of Sointeractive S.A.	(37)
Acquisition of shares and share in profit of Metrum Capital S.A.	(194)
Repayment of a loan by SolInteractive S.A.	(437)
Acquisition of shares and share in profit of Thanks Again LLC	(4,252)
At the 30th of June 2016	18,257

As at the 30th of June, 2016, investment in associates includes:

- interest and shares in SolInteractive S.A. acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SK-A. They constitute 42.98% of shares in the company (27.37% of votes),
- shares in 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) in the total amount of PLN 389 thousand,
- 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 17,568 thousand - the nominal value of acquired shares PLN 30,831 thousand reduced by participation in current financial result and update of the value of shares),
- loans granted to SolInteractive S.A. by Comarch Infrastruktura S.A. and Comarch S.A. in the amount of PLN 300 thousand.

3.7. Inventories

	30 June 2016	31 December 2015
Raw materials	989	1,108
Work in progress	59,669	44,817
Goods	6,230	5,021
Advances due to commodities	29	76
TOTAL	1,292	391

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 161,633 thousand (6 months ended the 30th of June, 2016), PLN 343,037 thousand (12 months ended the 31st of December, 2015), PLN 251,729 thousand (6 months ended the 30th of June, 2015).

Within the first half of 2016, the Comarch Group didn't create write-offs that revaluated goods and materials. The Group didn't resolve write-offs which had been created in previous years.

3.8. Available-for-Sale Financial Assets

In the first half of 2016, as well as in the comparative period, the Group had no financial assets available for sale.

3.9. Financial Assets-Derivative Financial Instruments

a) Assets

	30 June 2016	31 December 2015
Forward foreign exchange contracts – held-for-trading	2,375	743
Transaction on change of IRS	-	-
	2,375	743
<i>Current portion</i>	<i>1,960</i>	<i>664</i>
<i>Non-current portion</i>	<i>415</i>	<i>79</i>

b) Liabilities

	30 June 2016	31 December 2015
Forward foreign exchange contracts – held-for-trading	2,679	1,840
Transaction on change of IRS	2,845	1,210
	5,524	3,050
<i>Current portion</i>	<i>2,329</i>	<i>1,639</i>
<i>Non-current portion</i>	<i>3,195</i>	<i>1,411</i>

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the probable 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 30th of June, 2016, 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 30th of June, 2016, amounted to EUR 35,300 thousand, USD 12,800 thousand, GBP 2,200 thousand and CAD 400 thousand. After the balance sheet date forward contracts have not been concluded.

On the 24th of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30th of September, 2013, from Powszechna Kasa Oszczędności Bank Polski 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 5 years, i.e. till the 31st of October, 2018. As at the 30th of June, 2016, valuation of the IRS transaction amounted to minus PLN 271 thousand.

On the 27th of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevolving credit taken on the 4th of January, 2013, from Bank Zachodni WBK S.A. with its registered office in Wrocław. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 28th of June, 2019. As at the 30th of June, 2016, valuation of IRS transaction amounted to minus PLN 322 thousand.

On the 9th of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June, 2006, from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29th of July, 2024. As at the 30th of June, 2016, valuation of the IRS transaction amounted to minus PLN 1,082 thousand.

On the 23th of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4th of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30th of November, 2023. As at the 30th of June, 2016, valuation of the IRS transaction amounted to minus PLN 1,170 thousand.

3.10. Trade and Other Receivables

	30 June 2016	31 December 2015
Trade receivables	306,242	367,832
Write-off revaluating receivables	(32,829)	(23,366)
Trade receivables – net	273,413	344,466
Other receivables	27,449	23,594
Short-term prepayments	15,370	10,453
Other prepayments	4,450	2,687
Loans	2,812	2,712
Receivables from related parties	1,078	1,463
Total	324,572	385,375
<i>Current portion</i>	<i>324,572</i>	<i>385,375</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 the Group has a large number of internationally dispersed customers. On the 30th of June, 2016, the Group has recognised a write-off due to loss in value of its trade receivables that was worth PLN 14,773 thousand and resolved write-offs, which had been previously created and worth PLN 2,416 thousand in relation to payment of debts. These operations were presented in the income statement in other costs and operating revenues, respectively.

3.11. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
At the 31st of December 2014	8,125,590	8,125,590	-	8,125,590
<i>14th of May, 2015 - registration of an increase in the company's share capital</i>	<i>7,759</i>	<i>7,759</i>	-	<i>7,759</i>
At the 30th of June 2015	8,133,349	8,133,349	-	8,133,349
At the 31st of December 2015	8,133,349	8,133,349	-	8,133,349
At the 30th of June 2016	8,133,349	8,133,349	-	8,133,349

The nominal value of one share is PLN 1.

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

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

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

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

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

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

3.11.1. Information about Shareholders Holding Directly or Indirectly by Subsidiary Entities at least 5% of the Total Number of Votes at the General Meeting of Comarch S.A., at the Date of Publication the Financial Report

- Janusz Filipiak held 1,997,027 shares (24.55% of the Company's share capital), which gave him 5,569,027 votes at the AGM (36.82%),
- Elżbieta Filipiak held 1,323,461 shares (16.27% of the Company's share capital), which gave her 4,707,461 votes at the AGM and constituted (31.12%),
- MetLife Otwarty Fundusz Emerytalny (open pension fund) managed by MetLife PTE S.A. held 841,097 shares (10.34% of the Company's share capital), which gave 841,097 votes at the AGM and constituted (5.56%).

3.11.2. Changes in Share Capital in H1 2016

None present.

3.11.3. Changes in Share Capital after the Balance Sheet Date

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person discharging managerial responsibilities, Chairman of the Board of Supervisors of Comarch S.A., a notification of transaction dated the 30th of June, 2016, referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned the free of charge disposal of 677,461 ordinary bearer shares outside the trading system, as a result of the division of joint property at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 95,522,001.00. The Company announced details in current report no. RB-13-2016 dated the 5th of July, 2016.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person discharging managerial responsibilities, President of the Management Board of Comarch S.A., a notification of transactions dated the 30th of June, 2016, referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transactions concerned:

1. Free of charge acquisition of 677,461 ordinary bearer shares outside the trading system, as a result of the division of joint property at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 95,522,001.00.
2. Disposal by making a donation of 200,000 ordinary bearer shares outside the trading system at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 28,200,000.00.

The Company announced details in current report no. RB-15-2016 dated the 5th of July, 2016.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person closely related to the persons discharging managerial responsibilities, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transactions concerned:

1. Free of charge acquisition of 200,000 ordinary bearer shares under the a donation agreement outside the trading system at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 28,200,000.00.
2. Disposal on the 30th of June, 2016, and the 4th of July, 2016, of 200,000 ordinary bearer shares on regulated market at the weighted average price of PLN 143.73 per 1 share. The value of the transaction amounted to PLN 28,745,000.00.

The Company announced details in current report no. RB-17-2016 dated the 5th of July, 2016.

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

None present.

3.13. Trade and Other Payables

	30 June 2016	31 December 2015
Trade payables	44,090	64,665
Advance payments received due to services	624	6,467
Liabilities to related parties	1,648	2,073
Liabilities due to social insurance and other tax charges	24,814	46,771
Investments liabilities	6,729	3,832
Revenues from the future periods	42,523	20,527
Other payables	4,000	4,959
Special funds (Social Services Fund and Residential Fund)	2,670	1,604
Total	127,098	150,898

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

3.14. Long-term Contracts

	6 months ended 30 June 2016	6 months ended 30 June 2015
a) revenues from completed contracts recognised in the reporting period	30,494	30,507
b) revenues from contracts not completed recognised in the reporting period	60,790	47,984
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	29,053	36,022
Revenues due to long-term contracts recognised in the reporting period	120,337	114,513

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 recognised results corresponds to revenues.

At the end of the reporting period, long-term contracts were valued in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between the 30th of June, 2015, and the 30th of June, 2016, are presented below:

	At 30 June 2016	At 30 June 2015
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	635,548	364,138
Issued invoices	(600,231)	(323,518)
	35,317	40,620

	Long-term contracts receivables	Long-term contracts liabilities	Net
Revenues from long-term contracts included in the reporting period			
Value at 01.01.2015	53,105	(48,507)	4,598
Value at 30.06.2015	54,437	(13,817)	40,620
Change	1,332	34,690	36,022
Value at 01.01.2016	32,440	(26,176)	6,264
Value at 30.06.2016	55,536	(20,219)	35,317
Change	23,096	5,957	29,053

3.15. Credits and Loans

	30 June 2015	31 December 2014
Non-current		
Non-renewable bank credits	115,565	113,540
Renewable bank credits	282	-
Loans	-	-
	115,847	113,540
Current		
Non-renewable bank credits	23,861	24,152
Renewable bank credits	-	-
Loans	1,253	-
	25,114	24,152
Total credit and loans	140,961	137,692

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

In the first half of 2016 the value of launched non-renewable bank credits amounted to PLN 9,913 thousand and the value of paid principal installments of long-term bank loans amounted to PLN 12,966 thousand.

Within the 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

At 31 December 2015	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	12,712	11,782	77,825	35,865	138,184
Interest	(342)	-	(150)	-	(492)
	12,370	11,782	77,675	35,865	137,692

At 30 June 2016	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	13,445	12,192	78,656	37,393	141,686
Interest	(523)	-	(202)	-	(725)
	12,922	12,192	78,454	37,393	140,961

The maturity of non-current bank credits, loans and financial liabilities

	30 June 2016	31 December 2015
Between 1 and 2 years	25,454	23,755
Between 2 and 5 years	53,000	53,920
Over 5 years	37,393	35,865
	115,847	113,540

Currency structure of the balance sheet values of credits, loans and financial liabilities

	30 June 2016	31 December 2015
In Polish currency (PLN)	6,900	6,785
In EUR (equivalence in PLN)	134,061	130,907
	140,961	137,692

The effective interest rates at the balance sheet date

	30 June 2016	31 December 2015
Bank credits	1.69%	1.73%
Loans	0.00%	-

3.15.1. Long-term Bank Credits

In the Comarch Group, parent Company - Comarch S.A. - has the following long-term bank credits:

- An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts of PLN 44,000 thousand. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by the 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5th of

October, 2011, the company revaluated the remaining credit to be paid into euro. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 5,112 thousand, i.e. PLN 22,622 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as at the 31st of December, 2015).

- b) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 2,708 thousand, i.e. PLN 11,983 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as at the 31st of December, 2015).
- c) An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The loan was run on the 7th of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. In the second quarter of 2016 the credit was repaid in full.
- d) A nonrevolving operating credit from BZ WBK Bank S.A. with its registered office in Wrocław acquired in the first quarter of 2013, for financing of company's current operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is the 31st of December, 2020. This credit has a variable interest rate. The real estate mortgage located in SEZ and cession of rights in the insurance policy are security for this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 4,297 thousand, i.e. PLN 19,016 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as at the 31st of December, 2015).
- e) An investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56,000 thousand, i.e. EUR 13,323 thousand as at the date of the agreement. The crediting period: 10 years, repayment will be made not later than on the 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. The loan was fully paid out until the 30th of September, 2015. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 12,352 thousand, i.e. PLN 54,662 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as at the 31st of December, 2015).
- f) An investment credit agreement with Bank Handlowy w Warszawie S.A. with its registered office in Warsaw, for financing and refinancing of not more than 75% of net costs of an investment related to construction of office building SSE7 in the Special Economic Zone in Krakow, of which the Company informed in the current report no. 8/2016 dated the 17th of May, 2016. The credit amounts to EUR 13,333 thousand, i.e. PLN 58,144 thousand as at the date of the agreement. The crediting period: 12 years and lasts until the 15th of May, 2028. The credit was granted in EUR and has a variable interest rate. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16th of May, 2016. Securities for this credit are: contractual mortgage in the amount of EUR 16,666 thousand, i.e. PLN 72,680 thousand as at the date of the agreement, established on real estate on which the investment is implemented, declaration of submission to enforcement, power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. and cession of rights in the building SSE7 insurance

contract, concluded after completion of the investment. As at the 30th of June, 2016, the credit has not been run.

- g) A non-revolving long-term credit in Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing current operations, of which the Company informed in the current report no. 8/2016 dated the 17th of May, 2016. The credit amounts to EUR 2,508 thousand, i.e. PLN 10,938 thousand at the date of the agreement. The crediting period is 43 months and lasts until the 16th of December, 2019. The credit was granted in EUR, the interest rate of the credit is based on a variable rate. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16th of May, 2018. Securities for this credit are: declaration of submission to enforcement and power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 23 thousand, i.e. PLN 101 thousand.
- h) An investment credit agreement with DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing up to 100% of investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow, of which the Company informed in the current report no. 21/2016 dated the 19th of August, 2016. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand as at the date of the agreement. The crediting period lasts until the 30th of December, 2023. The credit was granted in EUR and has a variable interest rate. The credit should be used until the 30th of December, 2016. Securities for this credit are: registered pledge on devices which are the subject of financing to the amount of 150% of the credit, cession of rights under the insurance contract of devices, a declaration of submission to enforcement by Comarch S.A. and a power of attorney to manage Comarch S.A. bank accounts in DNB Bank Poland SA. The credit agreement was signed after the balance sheet date.

In the third quarter of 2011, Comarch Healthcare S.A. acquired an investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with implementation of project NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31st of December, 2011, and it was used in total. The crediting period lasts 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to PLN 5,675 thousand (PLN 6,809 thousand as at the 31st of December, 2015).

In the second quarter of 2013, Comarch AG acquired investment loan from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6,000 thousand, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 2,483 thousand, i.e. PLN 10,987 thousand (EUR 3,103 thousand, i.e. PLN 13,225 thousand as at 31st of December, 2015).

In second quarter of 2015, Bonus Development Sp. z o.o. SK-A took out a construction and investment credit in bank Polska Kasa Opieki Spółka Akcyjna ("PEKAO S.A.") with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to reconstruction of the former factory building and the construction of an adjacent office building in Łódź. The credit is granted in EUR and amounts up to PLN 38,800 thousand, which on the day of signing the agreement was equivalent to EUR 9,262 thousand. The crediting period is 15 years, until the 28th of June, 2030. The interest rate of the credit is based on a variable rate. The loan is secured by the conventional mortgage to the amount of PLN 59,200 thousand on the property, on which construction works are being implemented, a statement of submission to enforcement, power of attorney to accounts maintained in bank PEKAO S.A., cession of rights in the bank guarantee for contract good performance and for warranty obligations, cession of rights in the insurance policies, cession of rights under the lease agreement concluded between the

borrower and Comarch S.A., and a surety granted by Comarch S.A. together with a declaration of submission to execution and power of attorney to accounts of Comarch S.A. conducted by PEKAO S.A. The credit should be taken out by the 28th of June, 2017. As at the 30th of June, 2016, the value of drawn loan was EUR 3,083 thousand, i.e. PLN 13,643 thousand (EUR 1,161 thousand, i.e. PLN 4,946 thousand as at 31st of December, 2015).

