

**COMARCH S.A. CAPITAL GROUP  
KRAKOW, AL. JANA PAWŁA II 39A**

**CONSOLIDATED FINANCIAL STATEMENT  
FOR 2015  
AS WELL AS  
OPINION OF AN INDEPENDANT AUDITOR  
AND  
REPORT OF AN AUDITOR**

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## **CONSOLIDATED FINANCIAL STATEMENT OF THE COMARCH SA CAPITAL GROUP FOR 2015**

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## **ACTIVITIES STATEMENT OF THE COMARCH SA CAPITAL GROUP IN 2015**

## **OPINION OF AN INDEPENDENT AUDITOR**

### **To the Shareholders and the Board of Supervisors of Comarch S.A.**

We have conducted an audit of the Comarch S.A. Capital Group's (hereinafter referred to as the "Capital Group") consolidated financial report, where Comarch S.A. (hereinafter referred to as the "Parent Company") with its registered in Krakow at Al. Jana Pawła II 39A is a parent company, that included consolidated balance sheet as at the 31<sup>st</sup> of December, 2015, consolidated income statement, total income consolidated statement, changes in consolidated equity, consolidated cash flow statement for the period from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2014, and additional information including adopted accountancy policy and annotations.

The Management Board of the parent company takes responsibility for drawing up the consolidated financial report and the report regarding the activities of the Capital Group compliant with binding regulations.

The Management Board of the parent company and members of the Supervisory Board are obliged to ensure that the consolidated financial statement and report regarding the activities are compliant with the regulations of the Act on Accounting dated the 29<sup>th</sup> of September, 1994 (Journal of Laws from 2013, pos. 330 and subsequent changes), hereinafter referred to as the "Act on Accounting".

Our task was to audit this consolidated financial statement and present our opinion regarding whether this consolidated financial statement has been prepared according to the accounting principles (policy) applied by the company, and whether it presents, in all significant aspects, a true and fair view of equity and financial situation as well as financial result of the Capital Group.

The audit of the consolidated financial report was prepared and conducted according to:

- provisions of chapter seven of Act on Accounting,
- national standards for financial review, issued by the National Board of Expert Auditors in Poland ("KRBR").

The audit was planned and executed so as to provide sufficient certainty in order to allow us to present our opinion regarding this consolidated financial statement. The audit included, in particular, verification of the correctness of the accounting principles (policy) applied by the parent company and subsidiaries, as well as verification, largely on the basis of the sample, evidence and accounting records confirming the amounts and information presented in the consolidated financial statement. The audit included also the general assessment of the consolidated financial statement's presentation. We believe our audit constituted sufficient basis for expressing our opinion.

In our opinion, the audited consolidated financial statement, in all significant aspects:

- presents a true and fair view on the Capital Group's equity and financial situation as at the 31<sup>st</sup> of December, 2015, and on the financial result for financial year from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December, 2015,
- was prepared compliant with the International Accounting Standards, the International Financial Reporting Standards, and their interpretations have been announced in the form compliant with the regulations of the European Union; and whereas not regulated within these standards – in compliance with the regulations of Act on Accounting and regulations formed on the basis of this act,
- was prepared compliant with the law binding the dominant unit and the entities within the capital group, and which influence the content of the consolidated financial statement.

The report regarding the activities of the Capital Group in 2015 is complete in the sense of art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies traded 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 from 2014, pos. 133) and included information come directly from the audited consolidated financial statement and are compliant with it.

.....  
Radosław Kuboszek  
Key Expert Auditor  
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 conducted by the National Board of Expert Auditors in Poland ("KRBR") 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, the 28<sup>th</sup> of April, 2016

**THE REPORT FROM THE AUDIT OF THE CONSOLIDATED FINANCIAL  
STATEMENT  
FOR THE FINANCIAL YEAR 2015**

**I. GENERAL INFORMATION**

**1. General Characteristics of the Company**

The parent company of the Capital Group operates under the company name of Comarch S.A (hereinafter referred to as the "Parent Company"). The city of Krakow, Al. Jana Pawła II 39A is the office of the company.

The parent company operates in the form of a joint stock company. Currently, the parent company is registered at no. KRS 0000057567 in the register of business entities of the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register in Krakow.

The parent company operates compliant with the provisions of the Commercial Companies Code.