On the 18th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed an investment credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing and refinancing of 100% of net costs of an investment related to construction of data center in Lille, France, but no more than 83,5% of the total net costs of the whole investment. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18th of September, 2017. Comarch S.A. announced details in current report no. 4/2016 dated the 18th of March, 2016. The credit is secured by:

a) the conventional mortgage of EUR 12,000 thousand, i.e. PLN 51,246 thousand (exchange rate as of the date of signing the agreement) established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSEIV building),

b) a statement of Comarch S.A. of submission to enforcement,

c) power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A.,

d) cession of rights in the insurance policy of SSEIV building.

As at the 30th of June, 2016, the value of drawn loan was EUR 329 thousand, i.e. PLN 1,454 thousand.

On the 24th of August, 2016, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, dated the 22nd of July, 2016, on registration of a mortgage described in point a) above. There is no relation between Comarch S.A.S., Comarch S.A., its managing or supervising persons and BGŻ BNP Paribas S.A. The Company announced details in the current report no. 22/2016 dated the 24th of August, 2016.

3.15.2. Loans

On the 28th of December, 2015, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 6 266 thousand and drawdown was made in the first quarter of 2016. Loan will reach its maturity date in September, 2016. The loan is not secured. As at the 30th of June, 2016, the value of the credit to be repaid amounted to PLN 1,253 thousand.

3.15.3. Current credit lines (variable interest rate)

In the Comarch Group, parent Company - Comarch S.A. - has the following credit limits in current account:

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10,000 thousand. It can be used by the 13th of December, 2016. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10,000 thousand. It can be used by the 31st of October, 2016. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 30,000 thousand. It can be used by the 30st of June, 2018. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.

On the 18th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed a revolving credit agreement with bank BGŻ BNP Paribas S.A. with

its registered office in Warsaw, for financing of current business activity. The credit amounts to EUR 1,300 thousand, i.e. PLN 5,552 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of November, 2017, the interest rate of the loan is based on a variable rate. The loan is secured by a statement of Comarch S.A. of submission to enforcement and power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A.

	30 June 2016	31 December 2015
Current credit lines granted, expiring within one year, including:	55,753	44,033
– used at the balance sheet date	291	-
– available at the balance sheet date	55,462	44,033

3.16. Financial Liabilities

	30 June 2016	31 December 2015
Liabilities due to finance lease	80	169
<i>Current portion</i>	48	136
<i>Non-current portion</i>	32	33
Liabilities due to dividend	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities due to payments for acquired shares	1,990	7,802
<i>Current portion</i>	1,990	7,802
<i>Non-current portion</i>	-	-
Total	2,070	7,971

Liabilities due to the Comarch Group's finance lease (excluding lease agreements between the companies in the Group) comprise liabilities of Comarch Healthcare S.A. (formerly ESAProjekt sp. z o.o.), a subsidiary of Comarch SA, due to finance lease agreements for cars and IT hardware. As at the 30th of June, 2016, value of these liabilities amounted to PLN 80 thousand. Liabilities due to payments for acquired shares of an associate - Thanks Again LLC - are related to the obligations of Comarch Pointshub Inc., a subsidiary of Comarch S.A. The value of these liabilities amounts to PLN 1,990 thousand. Their settlement is scheduled to the 31st of December, 2016.

3.17. Liabilities due to Operating Lease

	Less than 1 year	Less than 5 years	Total
Liabilities due to lease agreements for usage places	19,365	57,431	76,796
Liabilities due to lease agreements for equipment and means of transport	738	2,199	2,937
Total	20,103	59,630	79,733

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 30th of June, 2016, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 2,937 thousand (PLN 1,606 thousand as at the 31st of December, 2015).

3.18. Contingent Liabilities

Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 45,463 thousand, whereas it was PLN 48,740 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 19 thousand, whereas it was also PLN 19 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 392 thousand, i.e. PLN 1,734 thousand, whereas it was EUR 815 thousand, i.e. PLN 3,474 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 71 thousand, whereas it was EUR 16 thousand, i.e. PLN 68 thousand on the 31st of December, 2015.

Comarch S.A. declared a possibility to grant a financial support ("*letters of comfort*") for its subsidiaries: MKS Cracovia SSA (valid till the 30th of June, 2017) and Comarch Healthcare S.A. (valid till the 31st of December, 2018).

Granted credit lines for financing of current activities (guarantees, letters of credit)

	30 June 2016	31 December 2015
Credit lines*	183,904	159,876
	183,904	159,876

(*) they comprise credit lines at current account that are described in 3.15.3

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 67,321 thousand. Provisions for part of these claims were presented in the balance sheet as at the 30th of June, 2016 and are worth PLN 8,987 thousand. They include provisions for claims recognised in 2016 and worth PLN 139 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 14,171 thousand. There are no provisions for part of these claims presented in the balance sheet as at the 30th of June, 2016. 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 2016 the Comarch Group didn't create write-offs that revalue receivables. In the first half of 2015, Comarch Group created write-offs that revalue receivables in the amount of PLN 25 thousand. Due to the matters in disputes, in 2016 the Comarch Group also didn't create write-offs that revalue receivables, while in the first half of 2015 created write-offs in the amount of PLN 181 thousand.

3.19. Deferred Income Tax

	30 June 2016	31 December 2015
A deferred income tax assets		
- temporary differences	13,594	16,171
- basset due to a tax loss	8,154	6,820
- an asset due to activities in Special Economic Zone (" <i>SEZ</i> ")	8,733	10,441
Total	30,481	33,432
- charged to financial result	30,481	33,432

In the first half of 2016, the Group settled in part an asset due to activities in the SEZ that was

worth PLN 1,708 thousand and established as at the 31st of December, 2015. This asset will be gradually settled over 2016 in proportion to income achieved from operations in the zone in this period.

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

- a) obtained in 1999, with a period of validity until the 31st of December, 2017;
- b) obtained in 2007, with a period of validity until the 31st of December 2017;
- c) obtained in 2013, its validity term has not been specified;
- d) obtained in February 2016, its validity term has not been specified;
- e) obtained in March 2016, its validity term has not been specified.

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

Pursuant to IAS 12, unused tax relief as at the 30th of June, 2016, constitutes a deferred income tax asset. In the second quarter of 2016 an investment relief due to the permit obtained in 1999 was fully utilized. Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 23,503 thousand as at the 30th of June, 2016 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 29,000 thousand as at the 30th of June, 2016 (after discounting at the permit date).

In the first half of 2016, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2015 and worth PLN 6,033 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 3,456 thousand. An asset due to tax loss was recognised in the amount of PLN 1,334 thousand. The total effect of the above-mentioned operations on the net result of the first half of 2016 was minus PLN 2,951 thousand.

	30 June 2016	31 December 2015
Provision for deferred income tax		
- temporary differences	12,466	7,665
- 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	5,491	5,780
- provision due to valuation of certificates in CCF FIZ	22,617	24,174
Total	40,574	37,619
- charged to equity	5,430	5,430
- charged to financial result	35,083	31,839
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	61	350

Due to valuation of net assets of CCF FIZ, in the first half of 2016, the Group resolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 1,557 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 5,288 thousand and resolved in the amount of PLN 487 thousand. In the first half of 2016, the Group resolved a provision due to acquisition of (currently Comarch Swiss AG) and ESAProjekt sp. z o.o. (currently Comarch Healthcare S.A.) which was worth PLN 289 thousand. The total effect of the all above-mentioned operations on the net result of H1 2016 was minus PLN 2,955 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 5,906 thousand.

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

3.20. Provisions for Other Liabilities and Charges

Current	Costs related to current period which will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Total
At 1 January 2016	4,630	21,692	16,214	22,378	82,833	147,747
Change:	1,520	(4,710)	3,220	9,810	(39,657)	(29,817)
- provisions created	8,874	8,760	4,220	14,885	22,945	59,684
- provisions used and resolved	(7,354)	(13,470)	(1,000)	(5,075)	(62,602)	(89,501)
At 30 June 2016	6,150	16,982	19,434	32,188	43,176	117,930

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

3.21. Related-Party Transactions

3.21.1. Revenues from Sales of Goods and Services

	6 months ended 30 June 2016	6 months ended 30 June 2015
Revenues from sales of goods:		
SolInteractive S.A.	-	-
Thanks Again LLC	-	-
	-	-
Revenues from sales of services:		
SolInteractive S.A.	416	24
Thanks Again LLC	4,963	-
	5,379	24
	5,379	24

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

	6 months ended 30 June 2016	6 months ended 30 June 2015
Purchases of goods:		
SolInteractive S.A.	877	132
Thanks Again LLC	-	-
	877	132
Purchase of services:		
SolInteractive S.A.		
<i>included in generation costs</i>	1,943	1,837
<i>included in other costs</i>	1,394	1,483

	3,337	3,320
Thanks Again LLC		
<i>included in generation costs</i>	-	-
<i>included in other costs</i>	-	-
	-	-
Total	4,214	3,452

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

	30 June 2016	31 December 2015
Receivables from related parties:		
SolInteractive S.A.	607	233
Thanks Again LLC	-	1,120
	607	1,353
Payables to related parties:		
SolInteractive S.A.	1,648	2,073
Thanks Again LLC	-	-
	1,648	2,073

3.21.4. Transactions with Associates and Personally Related Entities

PLN '000	6 months ended 30 June 2016	6 months ended 30 June 2015
Purchases from personally related entities	1,579	632
Sales to personally related entities	77	63
Loans and interest on loans paid by personally related entities	840	1,580
Loans and interest on loans granted to personally related entities	-	3,219
Purchases from associates	4,214	3,452
Sales to associates	5,379	24
Loans and interest on loans repaid by associates	437	80
Loans and interest on loans granted to associates	8	302

3.21.5. Balances of settlements the balance sheet date with personally related parties

	30 June 2016	31 December 2015
Trade receivables from personally related parties	35	7
Receivables due to loans from personally related parties	5,246	5,970
Trade payables to personally related parties	341	436
Payables due to loans from personally related parties	0	0

4. Additional Notes

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

4.1.1. Deferred Income Tax Assets

In the first half of 2016, the Group settled in part an asset due to activities in the SEZ that was worth PLN 1,708 thousand and established as at the 31st of December, 2015. This asset will be gradually resolved over 2016 in proportion to the generation of tax-exempt income in this period. In the first half of 2016, the Group settled in part a deferred tax asset related to temporary differences that was established as at the 31st of December, 2015, and worth PLN 6,033 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 3,456 thousand. An asset due to tax loss was recognised in the amount of PLN 1,334 thousand. The total effect of the above-mentioned operations on the net result of H1 2016 was minus PLN 2,951 thousand.

4.1.2. Valuation of Exchange Differences

The impact of changes in exchange rates on revenue and results of the Comarch Group in the first half of 2016 was moderate. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 30th of June, 2016, increased revenue and operating profit of Comarch Group by PLN 4,908 thousand (while in the first half of 2015 increased by PLN 1,758 thousand). Exchange rate differences from other activities decreased the result of Comarch Group in the first half of 2016 by PLN 2,738 thousand (while in the first half of 2015 increased by PLN 2,007 thousand). The total effect of exchange rate differences on the net result of the Comarch Group in the first half of 2016 amounted to plus PLN 2,170 thousand (plus PLN 3,765 thousand in the first half of 2015).

4.1.3. Write-off Revaluating Receivables

In the first half of 2016, the Group recognized an impairment loss of trade receivables in the amount of PLN 14,773 thousand and reversed previously created write-off in the amount of PLN 2,416 thousand.

4.1.4. The impact of Thanks Again LLC on the results of the Comarch Group

Taking into account Thanks Again LLC - an associate of Comarch S.A. - in the financial results of the first half of 2016 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 4,252 thousand, which is related to the current activity of Thanks Again LLC.

4.1.5. The fair value of financial instruments

The fair value of instruments hedging currency risk and interest rate risk decreased the net result of Comarch Group in the amount of PLN 3,149 thousand.

4.2. Events after the Balance Sheet Date

4.2.1. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of July, 2016 and the 31th of August, 2016, Comarch Group didn't conclude forward contracts. The total net value of open forward contracts as of the 31th of August, 2016 amounted to EUR 32,800 thousand, USD 11,700 thousand, GBP 1,700 thousand and CAD 400 thousand. The open forward contracts as of the 31th of August, 2016, were valued at plus PLN 6,967 thousand. The contracts will be settled within 33 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 Group, in which the remuneration is set in a foreign currency, as well as to protect the cash flows from investment loan granted in EUR, but launched in PLN.

4.2.2. Concluding significant agreements with Telefonica Group

On the 1st of August, 2016, the Management Board of Comarch S.A. announced that the value of contracts signed in the past 12 months between the entities of the Comarch Group and the Telefonica Group entities exceeded 10% of the equity of Comarch S.A. Considering the above,

the Management Board of Comarch S.A. recognized these agreements as significant agreements.

The Company announced details in current reports no. 19/2016 dated the 1st of August, 2016.

4.2.3. Information on the lack of significant impact of one-off event at the financial results of the Comarch Group

On the 3rd of August, 2016, MKS Cracovia SSA, a member of Comarch Group, signed an agreement with Leicester City Football Club (the "Agreement") on sale of intangible assets by MKS Cracovia SSA (player's card of Bartosz Kapustka). The total value of the Agreement doesn't exceed 10% of the equity of Comarch S.A., in the opinion of the Management Board this is not a significant agreement. The Agreement will have no significant impact on the consolidated financial statement of Comarch Group in 2016, as well as in subsequent years.

Comarch S.A. announced details in current report no. 20/2016 dated the 3rd of August, 2016.

4.2.4. Investment Credit Agreement with DNB Bank Polska

The Management Board of Comarch S.A. announces that on the 19th of August, 2016, Comarch S.A. signed an investment credit agreement with bank DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing/refinancing 100% of net investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 30th of December, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 30th of December, 2016. The credit is secured by:

- a) registered pledge on financed equipment to the amount of 150% of the credit amount;
- b) cession of rights in the insurance policy of the financed equipment.

Comarch S.A. announced details in current report no. 21/2016 dated the 19th of August, 2016.