As at the 31<sup>st</sup> of December, 2015, the parent company's share capital accounted for PLN 8,133,349.00 and was divided into 6,384,949 ordinary shares of nominal value of PLN 1 each and 1,748,400 registered shares of nominal value of PLN 1.00 each. Registered shares are preferential for voting, so that 5 votes in the General Meeting correspond with each share.

At the date of this report, the members of the Management Board are:

- |                            |   |
|----------------------------|---|
| - Janusz Filipiak          | - President of the Management Board,      |
| - Paweł Prokop             | - Vice-President of the Management Board, |
| - Zbigniew Rymarczyk       | - Vice-President of the Management Board, |
| - Marcin Warwas            | - Vice-President of the Management Board, |
| - Konrad Tarański          | - Vice-President of the Management Board, |
| - Marcin Dąbrowski         | - Vice-President of the Management Board, |
| - Andrzej Przewięźlikowski | - Vice-President of the Management Board. |

During the audited period, the following changes in the membership of the parent company's Management Board appeared:

- On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015,
- On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015,
- On the 24<sup>th</sup> of June, 2015, the General Shareholders Meeting appointed Mr. Andrzej Przewięźlikowski to the position of Vice President of the Management Board,
- On the 24<sup>th</sup> of June, 2015, the General Shareholders Meeting appointed Mr. Marcin Dąbrowski to the position of Vice President of the Management Board.

## **2. Structure of the Comarch S.A. Capital Group**

The consolidated financial statement as at the 31<sup>st</sup> of December, 2015 comprises the following companies:

- the parent company – Comarch S.A., and
  - direct subsidiaries:

– Comarch AG	-	a subsidiary in 100%,
– Comarch S.A.S.	-	a subsidiary in 100%,
– Comarch R&D S.à r.l.	-	a subsidiary in 100%,
– Comarch Luxembourg S.à r.l.	-	a subsidiary in 100%,
– Comarch Inc.	-	a subsidiary in 100%,
– Comarch Canada, Corp.	-	a subsidiary in 100%,
– Comarch Middle East FZ-LLC	-	a subsidiary in 100%,
– Comarch Espace Connecté Inc.	-	a subsidiary in 100%,
– Comarch LLC	-	a subsidiary in 100%,
– Comarch Software (Shanghai) Co. Ltd.	-	a subsidiary in 100%,
– OOO Comarch	-	a subsidiary in 100%,
– Comarch Technologies Oy	-	a subsidiary in 100%,
– Comarch UK Ltd.	-	a subsidiary in 100%,
– Comarch Chile SpA	-	a subsidiary in 100%,
– Comarch Software Spain S.L.U.	-	a subsidiary in 100%,
– Comarch Yazilim A.S.	-	a subsidiary in 100%,
– Comarch SRL	-	a subsidiary in 100%,
– Comarch Malaysia SDN. BHD.	-	a subsidiary in 100%,
– Comarch s.r.o	-	a subsidiary in 100%,
– Comarch Pointshub Inc.	-	a subsidiary in 100%,
– Comarch AB	-	a subsidiary in 100%,
– Comarch Argentina S.A.	-	a subsidiary in 100%,
– Comarch Technologies Sp. z o.o.	-	a subsidiary in 100%,
– CA Consulting S.A.	-	a subsidiary in 100%,
– Opso Sp. z o.o.	-	a subsidiary in 100%,
– Comarch Management Sp. z o.o.	-	a subsidiary in 100%,
– Comarch Corporate Finance FIZ	-	a subsidiary in 100%,
– MKS Cracovia SSA	-	a subsidiary in 66.11%.
  - the subsidiaries through Comarch AG:

– Comarch Software und Beratung AG	-	a subsidiary in 100%* through Comarch AG,
– Comarch Sistemas LTDA	-	a subsidiary in 80% through Comarch AG, in 20% through Comarch Software und Beratung AG.
- the subsidiaries through Comarch Software und Beratung AG:

– Comarch Solutions GmbH	-	a subsidiary in 100% through Comarch Software und Beratung AG,
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*(\*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group*