4.2.5. Establishment of a mortgage on assets of Comarch S.A.

On the 24th of August, 2016, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, dated the 22nd of July, 2016, on registration of a contractual mortgage of EUR 12,000 thousand, i.e. PLN 51,246 thousand (exchange rate as of the date of signing the agreement) established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSE4 building). The basis for the establishment the above mentioned mortgage is an investment credit agreement dated the 18th of March, 2016, between the bank BGŻ BNP Paribas S.A. and Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower), of which the Company informed in the current report no. 4/2016 dated the 18th of March, 2016. The value of the obligation secured by the mortgage is EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate at the date of the agreement).

The Company announced details in the current report no. 22/2016 dated the 24th of August, 2016.

4.3. 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.

31st of August, 2016

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Marcin Dąbrowski	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Andrzej Przewięźlikowski	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

NAME AND SURNAME	POSITION	SIGNATURE
Maria Smolińska	Head Accountant	

COMARCH

REPORT
OF COMARCH S.A.'s MANAGEMENT BOARD
REGARDING
THE ACTIVITIES OF THE CAPITAL GROUP IN H1 2016

Krakow, 31st of August, 2016

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1. GENERAL INFORMATION ABOUT COMPANY

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

1.1. Selected Financial Data

1.1.1. Consolidated Financial Data

	H1 2016	H1 2015	H1 2014	H1 2013
Revenues from sales	516,425	505,441	429,677	391,701
Operating profit (loss)	35,209	44,340	20,823	2,928
Profit (loss) before income tax	26,599	43,987	20,100	(34)
Net profit (loss) attributable to shareholders of the parent company	12,756	35,782	13,353	2,397
Profit (loss) per share	1.57	4.40	1.65	0.30
Assets	1,267,164	1,177,068	1,099,922	1,100,655
Book value	803,934	736,475	640,722	615,639

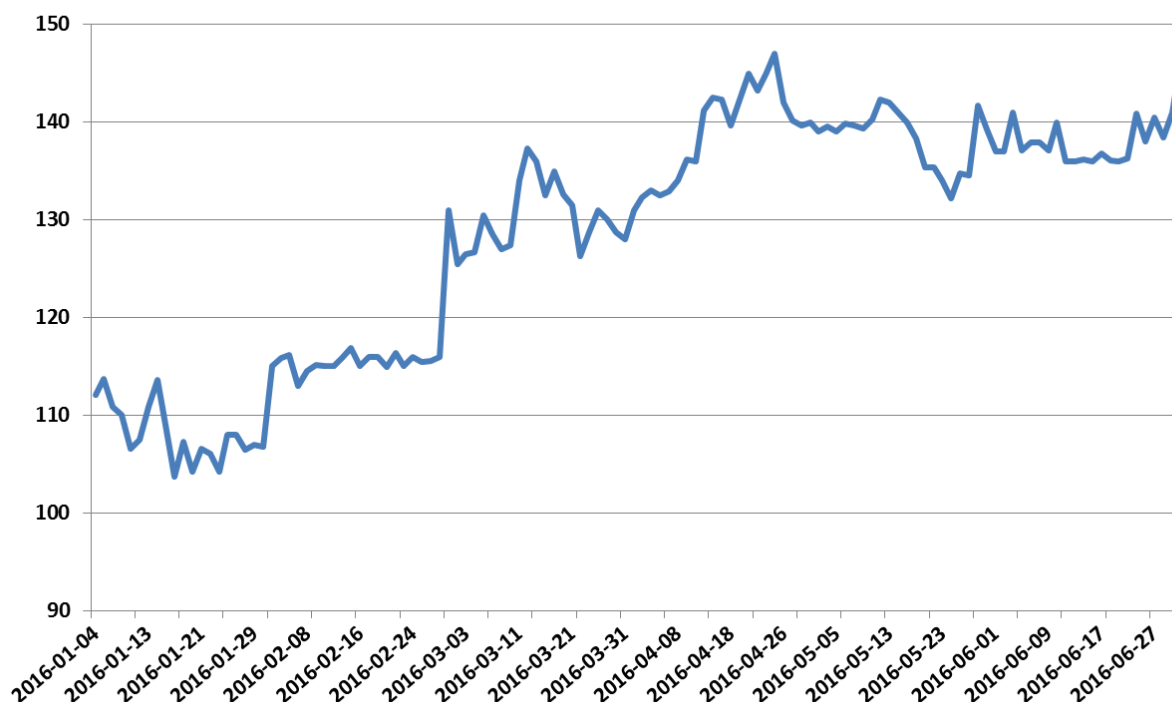
In the first half of 2016, the Comarch Group sales revenue amounted to PLN 516.4 million, i.e. an increase of 2.2% (PLN 11.0 million) in relation to H1 2015. In the first half of 2016, operating result amounted to PLN 35.2 million and was lower by 20.6%, i.e. PLN 9.1 million compared to that achieved in the first half of 2015, net result attributable to the shareholders of the parent company amounted to PLN 12.8 million, i.e. a decrease of 64.4% (PLN 23.0 million) in relation to H1 2015.

As at the 30th of June, 2016, Comarch S.A. employed 4,050 people. This represented a 2.7% (107 persons) increase in the number employed compared to the end of the previous year. The Comarch Group employed 5,041 people (excluding employees of MKS Cracovia SSA due to the different type of its activity), i.e. 4 persons more than at the end of the previous year (an increase of 0.1%).

In the first half of 2016, the value of the Comarch Group's assets increased by PLN 90.1 million (+7.7%) compared to the end of first half of 2015. Book value (equity) of the Comarch Group grew by PLN 67.5 million, i.e. 9.2%.

1.1.2. Comarch S.A. Stock Price Performance (in PLN)

H1 2016



Period	The highest	The lowest	The highest	The lowest
	2016		2015	
Q1	137.35	103.70	126.10	103.20
Q2	147.00	131.00	142.00	121.60

On the 30th of June, 2016, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange reached PLN 146.00 compared to PLN 134.00 on the 30th of June, 2015, and PLN 114.05 on the 31st of December, 2015.

1.2. Organisational Structure and Characteristics of Group's Entities

1.2.1. Organisational Structure

On the 30th of June, 2016, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow in Poland,
- Comarch AG with its registered office in Dresden in Germany (100%),
 - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
 - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG*),
 - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
- Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (100%),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
 - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of

Comarch, Inc.),

- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Espace Connecté Inc. with its registered office in Montreal in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Technologies Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),
 - Comarch Colombia S.A.S. with its registered office in Bogota in Colombia (100% subsidiary of Comarch Software Spain S.L.U.),
- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch SRL with its registered office in Milan in Italy (100%),
- Comarch Malaysia SDN. BHD. with its registered office in Kuala Lumpur in Malaysia (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Pointshub, Inc. with its registered office in Rosemont, IL, USA (100%),
- Comarch AB with its registered office in Stockholm in Sweden (100%),
- Comarch Argentina S.A. with its registered office in Buenos Aires in Argentina (95% subsidiary of Comarch S.A., 5% subsidiary of Comarch AG),
- Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
 - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (25.00% votes held by CCF FIZ; 75.00% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
 - Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A (66.67% votes held by Bonus Management spółka z ograniczoną odpowiedzialnością SK-A; 33.33% votes held by MKS Cracovia SSA),
 - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Healthcare S.A. with its registered office in Krakow in Poland (77.08% votes held by CCF FIZ, 22.92% votes held by CASA Management and Consulting sp. z o.o. SKA),
 - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Pointshub S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Infrastruktura S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
 - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

On the 30th of June, 2016, associates of the parent company are:

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

1.2.2. 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. and Comarch Colombia S.A.S. 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 market, mostly in public sector and executes them in their entirety or in part;
- Comarch Technologies sp. z o.o. is responsible for developing technologies related to design and production of electronic devices and related software;
- CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty conducts 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. manufactures and sells software related to medicine, medical devices, and provides medical and diagnostics services, as well as manufactures and delivers comprehensive IT solutions for medical sector;
- Comarch Pointshub S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
- Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-commerce, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- MKS Cracovia SSA is a sport joint stock company;
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activity in relation to sport;
- Opso sp. z o.o. provides catering services;
- Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

1.2.3. Changes in Ownership and Organisational Structure in H1 2016

On the 15th of January, 2016, a share capital of Comarch SRL was increased from EUR 200 thousand to EUR 700 thousand, i.e. EUR 500 thousand (PLN 2,203,750 at the exchange rate of the 15th of January, 2016).

On the 22th of January, 2016, a share capital increase of Comarch Management sp. o.o. to the amount of PLN 300 thousand was registered in the National Court.

On the 9th of February, 2016, the Management Board of Comarch AG adopted an oral resolution on approval of the acquisition from Comarch S.A. of 5,000 shares of Comarch Argentina S.A., i.e. 5% of the share capital. On the 15th of February, 2016, the Management Board resolution has been confirmed in writing and then on the 25th of April, 2016, the notary confirmed authenticity of handwritten signatures of the members of the Management Board on this resolution. As a result of the above mentioned operations, shareholders of Comarch Argentina S.A. are Comarch S.A. (95% of the share capital) and Comarch AG (5% of the share capital).

On the 4th of April, 2016, a resolution was passed to increase the share capital of Comarch Sistemas LTDA from the amount of BRL 1 thousand to BRL 1,000 thousand. Comarch AG purchased 799,200 shares at a nominal price BRL 1 (PLN 1.0480 at the exchange rate of 4.04.2016) each and currently holds 80% of shares with a total value of BRL 800 thousand, while Comarch Software und Beratung AG acquired 199,800 shares at the nominal price of BRL 1 each and currently holds a 20% stake with a total value of BRL 200 thousand. The capital increase was registered on the 14th of April, 2016.

On the 4th of May, 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S. The target capital of the company amounts to COP 3,600,000,000 (i.e. PLN 4,726,800 at the exchange rate of 4.05.2016) and consists of 3,600,000 shares with a nominal value of COP 1,000 each. On the day of publication of the report, the share capital amounts to COP 182,000,000 (i.e. PLN 238,966 at the exchange rate of 4.05.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

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

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital). At the date of this report, the capital increase as well as changes in the Articles of Association related to the capital increase have not been registered in the National Court.

1.2.5. Relationship

The consolidated financial statement of the Comarch Group for the 6 months ended the 30th of June, 2016, comprises the financial statements of the following companies:

	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 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%

All amounts are expressed in thousands of PLN unless otherwise indicated

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 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 Technologies sp. z o.o.	subsidiary	full	100%
CA Consulting S.A.	subsidiary	full	100%
Comarch Management sp. z o.o.	subsidiary	full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100% in total number of investment certificates

All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch Management sp. z o.o. SK-A	subsidiary	full	8.82% held by CCF FIZ, 26.45% held by Comarch S.A., 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	77.08% held by CCF FIZ, 22.92% held by CASA Management and Consulting sp. z o.o. SK-A
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%

(* including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

1.3. Shareholding Structure, Core Shareholders

1.3.1. Shareholders Holding Directly or Indirectly by Subsidiary Entities at least 5% of the Total Number of Votes at the General Meeting of Comarch S.A., at the Date of Preparing the Financial Report

Comarch S.A.'s share capital consists of 8,133,349 shares at total nominal value of PLN 8,133,349. According to the information possessed by Comarch S.A., as at the 31st of August, 2016, shareholders holding at least 5% of votes at the company's AGM are Janusz Filipiak, Elżbieta Filipiak and MetLife Otwarty Fundusz Emerytalny (Open Pension Fund) managed by MetLife PTE S.A.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	1,323,461	16.27	4,707,461	31.12
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,971,764	48.84	4,009,364	26.50
Total	8,133,349	100.00	15,126,949	100.00

1.3.2. Changes in Significant Holdings of Comarch S.A. Shares between 16 May 2016 and 31 August 2016

Entity	At 31 August 2016				At 16 May 2016			
	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	2,674,488	32.88	6,246,488	41.30
Elżbieta Filipiak	1,323,461	16.27	4,707,461	31.12	846,000	10.40	4,230,000	27.96
MetLife OFE	841,097	10.34	841,097	5.56	616,954	7.59	616,954	4.08

1.3.3. Shareholding Structure of Managing and Supervising Entities as at the Date of Preparing the Financial Report

Shareholders	Position	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	President of the Management Board	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	Chairman of the Board of Supervisors	1,323,461	16.27	4,707,461	31.12
Marcin Dąbrowski	Vice-President of the Management Board	0	0.00	0	0.00
Paweł Prokop	Vice-President of the Management Board	37,539	0.46	75,139	0.50
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	0.40	32,867	0.22
Konrad Tarański	Vice-President of the Management Board	10,608	0.13	10,608	0.07
Marcin Warwas	Vice-President of the Management Board	10,608	0.13	10,608	0.07

According to the Company's information, among the members of the Board of Supervisors, only Chairman of the Board of Supervisors Mrs. Elżbieta Filipiak holds the Company's shares.

1.3.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 16 May 2016 and 31 August 2016

Entity	Position	At 31 August 2016		At 16 May 2016	
		Number of shares	(%) in votes at AGM	Number of shares	(%) in votes at AGM
Janusz Filipiak	President of the Management Board	1,997,027	36.82	2,674,488	41.30
Elżbieta Filipiak	Chairman of the Board of Supervisors	1,323,461	31.12	846,000	27.96
Marcin Dąbrowski	Vice-President of the Management Board	0	0.00	0	0.00
Paweł Prokop	Vice-President of the Management Board	37,539	0.50	37,539	0.50
Andrzej Przewiężlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	0.22	32,867	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	8,125,590	100.00

1.3.5. Registered Preference Comarch S.A. Shares

Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. Janusz Filipiak, the President of the Comarch S.A. Management Board, holds 470,000 series A registered preference shares, which give 2,350,000 votes at the annual general meeting and 423,000 series B registered preference shares, which give 2,115,000 votes at the annual general meeting. Paweł Prokop, the Vice-President of the Management Board holds 9,400 series A registered preference shares, which give 47,000 votes at the annual general meeting. Elżbieta Filipiak, Chairman of the Comarch S.A. Supervisory Board, holds 385,400 series A registered preference shares, which give 1,927,000 votes at the annual general meeting and 460,600 series B registered preference shares, which give 2,303,000 votes at the annual 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:

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

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

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

2. ECONOMIC ACTIVITIES

2.1. Position of Group in the IT Market and Information about Markets and Sources of Supply

Due to the type of IT systems offered by Comarch, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of Comarch's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. The Comarch's offer is dedicated to both Polish and foreign customers. Currently, the Comarch's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe and both Americas. Sale in the Comarch Group is highly diversified, with no dependency on one major client. In the first half of 2016, the share of none of the customers exceeded 10% of the sale in the Comarch Group sales.