- the subsidiaries through Comarch Inc.:
  - Comarch Panama, Inc. - a subsidiary in 100% through Comarch Inc.
- the subsidiaries through Comarch Corporate Finance FIZ:
  - Comarch Healthcare S.A. - a subsidiary in 77.08% through Comarch Corporate Finance FIZ and in 22.92 through CASA Management and Consulting sp. z o.o. SKA,
  - Comarch Polska S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Comarch Pointshub S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Comarch Infrastruktura S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - CASA Management and Consulting Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - iComarch24 S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Development Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Management Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Management Sp. z o.o. II Activia SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ
  - Bonus Development Sp. z o.o. II Koncept SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Comarch Management Sp. z o.o. SKA - a subsidiary in 25% through Comarch Corporate Finance FIZ, 75% through Comarch S.A.
- subsidiaries through CASA Management and Consulting Sp. z o.o. SKA:
  - CAMS AG - a subsidiary in 51% through CASA Management and Consulting Sp. z o.o. SKA,
  - Comarch Swiss AG - a subsidiary in 100% through CASA Management and Consulting Sp. z o.o. SKA,
- subsidiaries through Bonus Management Sp. z o.o. SKA:
- Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA - a subsidiary in 66.67% through Bonus Management Sp. z o.o. SKA, in 33.33% through MKS Cracovia SSA
- associates:
  - SolInteractive S.A. (16.10% votes held by Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty, 11.27% votes held by Bonus Management Sp. z o.o. II activia SKA),

- Metrum Capital S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG),
- Thanks Again LLC (42.4% votes held by Comarch Pointshub Inc.).

The audit of the financial statement of the parent company was carried out for the financial period from the 1<sup>st</sup> of January, 2015 to the 31<sup>st</sup> of December, 2015. Our opinion dated the 28<sup>th</sup> of April, 2016, included no objections.

a) companies consolidated with the full method:

<b>Name and office of the company</b>	<b>% in the share capital</b>	<b>An auditing entity and type of the opinion</b>	<b>Balance sheet date of a company</b>
Comarch, Inc. Rosemont (USA)	100%	was not subject to audit	31 December 2015
Comarch AG, Dresden (Germany)	100%	Akanthus GmbH Wirtschaftsprüfergesellschaft; opinion without objections	31 December 2015
Comarch Middle East FZ-LLC, Dubai (UAE)	100%	was not subject to audit	31 December 2015
Comarch s.r.o., Bratislava (Slovakia)	100%	was not subject to audit	31 December 2015
Comarch LLC, Kiev (Ukraine)	100%	was not subject to audit	31 December 2015
Comarch Panama, Inc. Panama	100%	was not subject to audit	31 December 2015
OOO Comarch, Moscow (Russia)	100%	was not subject to audit	31 December 2015
CA Consulting S.A., Warsaw	100%	BDO, opinion without objections	31 December 2015
MKS Cracovia SSA, Krakow	66.11%	BDO, opinion without objections, drawing one's attention	31 December 2015
Comarch R&D S.à r.l. Montbonnot-Saint-Martin (France)	100%	was not subject to audit	31 December 2015
Comarch Management Sp. z o.o., Krakow	100%	was not subject to audit	31 December 2015
Comarch Management Sp. z o.o. SKA, Krakow	100%	BDO, opinion without objections	31 December 2015
Comarch Corporate Finance FIZ, Krakow	100%	BTFG Audit Sp. z o.o., opinion without objections	31 December 2015
Bonus Development Sp. z o.o. SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o.o., as at the date of this report there were no opinion	31 December 2015
Comarch Healthcare S.A.	100%	Deloitte Polska Sp. z o.o. Sp. k., opinion without objections, drawing one's attention	31 December 2015
Comarch Polska S.A.	100%	Deloitte Polska Sp. z o.o. Sp. k., opinion without objections	31 December 2015
Comarch Pointshub S.A., Krakow	100%	BDO, opinion without objections	31 December 2015
Comarch Infrastruktura S.A., Krakow	100%	BDO, opinion without objections	31 December 2015
iComarch24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2015
Bonus Management Sp. z o.o. SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of	31 December 2015