Due to the specific nature of the industry in which the Comarch manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In the first half of 2016 no supplier provided products and merchandise at the value exceeding 10% of the Comarch Group proceeds on sale.

2.2. Sales Structure

2.2.1. Geographical Sales Structure

Geographical sales structure	6 months ended 30 th of June 2016		6 months ended 30 th of June 2015		Change in PLN	Change in %
		%		%		
Domestic (Poland)	200,616	38.8%	249,208	49.3%	-48,592	-19.5%
Export	315,809	61.2%	256,233	50.7%	59,576	23.3%
Revenue from sales in total	516,425	100.0%	505,441	100.0%	10,984	2.2%

In the first half of 2016, the Comarch Group reached export sales revenue at PLN 315.8 million (increase by PLN 59.6 million, i.e. 23.3% compared to those in the analogical period of 2015). In the first half of 2016, foreign sales represents 61.2% of total Group's sales.

Revenues from domestic sales decreased significantly and amounted to PLN 200.6 million (less by PLN 48.6 million, i.e. 19.5% compared to the first half of 2015). The cause of decline in domestic sales are:

- a significant decrease in sales (by PLN 21.5 million, i.e. by 37.2%) to customers in the public sector, which is associated with a reduction of purchases by customers in this sector due to the temporary restriction in the access to EU funding, and as a result of reduced supply of proprietary finished products of the Group;
- reduced deliveries of third party software to customers in the telecommunications sector in the domestic market (in the first half of 2015 the Group realized this type of delivery in the amount of over PLN 20 million).

2.2.2. Market Sales Structure

Market sales structure	6 months ended 30 th of June 2016	%	6 months ended 30 th of June 2015	%	Change in PLN	Change in %
Telecommunications, Media, IT	145,419	28.2%	146,399	29.0%	-980	-0.7%
Finance and Banking	68,628	13.3%	61,276	12.1%	7,352	12.0%
Trade and Services	76,090	14.7%	72,774	14.4%	3,316	4.6%
Industry & Utilities	62,830	12.2%	41,733	8.3%	21,097	50.6%
Public sector	36,320	7.0%	57,862	11.4%	-21,542	-37.2%
Small and Medium-Sized Enterprises - Poland	49,091	9.5%	44,982	8.9%	4,109	9.1%
Small and Medium-Sized Enterprises - DACH	57,591	11.2%	52,809	10.4%	4,782	9.1%
Medicine	7,280	1.4%	17,513	3.5%	-10,233	-58.4%
Others	13,176	2.5%	10,093	2.0%	3,083	30.6%
Revenue from sales in total	516,425	100.0%	505,441	100.0%	10,984	2.2%

In the first half of 2016, the Comarch Group enjoyed significant decline in sales (by PLN 21.5 million, i.e. by 37.2%) to customers from the public sector, which is associated with a reduction of purchases by customers in this sector due to the temporary restriction in the access to EU funding, and as a result of reduced supply of proprietary finished products of the Group. Sales to the trade and services sector grew by PLN 3.3 million, i.e. 4.6% comparing to H1 2015, mainly due to implementation of new contracts on foreign markets acquired in previous periods. Sales of Comarch Group to the customers from TMT sector decreased by PLN 1.0 million, i.e. 0.7% in comparison to H1 2015 - reduced deliveries of third-party software on domestic market were compensated by an increase in sales on foreign markets, mainly in Western Europe and South America. Customers in finance and banking sector bought products and services with a value higher by PLN 7.4 million (+12.0%) than achieved in the corresponding period of the previous year. This is due to the acquisition of new customers in foreign markets. The decrease in revenues from sales to customers in the medical sector (by PLN 10.2 million, i.e. by 58.4%) is the result of a smaller amount of projects related to computerization of health services, in particular regional projects of computerization of hospitals. Sales to customers in the industrial sector increased in comparison to H1 2015 by PLN 21.1 million, i.e. by 50.6%, due to increased supply of software and services for international companies from the automotive and fuel industry, and also for one of the national energy companies. Revenues from sales to customers in the small and medium-sized enterprises sector in Poland increased by PLN 4.1 million, i.e. by 9.1%, while in the DACH region by PLN 4.8 million, i.e. by 9.1%. Sales to other customers increased in H1 2016 by PLN 3.1 million, i.e. by 30.6%, mainly due to increased revenues of MKS Cracovia SSA.

Despite periodical changes in the direction of the economic winds, Comarch, with its extensive customer portfolio, varied product range and diversified income sources, remains well-positioned to sustain stable growth in operations.

2.2.3. Products Sales Structure

Products sales structure	6 months ended 30 th of June 2016	%	6 months ended 30 th of June 2015	%	Change in PLN	Change in %
Services	405,542	78.5%	367,042	72.6%	38,500	10.5%
Proprietary software	77,170	15.0%	54,276	10.7%	22,894	42.2%
Third-party software	9,563	1.9%	35,365	7.0%	-25,802	-73.0%
Proprietary hardware	72	0.0%	13,353	2.7%	-13,281	-99.5%
Third-party hardware	4,858	0.9%	13,590	2.7%	-8,732	-64.3%
Others	19,220	3.7%	21,815	4.3%	-2,595	-11.9%
Revenue from sales in total	516,425	100.0%	505,441	100.0%	10,984	2.2%

In the first half of 2016, the Group reached significantly higher revenues from sales of services than in previous year – an increase by PLN 38.5 million, i.e. by 10.5%. This is a result of the implementation of a large number

of contracts in foreign markets, concluded in previous periods. Revenues from sales of proprietary software increased by PLN 22.9 million, i.e. by 42.2%. Revenues from sales of third party software fell by PLN 25.8 million, i.e. by 73.0%. This is the result of reduced deliveries of third party software to customers in the telecommunications sector in the domestic market (in H1 2015, the Group realized this type of delivery in the amount of over PLN 20 million). Sales of third-party computer hardware fell by PLN 8.7 million, i.e. by 64.3%. Sale of proprietary finished products in H1 2016 was marginal, it declined by PLN 13.3 million PLN, i.e. by 99.5% in comparison to H1 2015, due to the lack of supplies own products to customers in the public sector (in H1 2015, the Group realized this type of deliveries worth about PLN 13 million). In H1 2016 the other sales fell by PLN 2.6 million, i.e. 11.9%, as a result of a decrease in sales of consumable materials for own finished products sold by the Group.

2.3. The most Significant Contracts in H1 2016 and After the Balance Sheet Date

2.3.1. Contract between the Comarch S.A.S., a Subsidiary of Comarch S.A. and SNC-LAVALIN S.A.S., General Contractor for the Realization of the Construction Investment in Lille, France

On the 15th 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 at 17 Rue Paul Langevin in Lezennes at the data center. The value of this agreement amounts to EUR 7,500 thousand net, i.e. PLN 32,118 thousand (exchange rate as of the date of signing the agreement). The planned completion date of this investment is the second quarter of 2017. The investment will be financed by a long-term loan. The Company announced about conclusion of the above-mentioned agreement in the current report no. 2/2016 dated the 15th of March, 2016.

2.3.2. Contracts signed with Budimex SA for the implementation of the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7) and the reconstruction of the SSE6 building

On the 18th of March, 2016, Comarch S.A. concluded two contracts with Budimex S.A.:

- 1) On implementation of the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract is construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building will be 27,736 m². The contract value is PLN 69,704 thousand net. Construction work will begin after the transfer of the construction site. Anticipated completion date is the third quarter of 2017.
- 2) On reconstruction of the SSE6 building (Studio 1) in the Special Economic Zone in Krakow. The subject of the contract is the reconstruction of the building from the warehouse to production purpose with road and technical infrastructure and the delivery of necessary materials and equipment. The contract value is PLN 4,350 thousand net. Anticipated completion date is the third quarter of 2016.

The total value of contracts signed with the Budimex S.A. amounted to PLN 74,054 thousand net. Comarch S.A. announced details in current report no. 3/2016 dated the 18th of March, 2016.

2.3.3. Investment Credit Agreement with BGŻ BNP Paribas

On the 18th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed an investment credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing and refinancing of 100% of net costs of an investment related to construction of data center in Lille, France, but no more than 83,5% of the total net costs of the whole investment, about which Comarch S.A. informed in current report no. 2/2016 dated the 15th of March, 2016. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18th of September, 2017. Comarch S.A. announced details in current report no. 4/2016 dated the 18th of March, 2016.

2.3.4. Meeting the criterion of a significant contract with BGŻ BNP Paribas

In connection with conclusion by Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower) on the 18th of March, 2016, a credit agreement with a bank BGZ BNP Paribas S.A. (Comarch S.A. announced it in the current report 4/2016 dated the 18th of March, 2016), the value of contracts signed in the last 12 months between the entities of Comarch Group and entities of BNP Paribas Group exceeded 10% of the equity of Comarch S.A. as at the 31st of December, 2015, thus meeting the criterion of a significant contract.

The highest value contract concluded with entities of BNP Paribas Group is Amendment No. 6 dated the 28th of May, 2015, to the contract for multipurpose credit line (hereinafter: the "Contract"). The value of the Contract is PLN 35,000 thousand. The Contract was concluded for a definite period until the 30th of May, 2016. The total value of all agreements concluded by the entities of Comarch Group with entities of BNP Paribas Group in the last 12 months amounted PLN 95,004 thousand. Comarch S.A. announced details in current report no. 5/2016 dated the 18th of March, 2016.

2.3.5. Investment Credit Agreement and Credit Agreement for Financing of Company's Operations

On the 17th of May, 2016, Comarch S.A. signed two credit agreements with Bank Handlowy w Warszawie S.A. with its registered office in Warsaw, i.e.:

1) investment credit agreement for financing and refinancing of 75% of net costs of an investment related to construction of an office building SSE7 in the Special Economic Zone in Krakow, about which Comarch S.A. informed in current report no. 3/2016 dated the 18th of March, 2016. The credit amounts to EUR 13,332,640.00, i.e. PLN 58,143,643.04 (exchange rate as of the date of signing the agreement). The crediting period is 12 years and lasts until the 15th of May, 2028, the credit currency is EUR, the interest rate of the credit is based on a variable rate. The credit should be taken out within 24 months from the date of signing the credit agreement, i.e. by the 16th of May, 2018. The credit is secured by: the conventional mortgage of EUR 16,665,800.00, i.e. PLN 72,679,553.80 (exchange rate as of the date of signing the agreement) established on the property on which construction works are being implemented (SSE7 building), a statement of Comarch S.A. of submission to enforcement, power of attorney to accounts of Comarch S.A. maintained in Bank Handlowy w Warszawie S.A., cession of rights in the insurance policy of SSE7 building, concluded after the completion of the investment.

b) long-term credit agreement for financing of Company's operations. The credit amounts to EUR 2,508,120.00, i.e. PLN 10,937,911.3 (exchange rate as of the date of signing the agreement). The crediting period is 43 months and lasts until the 16th of December, 2019, the credit currency is EUR, the interest rate of the credit is based on a variable rate. The credit should be taken out within 24 months from the date of signing the credit agreement i.e. by the 16th of May, 2018. The credit is secured by: a statement of Comarch S.A. of submission to enforcement, power of attorney to accounts of Comarch S.A. maintained in Bank Handlowy w Warszawie S.A. Comarch S.A. announced details in current report no. 8/2016 dated the 17th of May, 2016.

2.3.6. Conclusion of Significant Agreements with Telefonica Group

On the 1st of August, 2016, Comarch S.A. announced that value of agreements signed during the last 12 months by the Comarch Group entities with the Telefonica Group entities exceeded 10% of the equity of Comarch S.A. In view of the above, the Management Board of Comarch S.A. has considered these agreements to be significant. The highest value of the agreements concluded with the Telefonica Group entities is an annex dated the 23rd of December, 2015, (hereinafter: the "Annex") to the agreement dated the 5th of May, 2015, (hereinafter: the "Master Agreement") on the implementation of the Planning & Desing CM concluded between Comarch Sistemas LTDA, a subsidiary of Comarch S.A. and TELEFONICA BRASIL S/A, the Telefonica Group entity. The Annex expands the scope of the Master Agreement by implementing Network Inventory solutions together with Discovery & Reconciliation. The value of this Annex amounts to BRL 29,960 thousand net, i.e. PLN 35,847 thousand (exchange rate as of the date of publication of this report). The Annex was concluded until 31st of December, 2018. Financial conditions of the Master Agreement as well as the Annex do not differ from those commonly used in the market for such agreements.

The Annex as well as the Master Agreement provides for the following provisions for contractual penalties:

1. penalties for delay according to the daily rate of 0.5% up to a total rate of 20% of the total value of historical invoices per each case;
2. penalties for breach of an agreement - 20% of contractual remuneration for each case;
3. other penalties provided in the agreement for a total amount of 20% of the contractual remuneration;
4. in case of termination of an agreement due to breach of confidentiality, the penalty amounts to 35% of the contractual remuneration;
5. BRL 10,000 per each case of lack of registration of an employee in appropriate authority.

Limitation of penalties is a limitation per each case. There is no total limitation concerning all possible penalties. In the agreement, there is established a limit of liability for damages and losses to 100% of the contract value. The following claims are excluded from limitations of liability: resulting from breach of intellectual property rights, breach of obligations concerning confidentiality and employee claims. Payment of contractual penalties does not exclude the right to claim for compensation exceeding the amount of these penalties.

The total value of the agreements concluded by Comarch Group entities with Telefonica Group entities during the last 12 months amounts to approx. PLN 114,723 thousand. Comarch S.A. announced details in current report no. 19/2016 dated the 1st of August, 2016.

2.3.7. Investment Credit Agreement with DNB Bank Polska

The Management Board of Comarch S.A. announces that on the 19th of August, 2016, Comarch S.A. signed an investment credit agreement with bank DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing/refinancing 100% of net investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 30th of December, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 30th of December, 2016. The credit is secured by:

- a) registered pledge on financed equipment to the amount of 150% of the credit amount;
- b) cession of rights in the insurance policy of the financed equipment.

Comarch S.A. announced details in current report no. 21/2016 dated the 19th of August, 2016.

2.3.8. Information on the lack of significant impact of one-off event at the financial results of the Comarch Group

On the 3rd of August, 2016, MKS Cracovia SSA, a member of Comarch Group, signed an agreement with Leicester City Football Club (the "Agreement") on sale of intangible assets by MKS Cracovia SSA (player's card of Bartosz Kapustka). The total value of the Agreement doesn't exceed 10% of the equity of Comarch S.A., in the opinion of the Management Board this is not a significant agreement. The Agreement will have no significant impact on the consolidated financial statement of Comarch Group in 2016, as well as in subsequent years. Comarch S.A. announced details in current report no. 20/2016 dated the 3rd of August, 2016.