		this report there were no opinion	
Comarch Technologies Sp. z o.o., Krakow	100%	was not subject to audit	31 December 2015
CASA Management & Consulting Sp. z o.o. SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2015
Bonus Management Sp. z o.o. II Activia SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2015
Bonus Development Sp. z o.o. II Koncept SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2015
Comarch Software (Shanghai) Co. Ltd., Shanghai (China)	100%	was not subject to audit	31 December 2015
Comarch S.A.S., Lezennes (France)	100%	Mazars France, as at the date of this report there were no opinion	31 December 2015
Comarch Luxembourg S.à r.l., Luxembourg	100%	was not subject to audit	31 December 2015
Comarch Canada, Corp., New Brunswick (Canada)	100%	was not subject to audit	31 December 2015
Comarch Technologies Oy, Espoo (Finland)	100%	was not subject to audit	31 December 2015
CAMS AG (Switzerland)	51%	was not subject to audit	31 December 2015
Comarch Swiss AG, Buchs (Luzern - Switzerland)	100%	was not subject to audit	31 December 2015
Opso Sp. z o.o., Krakow (Poland)	100%	was not subject to audit	31 December 2015
Comarch UK Ltd, London (Great Britain)	100%	was not subject to audit	31 December 2015
Comarch Software und Beratung AG Munich (Germany)	100%	Akanthus GmbH Wirtschaftsprüfungsgesellschaft, opinion without objections	31 December 2015
Comarch Solutions GmbH, Innsbruck (Austria)	100%	B&O Wirtschaftsprüfungs-und Steuerberatungs- GmbH, opinion without objections	31 December 2015
Comarch Chile SpA	100%	was not subject to audit	31 December 2015
Comarch Sistemas LTDA (Brazil)	100%	was not subject to audit	31 December 2015
Comarch Yazilim A.S. (Turkey)	100%	was not subject to audit	31 December 2015
Comarch Software Spain S.L.U. (Spain)	100%	was not subject to audit	31 December 2015
Comarch Espace Connecté Inc., Montreal (Canada)	100%	was not subject to audit	31 December 2015
Comarch SRL, Mediolan (Italy)	100%	was not subject to audit	31 December 2015
Comarch Malaysia SDN, BHD, Kuala Lumpur (Malaysia)	100%	was not subject to audit	31 December 2015

Comarch Pointshub Inc., Rosemont (USA)	100%	was not subject to audit	31 December 2015
Comarch AB, Sztokholm (Sweden)	100%	was not subject to audit	31 December 2015
Comarch Argentina S.A., Buenos Aires (Argentina)	100%	was not subject to audit	31 December 2015

b) companies consolidated with the equity method:

<b>Name and seat of the company</b>	<b>% in the share capital</b>	<b>An auditing entity and type of the opinion</b>	<b>Balance sheet date of a company</b>
SolInteractive S.A., Krakow	27.37%	was not subject to audit	31 December 2015
Metrum Capital S.A., Krakow	47.37%	was not subject to audit	31 December 2015
Thanks Again LLC, Tyrone, USA	42.50%	was not subject to audit	31 December 2015

In a given financial year, the parent company has joined the consolidation of the following entities:

- Comarch Espace Connecté Inc., Montreal (Canada) – established over the financial year,
- Comarch SRL, Mediolan (Italy) – established over the financial year,
- Comarch Malaysia SDN. BHD, Kuala Lumpur (Malaysia) – established over the financial year,
- Comarch Pointshub Inc., Rosemont (USA) – established over the financial year,
- Comarch AB, Sztokholm (Sweden) – shares purchased during the financial year,
- Comarch Argentina S.A., Buenos Aires (Argentina) – shares purchased during the financial year,
- Thanks Again LLC, Tyrone (USA) – associated entity – shares purchased during the financial year.

### **3. Information regarding the Consolidated Financial Statement from the Previous Financial Year**

In 2014, the Capital Group achieved net profit in the amount of PLN 68,896 thousand. The Capital Group's consolidated financial statement for the financial year of 2014 was audited by an expert auditor. An audit was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entitled auditor. There were no objections in the opinion of an expert auditor dated the 27<sup>th</sup> of April, 2015.

The Annual General Meeting that approved the financial statement for the financial year of 2014 was held on the 24<sup>th</sup> of June, 2015.

On the 7<sup>st</sup> of July, 2015, in compliance with the law, the consolidated financial statement for the financial year of 2014 was delivered to the National Court Register.

#### **4. Data that Identifies an Entitled Entity and an Expert Auditor Carrying Out an Audit on behalf of the Entity**

The Board of Supervisors selected the entitled auditor. The audit of the consolidated financial statement was carried out according to a contract dated the 20<sup>th</sup> of July, 2015, concluded between Comarch S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw at al. Jana Pawła II 19. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. is registered under item no. 73 in the list of entities entitled to audit financial statements (the list of National Council of Auditors). On behalf of the entity entitled to audit financial statements, the audit was carried out under the supervision of the auditor Radosław Kuboszek (register no. 90029) at the parent company's office from the 14<sup>th</sup> of March, to the 22<sup>nd</sup> of April, 2016, as well as outside the parent company's office till the date of this opinion.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and key auditor Radosław Kuboszek confirm that they are entitled to audit financial statements and perform the conditions specified in art. 56 of the Act on Expert Auditors, and their Management, Entities Entitled to Audit Financial Statements and Public Supervision (Journal of Laws from 2009, No. 77, pos. 649 with subsequent changes), to provide a fair and independent opinion regarding the consolidated financial statement of the Comarch S.A. Capital Group.

#### **5. Data Availability and Statements of the Entity's Management**

There were no limitations within the audit.

During the audit, all demanded documents and data were made available to the entitled entity and expert auditor, as well, comprehensive information and explanations were also granted. That was, among other things, confirmed by a written statement from the parent company's Management Board dated the 28<sup>th</sup> of April, 2016.

## II. Equity and Financial Situation of the Capital Group

Below is the basic data from the consolidated income statement and consolidated balance sheet, as well as financial ratios describing the Capital Group's financial result, its equity and financial situation compared to parallel data for the previous year.

<u>Basic data from income statement (in thousands of PLN)</u>	<u>2015</u>	<u>2014</u>
Revenues from sales	1,131,580	1,038,351
Costs from operating activities	1,014,208	917,880
Operating profit (loss)	113,028	98,529
Net profit (loss)	80,270	68,896

<u>Basic data from balance sheet (in thousands of PLN)</u>	<u>2015</u>	<u>2014</u>
Inventories	51,413	47,919
Receivables due to deliveries and services	345,820	287,284
Current assets	698,829	665,082
Total assets	1,304,828	1,216,555
Equity	780,581	700,693
Current liabilities (including: Provisions for liabilities and accruals)	371,561	354,346
Current liabilities due to deliveries and services	66,738	63,260
Liabilities and provisions for liabilities	524,247	515,862

<u>Profitability and efficiency ratios</u>	<u>2015</u>	<u>2014</u>
– Return on sales	10%	9%
– return on equity	11%	11%
– assets turnover ratio	0.87	0.85
– receivables turnover ratio (days)	121	127
– liabilities turnover ratio (days)	23	37
– inventories turnover ratio (days)	18	20

<u>Liquidity/net working capital</u>		
– debt rate	40%	42%
– degree of covering assets with equity	60%	58%
– net working capital (in thousands of PLN)	327,268	310,737
– liquidity ratio	1.88	1.88
– cash to current liabilities ratio	1.74	1.74

An analysis of the above amounts and ratios indicates the following tendencies in 2015:

- increases in return on sales,
- increase in assets turnover ratio,
- decreases in receivables turnover ratio, liabilities turnover ratio and inventories turnover ratio,
- decrease in debt rate,
- increase in net working capital,

### **III. DETAILED INFORMATION**

#### **1. Information on Audited Consolidated Financial Statement**

The audited consolidated financial statement was prepared as at the 31<sup>st</sup> of December, 2015 and includes:

- consolidated balance sheet as at the 31<sup>st</sup> of December, 2015, with total assets, total equity and liabilities amounting to PLN 1,304,828 thousand;
- consolidated income statement for the period from the 1<sup>st</sup> of January, 2015 to the 31<sup>st</sup> of December, 2015, with the net profit for the year amounting to PLN 80,270 thousand;
- changes in consolidated equity for the period from the 1<sup>st</sup> of January, 2015 to the 31<sup>st</sup> of December, 2015 showing an increase in the value of equity in the amount of PLN 79,888 thousand;
- consolidated cash flow statement for the period from the 1<sup>st</sup> of January, 2015 to the 31<sup>st</sup> of December, 2015 showing a decrease in cash and cash equivalents in the amount of PLN 10,192 thousand;
- additional information and annotations including information on applied accounting standards.

The audit covered the period from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December, 2015 and consisted mostly of:

- auditing the correctness and reliability of the consolidated financial statement prepared by the Management Board of the parent company,
- auditing the consolidating documentation,
- assessing the correctness of the methods and procedures applied during consolidation,
- reviewing the opinions and reports from the audit of the consolidated subsidiaries and associates prepared by other expert auditors.