2.4. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside Group of Related Parties, and a Description of their Financing, as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned

The Comarch Group does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, Comarch consistently aims at increase in international sales, especially in Western Europe and both North and South America. The sales is executed directly to the final client (through Comarch S.A. or another company from the Comarch Group) or through partner companies.

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, and bank credits.

2.4.1. Capital Investment

On the 15th of January, 2016, a share capital of Comarch SRL was increased from EUR 200 thousand to EUR 700 thousand, ie. EUR 500 thousand (PLN 2,203,750 at the exchange rate of the 15th of January, 2016).

On the 22th of January, 2016, a share capital increase of Comarch Management sp. o.o. to the amount of PLN 300 thousand was registered in the National Court.

On the 4th of April, 2016, a resolution was passed to increase the share capital of Comarch Sistemas LTDA from the amount of BRL 1 thousand to BRL 1,000 thousand. Comarch AG purchased 799,200 shares at a nominal price BRL 1 (PLN 1.0480 at the exchange rate of 4.04.2016) each and currently holds 80% of shares with a total value of BRL 800 thousand, while Comarch Software und Beratung AG acquired 199,800 shares at the nominal price of BRL 1 each and currently holds a 20% stake with a total value of BRL 200 thousand. The capital increase was registered on the 14th of April, 2016.

On the 4th of May, 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S. The target capital of the company amounts to COP 3,600,000,000 (i.e. PLN 4,726,800 at the exchange rate of 4.05.2016) and consists of 3,600,000 shares with a nominal value of COP 1,000 each. On the day of publication of the report, the share capital amounts to COP 182,000,000 (i.e. PLN 238,966 at the exchange rate of 4.05.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital). At the date of this report, the capital increase as well as changes in the Articles of Association related to the capital increase have not been registered in the National Court.

2.4.2. Real Estates and Other Material Investment

As at the 30th of June, 2016, the Group owned six office buildings in Krakow Special Economic Zone with a total area of 56,760 m², two office buildings in Warsaw, with a total area of 2,582 m², office buildings and warehouses in Łódź, office building and warehouse in Lille and office building and data center in Dresden. The Group is also in possession of lands in the Special Economic Zone in Krakow with an area of approx. 3.01 ha.

In the first quarter of 2012, Comarch Healthcare S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24 - medical centre) using diagnostic and medical equipment purchased in 2011. As at the 30th of June, 2016, book value of this equipment amounts to PLN 7,089 thousand.

On the 16th of June, 2015, Bonus Development spółka z ograniczoną odpowiedzialnością S.K.A., a subsidiary of Comarch S.A., signed an agreement with Skanska S.A. for the realization of the construction investment in Łódź. The subject of the contract is the construction of an office building, altogether with reconstruction and usage change of the adjacent former factory building located in Łódź at ul. Jaracza 76/78, including traffic and technical infrastructure and the supply of necessary materials and equipment. Total space of the building will be 9,906.20 m². The initial net value of this agreement amounted to PLN 38,800 thousand. As a result of an annex to the above-mentioned contract, the value of the contract increased to PLN 38,909 thousand net. The planned completion date of this investment is the third quarter of 2016.

The office building that was purchased by Comarch S.A.S. in Lille is the new office of the company. On the 15th 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 at 17 Rue Paul Langevin in Lezennes at the data center. The value of this agreement amounts to EUR 7,500 thousand net, i.e. PLN 32,118 thousand (exchange rate as of the date of signing the agreement). The planned completion date of this investment is the second quarter of 2017. The investment will be financed by a long-term loan. The Company announced about conclusion of the above-mentioned agreement in the current report no. 2/2016 dated the 15th of March, 2016.

On the 18th of March, 2016, Comarch S.A. concluded two contracts with Budimex S.A.:

- 1) On implementation of the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract is construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building will be 27,736 m². The contract value is PLN 69,704 thousand net. Construction work will begin after the transfer of the construction site. Anticipated completion date is the third quarter of 2017.
- 2) On reconstruction of the SSE6 building (Studio 1) in the Special Economic Zone in Krakow. The subject of the contract is the reconstruction of the building from the warehouse to production purpose with road and technical infrastructure and the delivery of necessary materials and equipment. The contract value is PLN 4,350 thousand net. Anticipated completion date is the third quarter of 2016.

The total value of contracts signed with the Budimex S.A. amounted to PLN 74,054 thousand net. Comarch S.A. announced details in current report no. 3/2016 dated the 18th of March, 2016.

2.5. Activities in Special Economic Zone

On the 22nd of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow. According to the regulation of the Council of Ministers of the 14th of October, 1997, on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least 2 million Euro, were granted the following tax allowances:

a) During the first 6 years of commercial operations in the zone, the income from such activity is free from income tax.

b) After this period of time, but not later than until the date specified in the permit, half of the income obtained is free from income tax.

The allowance was applicable for the income tax from legal entities from the income obtained from the activity specified in the permit.

As a result of Poland joining the European Union, an act was passed on the 2nd of October, 2003, that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before the 1st of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until the 31st of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1st of January, 2001, is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. the 22nd of March, 1999, until the 31st of December, 2006.

The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from the 14th of September, 2004, on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from the 8th of February, 2005, that changed the Ordinance on the Krakow Special Economic Zone (Journal of Laws No. 32 Item 270) and with Par. 2 of the latter Ordinance taken into consideration.

Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On the 1st of July, 2004, it received a decision from the Minister of the Economy dated the 24th of June, 2004, on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). At the same time, the period of time for which the permit for Comarch S.A. was issued was extended to the 31st of December, 2017, in the changed permit.

The Company holds also another permit for operating in the special economic zone in Krakowski Park Technologiczny, issued in 2007, valid till the 31st of December, 2017. In 2013 and 2016, the Company obtained another three permits for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the Company emphasises that on the 23rd of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

Pursuant to IAS 12, unused tax relief as at the 30th of June, 2016, constitutes a deferred income tax asset. In the second quarter of 2016 the investment relief in respect of the permit obtained in 1999 was fully used. The limit of the unused investment relief under the permit obtained in 2007 at the 30th of June, 2016, discounted as at the permit date, is approx. PLN 23,503 thousand. The limit of the unused investment relief under the permit obtained in 2013 at the 30th of June, 2016, discounted as at the permit date, is approx. PLN 29,000 thousand.

In the first half of 2016, the parent company resolved in part an asset due to activities in the SEZ that was established as at the 31st of December, 2015, and worth PLN 1,708 thousand. This asset will be gradually resolved over 2016 in proportion to the generation of tax-exempt income in this period.

3. FINANCIAL SITUATION OF THE CAPITAL GROUP IN THE FIRST HALF OF 2016

3.1. Financial Analysis

Balance Sheet

	30 June 2016	%	31 December 2015	%	Change	%
ASSETS						
Non-current assets						
Property, plant and equipment	448,606	35.4%	422,566	32.4%	26,040	6.2%
Investment real estates	15,831	1.2%	17,063	1.3%	-1,232	-7.2%
Goodwill	40,735	3.2%	40,735	3.1%	-	0.0%
Other intangible assets	63,134	5.0%	66,474	5.1%	-3,340	-5.0%
Non-current prepayments	1,875	0.1%	819	0.1%	1,056	128.9%
Investments in associates	18,257	1.4%	23,177	1.8%	-4,920	-21.2%
Other investments	415	0.0%	79	0.0%	336	425.3%
Other assets at fair value - derivatives	106	0.0%	106	0.0%	-	0.0%
Deferred income tax assets	30,481	2.4%	33,432	2.6%	- 2,951	-8.8%
Other non-current receivables	1,659	0.1%	1,548	0.1%	111	7.2%
	621,099	49.0%	605,999	46.4%	15,100	2.5%
Current assets						
Inventories	68,209	5.4%	51,413	3.9%	16,796	32.7%
Trade and other receivables	324,572	25.6%	385,375	29.5%	-60,803	-15.8%
Current income tax receivables	8,387	0.7%	7,143	0.5%	1,244	17.4%
Long-term contracts receivables	55,536	4.4%	32,440	2.5%	23,096	71.2%
Available-for-sale financial assets	0	0.0%	0	0.0%	-	0.0%
Other financial assets at fair value – derivatives	1,960	0.2%	664	0.1%	1,296	195.2%
Interest and shares	1	0.0%	1	0.0%	-	0.0%
Cash and cash equivalents	187,400	14.8%	221,793	17.0%	-34,393	-15.5%
	646,065	51.0%	698,829	53.6%	-52,764	-7.6%
TOTAL ASSETS	1,267,164	100.0%	1,304,828	100.0%	-37,664	-2.9%

In the first half of 2016, the value of the Comarch Group's assets decreased by PLN 37.7 million (2.9%) compared to the end of 2015. This is a consequence of a decrease of PLN 52.8 million in current assets, while there was an increase of PLN 15.1 million in non-current assets. The decrease of 7.6% in current assets is related to periodical decline in the level of trade receivables (a decrease of PLN 60.8 million, i.e. 15.8%) and decrease in cash and cash equivalents (a decrease of PLN 34.4 million, i.e. 15.5%). Value of inventories results from execution of current orders from customers (an increase of PLN 16.8 million in relation to the end of 2015, i.e. 32.7%). Long-term contracts receivables increased from PLN 32.4 million at the end of 2015 to PLN 55.5 million at the end of the first half of 2016. The increase of 2.5% in non-current assets results from an increase in value of property, plant and equipment (an increase of PLN 26.0 million, i.e. 6.2%) caused by, among others, increase in the value of fixed assets under construction of PLN 12.8 million (construction of office building in Łódź) and the increase in the value of the land (land purchase by the Group companies to be used for investment purposes).

All amounts are expressed in thousands of PLN unless otherwise indicated

	30 June 2016	%	31 December 2015	%	Change	%
EQUITY						
Capital and reserves attributable to the Company's shareholders						
Share capital	8,133	0.6%	8,133	0.6%	-	0.0%
Other capitals	148,226	11.7%	148,226	11.4%	-	0.0%
Exchange differences	15,871	1.3%	6,509	0.5%	9,362	143.8%
Net profit for the current period	12,756	1.0%	79,651	6.1%	-66,895	-84.0%
Retained earnings	604,691	47.7%	525,040	40.2%	79,651	15.2%
	789,677	62.3%	767,559	58.8%	22,118	2.9%
Minority interest	14,257	1.1%	13,022	1.0%	1,235	9.5%
Total equity	803,934	63.4%	780,581	59.8%	23,353	3.0%
LIABILITIES						
Non-current liabilities						
Credit and loans	115,847	9.1%	113,540	8.7%	2,307	2.0%
Other liabilities	83	0.0%	83	0.0%	-	0.0%
Financial liabilities at fair value – derivatives	3,195	0.3%	1,411	0.1%	1,784	126.4%
Other financial liabilities	32	0.0%	33	0.0%	-1	-3.0%
Provision for deferred income tax	40,574	3.2%	37,619	2.9%	2,955	7.9%
Provision for other liabilities and charges	0	0.0%	0	0.0%	-	0.0%
	159,731	12.6%	152,686	11.7%	7,045	4.6%
Current liabilities						
Trade and other payables	127,098	10.0%	150,898	11.6%	-23,800	-15.8%
Current income tax liabilities	8,771	0.7%	13,010	1.0%	-4,239	-32.6%
Long-term contracts liabilities	20,219	1.6%	26,176	2.0%	-5,957	-22.8%
Credit and loans	25,114	2.0%	24,152	1.9%	962	4.0%
Financial liabilities at fair value – derivatives	2,329	0.2%	1,639	0.1%	690	42.1%
Other financial liabilities	2,038	0.2%	7,939	0.6%	-5,901	-74.3%
Provisions for other liabilities and charges	117,930	9.3%	147,747	11.3%	-29,817	-20.2%
	303,499	24.0%	371,561	28.5%	-68,062	-18.3%
Total liabilities	463,230	36.6%	524,247	40.2%	-61,017	-11.6%
TOTAL EQUITY AND LIABILITIES	1,267,164	100.0%	1,304,828	100.0%	-37,664	-2.9%

In the first half of 2016, total equity and liabilities decreased mostly as a result of a decline in current liabilities (a decrease of PLN 68.1 million, i.e. 18.3%). The reasons are as follows: a decrease in trade and other liabilities (a decrease of PLN 23.8 million, i.e. 15.8%) and provisions for other liabilities and charges (a decrease of PLN 29.8 million, i.e. 20.2%, mostly as a result of dissolving provisions for cash rewards and remunerations). On the decrease in current liabilities in the reporting period less influence had: long-term contracts liabilities (a decrease of PLN 6.0 million, i.e. 22.8%), other financial liabilities (a decrease of PLN 5.9 million, i.e. 74.3%) and current income tax liabilities (a decrease of PLN 4.2 million, i.e. 32.6%). Value of current credits and loans increased compared to the end of 2015 of PLN 1.0 million, i.e. 4.0%. An increase in current financial liabilities at fair value of PLN 0.7 million is a result of the valuation of derivatives - forward contracts. A slight increase in long-term liabilities is a result of an increase in the net value of long-term credits and loans (PLN 2.3 million, i.e. 2.0%). The value of equity increased by PLN 23.4 million, i.e. 3.0%.

Debt ratio	30 June 2016	31 December 2015
Debt/assets ratio	11.1%	10.6%
Debt/equity ratio	17.9%	17.9%

The financial debt of assets slightly increased, which is caused by the decline in the value of total assets. Stable debt ratio of financial equity (in spite of the increase in value of debt) is a result of increase in a value of equity.