#### **2. Consolidating Documentation**

The parent company presented the following consolidating documentation:

- financial statements of the consolidated entities;
- financial statements of controlled entities, adjusted to the accounting principles (policy) applied during consolidation;
- financial statements of the subordinated entities after conversion to Polish currency;
- all corrections and eliminations made in order to consolidate, that are necessary to prepare the consolidated financial statement;
- calculation of the fair value of net assets in the subordinated entities;
- calculation of the goodwill and gain on a bargain purchase, as well as write-offs in goodwill due to loss in its value;
- calculation of the minority interests not entitled to control;
- calculation of the currency differences resulting from the conversion of financial statements of related parties expressed in foreign currencies.

Consolidation of the Capital Group's financial statement in relation to the subsidiaries was conducted using the full method by summing all the appropriate items from the parent company and the consolidated subsidiaries.

In relation to the associates the equity method was applied. The value of the share of the parent company in the associate was adjusted in the interest of the parent company by the increase or decrease in the associate's equity occurring within the consolidating period. It was also adjusted by decrease from due the associate's dividends.

When preparing the consolidated financial statement, the parent company did not apply any significant simplification or exclusions from the applied principles for consolidation in relations to the consolidated entities.

### **3. Completeness and Correctness in the Preparation of the Additional Information and Commentary and the Report Regarding the Activities of the Capital Group**

The parent company confirmed a business continuation when preparing the financial statement. Significant methods of assets, liabilities and equity valuation, the establishment of financial result and the method of consolidated financial statement preparation were described in additional information and commentary in the consolidated financial statement.

The parent company prepared additional information and commentary in tabular notes related to the particular items of the balance sheet, income statement, total income statement and descriptions compliant with the IFRS regulations.

The Management Board prepared and attached the report regarding the activities of the Capital Group in 2015 to the financial statement. This report contains information that is required by art. 49 sec. 2 of the Act on Accounting and the regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded 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 from 2014, pos. 133). We've audited this report concerning the presented information that has a direct source in the audited financial statement.

#### IV. Final Information and Arrangements

##### The Management Board's declarations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and a key expert auditor received a written statement from the parent company's Management Board, which states that the Capital Group complies with the law.

.....  
Radosław Kuboszek  
Key Expert Auditor  
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, the 28<sup>th</sup> of April, 2016

Prezes Zarządu: Prof. Janusz Filipiak  
 Wiceprezesa Zarządu: Marcin Dąbrowski, Paweł Prokop, Andrzej Przewięźlikowski,  
 Zbigniew Rymarczyk, Konrad Tarański, Marcin Warwas



Krakow, 28<sup>th</sup> of April, 2016

Dear Shareholders,

On behalf of the Management Board of Comarch I am pleased to present the report on the activities of Comarch Group. The Group has achieved development goals established for the year 2015, it was also a very successful period in terms of the financial results. In the past year, the revenues from sales increased by PLN 93.2 million, i.e. 9% reaching PLN 1,131.6 million. Comarch Group has also improved the profitability: operating profit in 2015 amounted to PLN 113 million (compared to PLN 98.5 million in the previous year), while net profit to PLN 79.7 million (2014: PLN 67.9 million). The operating margin amounted to 10%, while the net margin to 7%.

In 2015, the Group successfully continued its long-term growth strategy based on proprietary products and the development of foreign business. With a wide and comprehensive range of modern solutions and high quality services, Comarch is now regarded as one of the leading providers of IT products in Poland and in international markets. Due to the dynamic development of foreign business the Group expanded to include new subsidiaries: Comarch SRL in Milan, Italy; Comarch Malaysia SDN. BHD. in Kuala Lumpur, Malaysia; Comarch Espace Connecte Inc. (Comarch Smart City) in Montreal, Canada; Comarch AB in Stockholm, Sweden; Comarch Poinsthub, Inc. in Rosemont, the United States of America and Comarch Argentina S.A. in Buenos Aires, Argentina. A new affiliated company, Thanks Again LLC of Tyrone in United States, joined Comarch Group. Further equity investments in foreign markets are planned in 2016. In the domestic market, the Group is the second largest IT enterprise and pursues a large number of projects in all economic sectors.