Income Statement

	6 months ended 30 th of June 2016	%	6 months ended 30 th of June 2015	%	Change	%
Revenue	516,425	100.0%	505,441	100.0%	10,984	2.2%
Costs of products, goods and materials sold	-366,389	-70.9%	-360,256	-71.3%	-6,133	1.7%
Gross profit	150,036	29.1%	145,185	28.7%	4,851	3.3%
Other operating income	8,409	1.6%	1,545	0.3%	6,864	444.3%
Sales and marketing costs	-62,997	-12.2%	-56,812	-11.2%	-6,185	10.9%
Administrative expenses	-40,791	-7.9%	-40,144	-7.9%	-647	1.6%
Other operating expenses	-19,448	-3.8%	-5,434	-1.1%	-14,014	257.9%
Operating profit	35,209	6.8%	44,340	8.8%	-9,131	-20.6%
Finance revenue/(costs) - net	-4,037	-0.8%	-90	0.0%	-3,947	4385.6%
Share in profit/(loss) of associates	-4,573	-0.9%	-263	-0.1%	-4,310	1638.8%
Profit before income tax	26,599	5.2%	43,987	8.7%	-17,388	-39.5%
Income tax expense	-12,646	-2.4%	-7,679	-1.5%	-4,967	64.7%
Net profit for the period	13,953	2.7%	36,308	7.2%	-22,355	-61.6%
<i>including:</i>						
Net profit Attributable to shareholders of the parent company	12,756	2.5%	35,782	7.1%	-23,026	-64.4%
<i>Interests not entitled to control</i>	<i>1,197</i>	<i>0.2%</i>	<i>526</i>	<i>0.1%</i>	<i>671</i>	<i>127.6%</i>

Sales revenues in the first half of 2016 amounted to PLN 516.4 million, which is an increase compared to the first half of 2015 by PLN 11.0 million, i.e. by 2.2%. In the first half of 2016, an operating result amounted to PLN 35.2 million and was lower than the operating result for the first half of 2015 by PLN 9.1 million, i.e. by 20.6%. Net profit attributable to shareholders of the Company amounted to PLN 12.8 million and was lower than the net profit for the first half of 2015 by PLN 23.0 million, i.e. by 64.4%.

Profitability analysis	6 months ended 30 th of June 2016	6 months ended 30 th of June 2015
Margin on sales	29.1%	28.7%
EBIT margin	6.8%	8.8%
Gross margin	5.2%	8.7%
Net margin	2.5%	7.1%

Margin on sales in the first half of 2016 was higher compared to the first half of 2015. Due to, among others, an increase in the value of provisions for doubtful receivables and the inclusion of results of an associate Thanks Again LLC in a result of the Comarch Group, profitability ratios were lower than in the first half of 2015.

The following factors had a major impact on the financial results in the first half of 2016:

- significant decrease of revenue from sales to customers in the public sector (37.2%) and medical sector (58.4%), which was caused by a temporary slowdown in the settlement of public tenders,
- significant decrease in sales of proprietary finished products - in H1 2016 it decreased by PLN 13.3 million, i.e. by 99.5% compared to H1 2015, due to lack of supplies of own products to customers in the public sector (in H1 2015, the Group realized this type of delivery in the amount of about PLN 13 million),
- high growth rate of revenues from sales to customers in the finance and banking sector as well as industry and utilities sector, sustained by long-term contracts concluded in previous periods,
- significant increase in costs of operations, especially payroll costs – related to an increase in the number of people employed in the second half of 2015, which resulted in the increase in wage fund in reporting period by over 21% comparing to H1 2015,
- inclusion of an affiliated company Thanks Again LLC in the financial results of H1 2016 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 4.3 million,
- increase in the value of provisions for doubtful receivables by PLN 12.4 million.

The costs associated with software development in the field of among others, *Smart City*, *Smart Airport*, *e-Health* systems, devices for telemedicine, *Internet of Things* solutions will have in subsequent periods a significant impact on the increase in operating costs of the Comarch Group, but they will contribute to an increase in revenues achieved in new segments of activities in future.

Financial liquidity and turnover ratios

Liquidity analysis

	30 June 2016	31 December 2015
Current ratio	2.1	1.9
Quick ratio	1.7	1.6
Cash to current liabilities ratio	0.6	0.6

In the first half of 2016, the Comarch Group improved its very good financial liquidity. In the Management Board's opinion, the Comarch Group has no problems with meeting the contracted financial liabilities on-time. Temporarily free funds are invested by Comarch in safe financial instruments like bank deposits, participation units in money investment funds and treasury bills.

Turnover analysis

	6 months ended 30 th of June 2016	6 months ended 30 th of June 2015
Current asset turnover ratio	0.8	0.7
Receivable turnover ratio (days)	113	137
Inventories turnover ratio (days)	56	26
Liabilities turnover ratio (days)	163	194
Liabilities turnover excluding liabilities due to investment credit ratio (days)	118	150

Turnover ratios confirm an effective use of the Company's funds. In the first half of 2016, receivables and turnover ratio was shortened, that is related to an increase in revenue compared to those in the first half of 2015 and to a decrease in receivables in relation to receivables turnover ratio. Lower value of a turnover ratio means shortening the waiting period for payment of receivables. Liabilities turnover ratio also decreased as a consequence of a significantly lower level of liabilities in the first half of 2016 compared to those in the first half of the previous year. As a result of lower sales of goods and materials, inventory turnover ratio was strongly extended.

Methods of Calculation of Financial Ratios**Debt Ratios**

$$\text{Debt Ratio} = \frac{\text{Credits and Loans}}{\text{Total Assets}}$$

$$\text{Debt/Equity Ratio} = \frac{\text{Credits and Loans}}{\text{Equity attributable to Shareholders}}$$

Profitability Ratios

$$\text{Return on Equity} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Equity attributable to Shareholders}}$$

$$\text{Return on Sales} = \frac{\text{Gross Profit}}{\text{Revenue}}$$

$$\text{EBIT Margin} = \frac{\text{Operating profit}}{\text{Revenue}}$$

$$\text{Gross Margin} = \frac{\text{Profit before Income Tax}}{\text{Revenue}}$$

$$\text{Return on Sales (profit attributable to shareholders)} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$$

Liquidity Ratios

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Trade and Other Receivables} + \text{Cash and Cash Equivalents} + \text{Available-for-Sale Assets}}{\text{Current Liabilities}}$$

$$\text{Cash to Current Liabilities Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}}$$

Turnover Analysis

$$\text{Current Assets Turnover Ratio} = \frac{\text{Revenue}}{\text{Current Assets}}$$

$$\text{Receivables Turnover Ratio} = \frac{(\text{Trade and Other Receivables}) * 180}{\text{Revenue}}$$

$$\text{Inventories Turnover Ratio (days)} = \frac{(\text{Inventories} - \text{Production in Progress}) * 180}{\text{Costs of Sold Goods and Materials}}$$

	(Liabilities+ -Liabilities due to Long-term Contracts)*180
Liabilities Turnover Ratio(days)	= $\frac{\text{Sales and Marketing Costs++Administrative Expenses++Other Operating Expenses ++Costs of Sold Products,Services, Goods and Materials}}{\text{Liabilities+-Liabilities due toLong-term Contracts)*180}}$
Liabilities Turnover Ratio excluding Liabilities due to Bonds and Investment Credit (days)	= $\frac{\text{Sales and Marketing Costs++Administrative Expenses++Other Operating Expenses ++Costs of Sold Products,Services, Goods and Materials}}{\text{Liabilities+-Credits and Loans)*180}}$

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

Group has not published the results forecast for the first half of 2016.

3.3. Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal

3.3.1. Deferred Income Tax Assets

In the first half of 2016, the Group settled in part an asset due to activities in the SEZ that was worth PLN 1,708 thousand and established as at the 31st of December, 2015. This asset will be gradually resolved over 2016 in proportion to the generation of tax-exempt income in this period.

In the first half of 2016, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2015, and worth PLN 6,033 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 3,456 thousand. An asset due to tax loss was recognised in the amount of PLN 1,334 thousand. The total effect of the above-mentioned operations on the net result of H1 2016 was minus PLN 2,951 thousand.

Due to valuation of net assets of CCF FIZ, in the first half of 2016, the Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 1,557 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 5,288 thousand and dissolved in the amount of PLN 487 thousand. In the first half of 2016, the Group also dissolved provisions due to acquisition of A-MEA Informatik AG (currently Comarch Swiss AG) and ESAProjekt sp. z o.o. (currently Comarch Healthcare S.A.) in the amount of PLN 289 thousand. The total effect of the all above-mentioned operations on the net result of H1 2016 was minus PLN 2,955 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 5,906 thousand.

3.3.2. Valuation of Exchange Differences

The impact of changes in exchange rates on revenue and results of the Comarch Group in the first half of 2016 was moderate. Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 30th of June, 2016, increased revenue and operating profit of Comarch Group by PLN 4,908 thousand (while in the first half of 2015 increased by PLN 1,758 thousand). Exchange rate differences from other activities decreased the result of Comarch Group in the first half of 2016 by PLN 2,738 thousand (while in the first half of 2015 increased by PLN 2,007 thousand). The total effect of exchange rate differences on the net result of the Comarch Group in the first half of 2016 amounted to plus PLN 2,170 thousand (plus PLN 3,765 thousand in the first half of 2015).

3.3.3. Write-off Revaluating Receivables

In the first half of 2016, the Group recognized an impairment loss of trade receivables in the amount of PLN 14,773 thousand and reversed previously created write-off in the amount of PLN 2,416 thousand.

3.3.4. The impact of Thanks Again LLC on the results of the Comarch Group

Taking into account Thanks Again LLC - an associate of Comarch S.A. - in the financial results of the first half of 2016 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 4,252 thousand, which is related to the current activity of Thanks Again LLC.

3.3.5. The fair value of financial instruments

The fair value of instruments hedging currency risk and interest rate risk decreased the net result of Comarch Group in the amount of PLN 3,149 thousand.

3.4. Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year

They were described in points 1.2.3 and 1.2.4 of the report.

3.5. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions

None present.

3.6. Credits, Loans, Suretyships, Guarantees and Other Significant Off-Balance Sheet Items

3.6.1. Long-Term Bank Credits

In the Comarch Group, parent company - Comarch S.A. - has the following long-term bank credits:

- a) An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts of PLN 44,000 thousand. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by the 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5th of October, 2011, the company revaluated the remaining credit to be paid into euro. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 5,112 thousand, i.e. PLN 22,622 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as at the 31st of December, 2015).
- b) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 2,708 thousand, i.e. PLN 11,983 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as at the 31st of December, 2015).
- c) An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The loan was run on the 7th of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. In the second quarter of 2016 the credit was repaid in full.

- d) A nonrevolving operating credit from BZ WBK Bank S.A. with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's current operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is the 31st of December, 2020. This credit has a variable interest rate. The real estate mortgage located in SEZ and cession of rights in the insurance policy are security for this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 4,297 thousand, i.e. PLN 19,016 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as at the 31st of December, 2015).
- e) An investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56,000 thousand, i.e. EUR 13,323 thousand as at the date of the agreement. The crediting period: 10 years, repayment will be made not later than on the 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. The loan was fully paid out until the 30th of September, 2015. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 12,352 thousand, i.e. PLN 54,662 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as at the 31st of December, 2015).
- f) An investment credit agreement with Bank Handlowy w Warszawie S.A. with its registered office in Warsaw, for financing and refinancing of not more than 75% of net costs of an investment related to construction of office building SSE7 in the Special Economic Zone in Krakow, of which the Company informed in the current report no. 8/2016 dated the 17th of May, 2016. The credit amounts to EUR 13,333 thousand, i.e. PLN 58,144 thousand as at the date of the agreement. The crediting period: 12 years and lasts until the 15th of May, 2028. The credit was granted in EUR and has a variable interest rate. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16th of May, 2016. Securities for this credit are: contractual mortgage in the amount of EUR 16,666 thousand, i.e. PLN 72,680 thousand as at the date of the agreement, established on real estate on which the investment is implemented, declaration of submission to enforcement, power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. and cession of rights in the building SSE7 insurance contract, concluded after completion of the investment. As at the 30th of June, 2016, the credit has not been run.
- g) A non-revolving long-term credit in Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing current operations, of which the Company informed in the current report no. 8/2016 dated the 17th of May, 2016. The credit amounts to EUR 2,508 thousand, i.e. PLN 10,938 thousand at the date of the agreement. The crediting period is 43 months and lasts until the 16th of December, 2019. The credit was granted in EUR, the interest rate of the credit is based on a variable rate. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16th of May, 2018. Securities for this credit are: declaration of submission to enforcement and power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 23 thousand, i.e. PLN 101 thousand.
- h) An investment credit agreement with DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing up to 100% of investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow, of which the Company informed in the current report no. 21/2016 dated the 19th of August, 2016. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand as at the date of the agreement. The crediting period lasts until the 30th of December, 2023. The credit was granted in EUR and has a variable interest rate. The credit should be used until the 30th of December, 2016. Securities for this credit are: registered pledge on devices which are the subject of financing to the amount of 150% of the credit, cession of rights under the insurance contract of devices, a declaration of submission to enforcement by Comarch S.A. and a power of attorney to manage Comarch S.A. bank accounts in DNB Bank Poland SA. The credit agreement was signed after the balance sheet date.

In the third quarter of 2011, Comarch Healthcare S.A. acquired an investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with implementation of project NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31st of December, 2011, and it was used in total. The crediting period lasts 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to PLN 5,675 thousand (PLN 6,809 thousand as at the 31st of December, 2015).

In the second quarter of 2013, Comarch AG acquired investment loan from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6,000 thousand, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 30th of June, 2016, the value of the credit to be repaid amounted to EUR 2,483 thousand, i.e. PLN 10,987 thousand (EUR 3,103 thousand, i.e. PLN 13,225 thousand as at 31st of December, 2015).

In second quarter of 2015, Bonus Development Sp. z o.o. SK-A took out a construction and investment credit in bank Polska Kasa Opieki Spółka Akcyjna ("PEKAO S.A.") with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to reconstruction of the former factory building and the construction of an adjacent office building in Łódź. The credit is granted in EUR and amounts up to PLN 38,800 thousand, which on the day of signing the agreement was equivalent to EUR 9,262 thousand. The crediting period is 15 years, until the 28th of June, 2030. The interest rate of the credit is based on a variable rate. The loan is secured by the conventional mortgage to the amount of PLN 59,200 thousand on the property, on which construction works are being implemented, a statement of submission to enforcement, power of attorney to accounts maintained in bank PEKAO S.A., cession of rights in the bank guarantee for contract good performance and for warranty obligations, cession of rights in the insurance policies, cession of rights under the lease agreement concluded between the borrower and Comarch S.A., and a surety granted by Comarch S.A. together with a declaration of submission to execution and power of attorney to accounts of Comarch S.A. conducted by PEKAO S.A. The credit should be taken out by the 28th of June, 2017. As at the 30th of June, 2016, the value of drawn loan was EUR 3,083 thousand, i.e. PLN 13,643 thousand (EUR 1,161 thousand, i.e. PLN 4,946 thousand as at 31st of December, 2015).

On the 18th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed an investment credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing and refinancing of 100% of net costs of an investment related to construction of data center in Lille, France, but no more than 83.5% of the total net costs of the whole investment. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18th of September, 2017. Comarch S.A. announced details in current report no. 4/2016 dated the 18th of March, 2016. The credit is secured by:

- a) the conventional mortgage of EUR 12,000 thousand, i.e. PLN 51,246 thousand (exchange rate as of the date of signing the agreement) established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSEIV building),
- b) a statement of Comarch S.A. of submission to enforcement,
- c) power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A.,
- d) cession of rights in the insurance policy of SSEIV building.

As at the 30th of June, 2016, the value of drawn loan was EUR 329 thousand, i.e. PLN 1,454 thousand.

On the 24th of August, 2016, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, dated the 22nd of July, 2016, on registration of a mortgage described in point a) above. There is no relation between Comarch S.A.S., Comarch S.A., its managing or supervising persons and BGŻ BNP Paribas S.A. The Company announced details in the current report no. 22/2016 dated the 24th of August, 2016.

3.6.2. Current credit lines (variable interest rate)

In the Comarch Group, parent company - Comarch S.A. - has the following credit limits in current account:

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10,000 thousand. It can be used by the 13th of December, 2016. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10,000 thousand. It can be used by the 31st of October, 2016. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 30,000 thousand. It can be used by the 30st of June, 2018. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2016, the credit was not used, as well as at the 31st of December, 2015.

On the 18th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed a revolving credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing of current business activity. The credit amounts to EUR 1,300 thousand, i.e. PLN 5,552 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of November, 2017, the interest rate of the loan is based on a variable rate. The loan is secured by a statement of Comarch S.A. of submission to enforcement and power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A.

	30 June 2016	31 December 2015
Current credit lines granted, expiring within one year, including:	55,753	44,033
– used at the balance sheet date	291	-
– available at the balance sheet date	55,462	44,033

3.6.3. Loans Acquired by the Companies in the Comarch Group

On the 28th of December, 2015, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 6 266 thousand and drawdown was made in the first quarter of 2016. Loan will reach its maturity date in September, 2016. The loan is not secured. As at the 30th of June, 2016, the value of the credit to be repaid amounted to PLN 1,253 thousand.

3.6.4. Loans within Comarch Group

As at the 30th of June, 2016, the following companies of the Capital Group were indebted for loans:

Lender	Borrower	Loans at 30 June 2016	Interests at 30 June 2016
Comarch S.A.	Comarch Chile SpA	4,776	103
Comarch S.A.	Comarch R&D SARL	2,434	105
Comarch S.A.	Comarch Healthcare S.A.	12,220	920
Comarch S.A.	Bonus Development Sp. z o.o. SK-A	3,859	0
Comarch S.A.	Comarch Software Spain S.L.U.	354	5
Comarch S.A.	Comarch Yazilim A.S.	1,106	23
Razem		24,749	1,156

Their maturity dates will be in 2017-2028.

3.6.5. Loans Granted to Members of the Managing and Supervising Persons

As at the 30th of June, 2016, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board or members of the Supervisory Board or their relatives.

As at the 30th of June, 2016, there are no unpaid loans as well as there are no guarantees nor suretyships granted by other companies in the Comarch Group to members of the Comarch S.A.'s Management Board or members of the Comarch S.A.'s Supervisory Board or their relatives.

3.6.6. Information about Suretyships, as well as Guarantees and Liabilities due to Leases Provided by the Issuer and Its Subsidiaries

- a) Due to conclusion in August, 2010, of a contract with a customer by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. has granted a surety for the customer. This surety has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG. The value of the guarantee equals the value of the contract, i.e. approximately EUR 53,666 thousand. The financial conditions, that the surety was provided on, do not differ from the market conditions.
- b) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- c) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- d) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31st of December, 2021.
- e) 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.
- f) 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 3,682 thousand and is valid for the whole term of the contract.
- g) 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.
- h) 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. Taking the debt is valid till the 30th of August, 2018.
- i) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000

thousand, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15th of May, 2020.

- j) 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.
- k) 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.
- l) 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.
- m) 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.
- n) Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement in 2015, the total amount of granted surety is PLN 100 thousand and is valid till the 31st of May, 2017.
- o) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. approximately EUR 10 thousand monthly and is valid till the termination of the contract.
- p) 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.
- q) 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 and is valid till the 31st of May, 2017.
- r) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- s) 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.
- t) 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 fulfillment 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.

- u) Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. o.o. SK-A funding in the amount of EUR 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28th of June, 2030.
- v) 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, ie. the 30th of August, 2018.
- w) Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety was granted up to the amount of PLN 10 thousand and is valid till the 15th of September, 2015.
- x) 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.
- y) 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.
- z) 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.
- aa) Due to conclusion of a contract by Comarch Inc., a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch S.A. granted a surety for Comarch Inc. The surety was granted up to the amount of USD 420 thousand and is valid till the termination of the contract.

3.6.7. Bank Guarantees and Significant Off-Balance Sheet Items

On the 30th of June, 2016, 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 45,463 thousand, whereas it was PLN 48,740 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 19 thousand, whereas it was also PLN 19 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 392 thousand, i.e. PLN 1,734 thousand, whereas it was EUR 815 thousand, i.e. PLN 3,474 thousand on the 31st of December, 2015.

On the 30th of June, 2016, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 71 thousand, whereas it was EUR 16 thousand, i.e. PLN 68 thousand on the 31st of December, 2015.

Comarch S.A. declared a possibility to grant a financial support (*“letters of comfort”*) for its subsidiaries: MKS Cracovia SSA (valid till the 30th of June, 2017) and Comarch Healthcare S.A. (valid till the 31st of December, 2018).

3.7. Significant Legal, Arbitration or Administrative Proceedings**3.7.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities**

None present.

3.7.2. Two or more Proceedings related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10% of Equities and the Issuer's Opinion on the Matter

None present.

4. PERSPECTIVES OF DEVELOPMENT

4.1. Factors Essential for Development of the Comarch Group

4.1.1. Internal Factors:

- a) Continuous increase in export sales and significance of foreign sales,
- b) Position and reputation of the Company affecting the nature of clients acquired;
- c) Commercial operations of Comarch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
 - lower costs, especially variable costs related to a single contract,
 - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
 - broader and more diversified circle of clients, which means a broader scale of activities;
- e) Attractive training policy and attractive working conditions offered for employees of the Company;
- f) Increasing awareness of the Comarch brand among prospective clients by carrying out marketing activities, including sports marketing (MKS Cracovia SSA);
- g) Necessity of continuous investment in human resources to maintain the Company's competitive edge in the subsequent years;
- h) High level of investment expenditures designated for research and development activity, and development of new IT products and services;
- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

4.1.2. External Factors:

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many industries as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the *cloud computing* model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) increasing competition in the local labour market in the IT sector in Krakow and other places of doing business by the Company;
- h) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- i) Exchange rates fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales.
- j) Political situation in Eastern Europe, with particular focus on the situation in Ukraine and Russia, that have an impact on the demand for products and services in this market and the financial credibility of customers in this geographic region,
- k) International political situation, among others, increasing risk of terrorist attacks in project management locations hinders their implementation.

4.2. Other Significant Factors, including Risks and Threats

4.2.1. Credit Risk

The parent company analyses the financial credibility of potential clients before signing contracts for the supply of IT systems and adjusts the conditions of each contract to the potential risk depending on its assessment of the financial standing of the client. Concentration of credit risk is limited due to diversification of the Comarch's sales to a significant number of customers in different branches of economy, in different world's regions.

4.2.2. Risk of Change in Interest Rates

The Comarch Group is exposed to the risk of changes in interest rates related to cash and cash equivalents, as well as long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR and EURIBOR index. The Group has been hedging this interest rate risk by IRS contracts and monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated by a change in the amount of interest received on cash and cash equivalents.

4.2.3. Risk of Fluctuation in the Exchange Rates

The Comarch Group is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EUR/PLN, GBP/PLN, CAD/PLN, RUB/PLN, USD/PLN and CHF/EUR. At the same time, part of the parent company's costs are also expressed in, or related to, exchange rates for foreign currencies. In individual cases, the parent company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change of credit's currency). The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services (trade payables), liabilities due to investment credits as well as cash.

4.2.4. Financial Liquidity Risk

The Comarch Group has a liquidity risk management system to manage its short, medium and long-term funds. The fundamental financial liquidity risk arises because the majority of costs incurred by the Comarch Group are fixed costs, while revenue from sales, as is typical for a services company, fluctuates. The Comarch Group manages liquidity risk by holding the appropriate amount of working capital, by holding reserve credit lines in the current account, by constantly monitoring the forecasted and actual cash flows and by analysing the maturity profiles of financial assets and liabilities.

4.3. Perspectives of Development in the Group and Anticipated Financial Situation in 2016

In the first half of 2016, the Comarch Group observed significant increase in demand for IT products and services. Thanks to this the Group's order backlog grew and now provides full utilization of its production capacity in the several subsequent periods. Economic and political situation in Poland and abroad will still have a detrimental impact on situation on the IT market and the financial results achieved by the Comarch Group in the second half of 2016. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of a very well diversified offer. Customer base is constantly expanding, and a considerable part of them are international companies, allowing to continue the development of the Company. Dynamically developing activity of Comarch Group in international markets additionally increases sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of Comarch. This also implies the need to make numerous capital investments abroad (mainly through the establishment of foreign subsidiaries). Execution of Comarch strategy largely depends on macroeconomic conditions, independent of Comarch, especially on the level of IT investments in medium-size and large companies in Poland and abroad, on the fact that competition in the IT sector becomes more and more fierce and on increasing competition in labour market. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. Growth in demand for delivery of IT solutions in services model is a chance for the Company, as Comarch holds wide suits of own products, own infrastructure, as well as human and capital resources and is able to flexibly fit to business models required by customers.

The most important risks related to the Group's operations are:

- a) risks related to R&D work (developing proprietary software products);
- b) risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees;
- c) risks related to execution of long-term contracts;
- d) risks related to failure to meet contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- e) risk of foreign legal and political environment related to execution of export contracts;
- f) credit risk of insolvency of contractors, related to the sale with deferred payment, and often a long period of execution of contracts;
- g) risk of exchange rates fluctuations;
- h) risks related to international terrorism, hindering the posting of workers in business travel in some regions of the world.

The Group does not expect of significant changes in its financial situation or in risks related to its business.

4.4. Characteristic of Policy of the Development Direction in the Comarch Group

The strategic development directions of the Comarch Group are:

- constant development of its own technologically advanced products, high expenses for R&D,
- development of international sales, especially focusing on markets in Western Europe (in particular in the DACH region) and both Americas,
- development of IT products and services in the service model (*cloud computing*)
- diversification of an offer through sales of products and services to customers in many economic sectors,
- continuation of development works within IT solutions for e-Health sector which should become one of the main sources of customers for the Comarch Group in the future,
- strict cooperation with global customers in international markets,
- constant investment in human resources,
- development of a modern production base in Poland and abroad,

4.5. Achievements within Research and Development

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market, where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally. Therefore, the main strategic objectives of the Company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code can be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base.

Comarch S.A.

In the first half of 2016, Comarch S.A. completed the „Situation AWare Security Operations Centre” (SAWSOC) project subsidized within the **7th Framework Programme** of the European Union.

Within the **Operational Programme Intelligent Development** Action 1.1 "Projects R&D of enterprises", Subaction 1.1.2 "R&D works related to manufacture of a pilot/demo installation", the project "City of Health" was implemented.



Unia Europejska
Europejski Fundusz
Rozwoju Regionalnego



Comarch Healthcare S.A.

In the first half of 2016, within the Strategic program of scientific research and development "Prevention and treatment of civilization diseases" - STRATEGMED II, an agreement was signed for subsidizing the project "Non-invasive monitoring for early detection of atrial fibrillation (AF)" - NOMED-AF.



Within the Program of Applied Research the implementation of the project "Research on spatial navigation methods in endoscopic diagnosis of peripheral lung nodule" was continued, in which Comarch Healthcare S.A. is a partner.



The following project was completed: "Situation AWare Security Operations Center" (SAWSOC) subsidized within the **7th Framework Programme** of the European Union.

5. COMARCH IN THE STOCK EXCHANGE

5.1. Resolutions of the AGM and the Board of Supervisors

5.1.1. Best Practices of WSE Listed Companies

Pursuant to par. 29 point 3 of the Rules of the Warsaw Stock Exchange S.A., Comarch S.A. submitted in a current report no. EBI 1/2016 information on not applying rules contained in the "Code of Best Practice for WSE Listed Companies 2016".

Disclosure Policy, Investor Communications

I.Z.1.10. financial projections, if the company has decided to publish them, published at least in the last 5 years, including information about the degree of their implementation;

The principle not applicable.

Comments of the Company: Comarch S.A. does not publish any financial forecasts.

Remuneration

VI.Z.4. In this activity report, the company should report on the remuneration policy including at least the following:

- 1) general information about the company's remuneration system;
- 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group;
- 3) information about non-financial remuneration components due to each management board member and key manager;
- 4) significant amendments of the remuneration policy in the last financial year or information about their absence;
- 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

The principle is not applied.

Comments of the Company: In terms of disclosures of remuneration the Company applies generally applicable laws. The Company complies with the principle VI.Z.4 partially. Comarch SA has a remuneration policy which defines the form, structure and level of remuneration of the Company's employees, including members of Management and Supervisory Boards. The remuneration of the members of the Management Board is determined by the Supervisory Board on the basis of qualifications, experience and responsibilities of a Board member. Remunerations of the Management Board members include variable components, the amount of which depends on the financial performance and the degree of implementation of goals designated by the Supervisory Board. The remuneration of the Management Board members is paid by the Company and the subsidiaries, depending on the degree of involvement in the operations of individual subsidiaries. Remuneration of the Supervisory Board members is determined by General Meeting of Shareholders and it does not contain variable components. The Company presents in annual reports the amount of total remuneration of Management Board members (without division into fixed and variable components) and the Supervisory Board members, in division for paid by the Company and jointly by the other Group entities.

Full information on the status of applying by Comarch S.A. of recommendations and principles contained in the "Code of Best Practice for WSE Listed Companies 2016" was submitted in the current report no. EBI 1/2016.

Pursuant to the detailed principle number II.Z.10. included in the second part of the "Code of Best Practice for WSE Listed Companies 2016", Comarch S.A.'s Management Board submitted in the current report no. EBI 2/2016 the Report of Comarch S.A.'s Supervisory Board activities 2015 and assessment of the Company's situation in 2015 including assessment of the Company's internal system control and risk management in the Company, assessment of the Company's compliance with the disclosure obligations concerning compliance with the corporate governance principles and assessment of the rationality of the Company's policy referred to sponsorship and charity.

Pursuant to the detailed principle number II.Z.11. included in the second part of the "Code of Best Practice for WSE Listed Companies 2016", Comarch S.A.'s Management Board announced in the current report no. EBI 3/2016 that on the 16th of May, 2016, the Supervisory Board of Comarch S.A. passed the resolution no. 10/05/2016, in which projects of the resolutions at the AGM, to be held on the 15th of June, 2016, are given positive opinions. Projects of the resolutions were made public on the 16th of May, 2016, in current report no. 6/2016.

5.1.2. Annual General Meeting – 15th of June, 2016

a) Convention of the AGM, Agenda of the Meeting and Information on Participation in the Company's General Meeting

On the 16th of May, 2016, pursuant to art. 395, art. 399 § 1, art. 402 index 1 and art. 402 index 2 of the Code of Commercial Companies and Partnerships ("KSH") and pursuant to § 14 of the company's statute, the Management Board of Comarch S.A. convened the Annual General Shareholders Meeting of Comarch S.A., to be held at 11:00 a.m. on the 15th of June, 2016, at ul. prof. Michała Życzkowskiego 23 (formerly Al. Jana Pawła II 41e) in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402² of the Code of Commercial Companies and Partnerships, the company's Management Board has presented information on participation in the Company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 30th of May, 2016,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The Company's website and e-mail address.

The Company announced details in current report no. 6/2016 dated the 16th of May, 2016.

b) Content of the Resolutions Passed at the AGM

On the 15th of June, 2016, the AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the Company's financial statement for the fiscal year 1.01.2015 - 31.12.2015;
- approving the report of the Management Board regarding the activities of the Company in 2015;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2015 - 31.12.2015;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2015;
- approving the report of the Board of Supervisors regarding activities of the Board of Supervisors in 2015 and regarding assessment of the Company's situation, the report regarding the audit of the Company's financial statement and of the Management Board's report regarding Comarch S.A.'s activities for the fiscal year 1.01.2015 - 31.12.2015, the report regarding the audit of the Capital Group's consolidated financial statement and of the Management Board's report regarding Comarch Capital Group's activities for the fiscal year 1.01.2015 - 31.12.2015;
- adoption of resolution on distribution of the Company's net profit for the fiscal year 1.01.2015 - 31.12.2015;
- acknowledging the fulfilment of duties by the members of the Management Board and the Board of Supervisors in the fiscal year 1.01.2015 - 31.12.2015;
- election of the Supervisory Board's members;
- election of the Management Board's members;
- changes in the Company's Articles of Association.

The full content of the resolutions was published on the 15th of June, 2016, in the current report no. 9/2016.

c) Resolution of the AGM Regarding Distribution of Net Profit for 2015

The General Shareholder's Meeting decided that the net profit earned in the fiscal year from the 1st of January, 2015 to the 31st of December, 2015, in the amount of PLN 57,682,617.41 is passed in total on supplementary capital.

d) The List of Shareholders Participating the Annual General Shareholders Meeting

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 15th of June, 2016, Elżbieta Filipiak, Janusz Filipiak and MetLife Otwarty Fundusz Emerytalny held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak – 893,000 shares which gave 4,465,000 votes at the AGM, which constituted 45.60% of the all votes at this AGM and which constituted 29.52% of the total number of votes;
2. Elżbieta Filipiak – 846,000 shares which gave 4,230,000 votes at the AGM, which constituted 43.20% of the all votes at this AGM and which constituted 27.96% of the total number of votes.
3. Metlife Otwarty Fundusz Emerytalny – 590,000 shares which gave 590,000 votes at the AGM, which constituted 6.03% of the all votes at this AGM and which constituted 3.90% of the total number of votes.

The total number of votes from all issued Comarch S.A. shares is 15,126,949. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 15th of June, 2016, held shares giving 9,792,490 votes, which constituted 64.74% of the total number of votes. The Company announced details in current report no. 12/2016 dated the 15th of June, 2016.

e) Appointment of the Supervisory Board of Comarch S.A.

On the Annual General Meeting of Shareholders dated the 15th of June, 2016, the following persons were appointed as members of the Board of Supervisors:

1. Mrs. Elżbieta Filipiak - Chairman of the Board of Supervisors,
2. Mr. Maciej Brzeziński - Vice-President of the Board of Supervisors,
3. Mr. Robert Bednarski – Member of the Board of Supervisors,
4. Mrs. Danuta Drobniak – Member of the Board of Supervisors,
5. Mr. Wojciech Kucharzyk – Member of the Board of Supervisors,
6. Mrs. Anna Ławrynowicz – Member of the Board of Supervisors,
7. Mrs. Anna Pruska – Member of the Board of Supervisors.

Mrs. Elżbieta Filipiak, Mr. Maciej Brzeziński, Mr. Robert Bednarski, Mrs. Danuta Drobniak, Mr. Wojciech Kucharzyk, Mrs. Anna Ławrynowicz and Mrs. Anna Pruska were appointed for the next term of office. The Company announced details in current report no. 10/2016 dated the 15th of June, 2016.

f) Appointment of the Management Board of Comarch S.A.

On the Annual General Meeting of Shareholders dated the 15th of June, 2016, the following persons were appointed as members of the Management Board:

1. Mr. Janusz Filipiak - President of the Management Board,
2. Mr. Marcin Dąbrowski - Vice-President of the Management Board,
3. Mr. Paweł Prokop – Vice-President of the Management Board,
4. Mr. Andrzej Przewięźlikowski – Vice-President of the Management Board,
5. Mr. Zbigniew Rymarczyk – Vice-President of the Management Board,
6. Mr. Konrad Tarański – Vice-President of the Management Board,
7. Mr. Marcin Warwas – Vice-President of the Management Board.

Mr. Janusz Filipiak, Mr. Marcin Dąbrowski, Mr. Paweł Prokop, Mr. Andrzej Przewięźlikowski, Mr. Zbigniew Rymarczyk, Mr. Konrad Tarański and Mr. Marcin Warwas were appointed for the next term of office. The Company announced details in current report no. 11/2016 dated the 15th of June, 2016.

5.2. Operations on Comarch S.A Shares

5.2.1. Sales/Purchase Transactions on Parent Company's Shares

None present.

AFTER THE BALANCE SHEET DATE

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person discharging managerial responsibilities, Chairman of the Board of Supervisors of Comarch S.A., a notification of transaction dated the 30th of June, 2016, referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned the free of charge disposal of 677,461 ordinary bearer shares outside the trading system, as a result of the division of joint property at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 95,522,001.00. The Company announced details in current report no. RB-13-2016 dated the 5th of July, 2016.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person discharging managerial responsibilities, President of the Management Board of Comarch S.A., a notification of transactions dated the 30th of June, 2016, referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transactions concerned:

1. Free of charge acquisition of 677,461 ordinary bearer shares outside the trading system, as a result of the division of joint property at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 95,522,001.00.
2. Disposal by making a donation of 200,000 ordinary bearer shares outside the trading system at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 28,200,000.00.

The Company announced details in current report no. RB-15-2016 dated the 5th of July, 2016.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from a person closely related to the persons discharging managerial responsibilities, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transactions concerned:

1. Free of charge acquisition of 200,000 ordinary bearer shares under the a donation agreement outside the trading system at the price of PLN 141.00 (closing price of the 29th of June, 2016) per 1 share. The value of the transaction amounted to PLN 28,200,000.00.
2. Disposal on the 30th of June, 2016, and the 4th of July, 2016, of 200,000 ordinary bearer shares on regulated market at the weighted average price of PLN 143.73 per 1 share. The value of the transaction amounted to PLN 28,745,000.00.

The Company announced details in current report no. RB-17-2016 dated the 5th of July, 2016.

5.2.2. Change in the total number of votes at Comarch S.A.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from Mr. Janusz Filipiak a Notification, pursuant to Art. 69 par. 2 point 2 of the Act on Public Offering, the terms for introducing and trading financial instruments on the stock exchange, as well as public companies, that contained information about the change of so far held over 33% of the total number of votes by at least 1% of the total number of votes in Comarch S.A. Reduction of the involvement of at least 1% of the total number of votes was a result of disposal of shares of the Company on the 30th of June, 2016. Directly before the change Mr. Janusz Filipiak held 2,674,488 of shares, representing 32.88% of the share capital of the Company and entitled to 6,246,488 votes at the General Shareholders Meeting, which constituted 41.30% of total votes at the General Shareholders Meeting of the Company. Currently, Mr. Janusz Filipiak holds 1,997,027 shares, representing 24.55% of the share capital and entitling to 5,569,027 votes at the General Shareholders Meeting, which constitutes 36.82% of total votes at the General Shareholders Meeting of the Company.

The Company announced details in current report no. RB-14-2016 dated the 5th of July, 2016.

On the 5th of July, 2016, the Management Board of Comarch S.A. received from Mrs. Elżbieta Filipiak a Notification, pursuant to Art. 69 par. 2 point 1 letter a of the Act on Public Offering, the terms for introducing and trading financial instruments on the stock exchange, as well as public companies, that contained information about the change of so far held over 10% of the total number of votes by at least 2% of the total

number of votes in Comarch S.A. Increase of the involvement of at least 2% of the total number of votes was a result of:

1. Acquisition of Company's shares on the 30th of June, 2016. Directly before the change Mrs. Elżbieta Filipiak held 846,000 of shares, representing 10.40% of the share capital of the Company and entitled to 4,230,000 votes at the General Shareholders Meeting, which constituted 27.96% of total votes at the General Shareholders Meeting of the Company. After acquisition, Mrs. Elżbieta Filipiak was holding 1,523,461 shares, representing 18.73% of the share capital and entitling to 4,907,461 votes at the General Shareholders Meeting, which constituted 32.44% of total votes at the General Shareholders Meeting of the Company.
2. Disposal of Company's shares on the 30th of June, 2016. Directly before the change Mrs. Elżbieta Filipiak held 1,523,461 of shares, representing 18.73% of the share capital of the Company and entitled to 4,907,461 votes at the General Shareholders Meeting, which constituted 32.44% of total votes at the General Shareholders Meeting of the Company. Currently, Mrs. Elżbieta Filipiak holds 1,323,461 shares, representing 16.27% of the share capital and entitling to 4,707,461 votes at the General Shareholders Meeting, which constituted 31.12% of total votes at the General Shareholders Meeting of the Company.

The Company announced details in current report no. RB-16-2016 dated the 5th of July, 2016.

On the 7th of July, 2016, the Management Board of Comarch S.A. received from MetLife PTE S.A. a Notification, pursuant to Art. 69 par. 2 point 2 of the Act on Public Offering, the terms for introducing and trading financial instruments on the stock exchange, as well as public companies, in which informed that MetLife Otwarty Fundusz Emerytalny (open pension fund managed by MetLife PTE S.A.) increased its involvement over 5% of the total number of votes in Comarch S.A. Increase of the involvement over 5% was a result of purchase of shares of the Company on the 30th of June, 2016. Directly before the change MetLife OFE held 616,954 of shares, representing 7.59% of the share capital of the Company and entitled to 616,954 votes at the General Shareholders Meeting, which constituted 4.08% of total votes at the General Shareholders Meeting of the Company. Currently, MetLife OFE holds 841,097 shares, representing 10.34% of the share capital and entitling to 841,097 votes at the General Shareholders Meeting, which constitutes 5.56% of total votes at the General Shareholders Meeting of the Company.

The Company announced details in current report no. RB-18-2016 dated the 7th of July, 2016.

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

None present.

5.3. Transactions on Shares of Subsidiaries and Associates of Comarch S.A.

They were described in points 1.2.3 and 1.2.4 of the report.

5.4. Other Information Related to Stock Exchange

5.4.1. Opinion of Supervisory Board and Recommendation of Management Board of Comarch S.A. Regarding Dividend

The Supervisory Board of Comarch S.A. issued a positive opinion of the Management Board's recommendation on distribution of net profit for 2015. With the resolution no. 2/05/2016 dated the 16th of May, 2016, The Management Board of Comarch S.A. recommended to the Company's General Shareholders Meeting to pass the net profit achieved by Comarch S.A. in financial year from the 1st of January, 2015 to the 31st of December, 2015 in the amount of PLN 57 682 617,41 in whole to supplementary capital. The Company announced details in current report no. 7/2016 dated the 16th of May, 2016.

5.4.2. Dates of Periodical Financial Reports in 2016

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19th of February, 2009, 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, with current report no. 1/2016 dated the 18th of January, 2016, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2016.

5.4.3. Declaration Regarding the Acceptance of the Corporate Governance Principles

Pursuant to §29 section 5 of the Rules for Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the application of the corporate governance principles by the Company in 2015 as attachment to the annual statement published on the 29th of April, 2016.

AFTER THE BALANCE SHEET DATE

None present.

Krakow, 31st of August, 2016,

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Marcin Dąbrowski	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Andrzej Przewięźlikowski	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit financial statements, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., that reviewed the condensed interim consolidated financial statement and the condensed interim financial statement for the six months ended the 30th of June, 2016, was selected compliant with the law and that the entity and expert auditors who reviewed these statements perform under conditions to provide an unbiased and independent opinion on the reviewed financial statements, compliant with the binding law and the standards for performance of the expert auditor profession.

Krakow, 31st of August, 2016

Janusz Filipiak
President of the Management Board

Marcin Dąbrowski
Vice-President of the Management Board

Paweł Prokop
Vice-President of the Management Board

Andrzej Przewięźlikowski
Vice-President of the Management Board

Zbigniew Rymarczyk
Vice-President of the Management Board

Konrad Tarański
Vice-President of the Management Board

Marcin Warwas
Vice-President of the Management Board

The Management Board's statement regarding the reliability of the condensed financial statements

The Management Board of Comarch S.A. states that to the best of our knowledge, the condensed interim consolidated financial statement and the condensed interim financial statement for the six months ended the 30th of June, 2016, and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the Capital Group and the company, and the financial results. Furthermore, the report regarding the Capital Group's activities truly describes the development image and achievements as well as the Capital Group's situation including basic threats and risk.

Krakow, 31st of August, 2016

Janusz Filipiak

President of the Management Board

Marcin Dąbrowski

Vice-President of the Management Board

Paweł Prokop

Vice-President of the Management Board

Andrzej Przewięźlikowski

Vice-President of the Management Board

Zbigniew Rymarczyk

Vice-President of the Management Board

Konrad Tarański

Vice-President of the Management Board

Marcin Warwas

Vice-President of the Management Board