In view of the long-term and stable development, the Group invests in the development of new and improvement of existing IT products. Expenditure on research and development has now exceeded 12% of sales revenue, which has been financed both from Comarch's own resources and by proactively seeking out European funds. In 2015, the Group continued R&D works related to the development of proprietary solutions in the fields of: hardware and services based thereon (*Internet of Things*), in the field of IT solutions for medical industry (Telemedicine, Teleradiology), as well as the range of tools for precision marketing (*Smart City*). In the past year, the Group tailored its products and internal organization to a rapidly changing business model, in which service-oriented IT solutions begins to play a decisive role – Comarch is one of the market leaders in this field. Investment in human capital is an essential element for the further development of the Group. The past year was very successful in this regard – the Group has hired 826 people, most of all in Krakow. The annual student internship program was particularly successful – Comarch is one of the employers of a first choice in the domestic labour market in the IT industry.

As part of the development of infrastructure needed to the comprehensive delivery of IT solutions, Comarch Group completed the next stage of investment (SSE6) in the Krakow Special Economic Zone. As a result, 350 comfortable job places were created, a modern Data Center was launched and a research laboratory and production facilities dedicated to the business of *Internet of Things* is currently under construction. In 2015, the Group has also started to work on the construction of modern offices in Łódź, in the first quarter of 2016 an investment in another office building in Krakow (SSE7) was commenced, with a view to further intensive development of activities.

The Group's Management Board shall make every effort to successfully implement the mission of selling innovative technological ideas of Polish engineers around the world. The consistent

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Comarch Spółka Akcyjna z siedzibą w Krakowie, Aleja Jana Pawła II 39a, zarejestrowana w Krajowym Rejestrze Sądowym prowadzonym przez Sąd Rejonowy dla Krakowa-Śródmieścia w Krakowie XI Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS 0000057567. Wysokość kapitału zakładowego Spółki wynosi 8.133.349,00 zł. Kapitał zakładowy wpłacony w całości. NIP: 677-00-65-406



Prezes Zarządu: Prof. Janusz Filipiak

Wiceprezesa Zarządu: Marcin Dąbrowski, Paweł Prokop, Andrzej Przewięźlikowski,  
Zbigniew Rymarczyk, Konrad Tarański, Marcin Warwas



implementation of patriotism-oriented strategy was highly appreciated. In 2015, Comarch S.A. was the winner of the Index of Polish Business Patriotism rank in the category of quoted companies. In addition to its core business, Comarch Group runs many social activities, supports non-governmental organizations and charities, as well as is the patron of culture, arts and sports.

I believe that in the near future, Comarch Group will further succeed in strengthening its market position as a global provider of IT solutions, thereby creating value for shareholders, employees and the society as a whole.

*Professor Janusz Filipiak*

*President of the Management Board  
Comarch S.A.*

#### Comarch SA

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## FINANCIAL SUPERVISION AUTHORITY

## CONSOLIDATED ANNUAL REPORT RS 2015

year

(pursuant to §2 sec.2 of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of January, 2009 - Journal of Laws no. 33, pos. 259 and subsequent changes)

for issuers of securities managing production, construction, trade and services activities

for financial year 2015 from 2015-01-01 to 2015-12-31  
including consolidated annual financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
date of publication 2016-04-29

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
<b>31-864</b>	<b>Kraków</b>
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(NIP)	(REGON)

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.  
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2015	2014	2015	2014
I. Net revenues from sales of products, goods and materials	1,131,580	1,038,351	270,402	247,858
II. Profit (loss) on operating activities	113,028	98,529	27,009	23,519
III. Gross profit (loss)	108,129	92,577	25,839	22,098
IV. Net profit (loss)	79,651	67,894	19,033	16,207
V. Cash flows from operating activities	117,015	157,387	27,962	37,569
VI. Cash flows from investing activities	-121,154	-79,037	-28,951	-18,866
VII. Cash flows from financing activities	-6,053	-13,178	-1,446	-3,146
VIII. Total net cash flows	-10,192	65,172	-2,435	15,557
IX. Total assets	1,304,828	1,216,555	306,190	285,422
X. Liabilities and provisions for liabilities	524,247	515,862	123,019	121,029
XI. Non-current liabilities	152,686	161,516	35,829	37,894
XII. Current liabilities	371,561	354,346	87,190	83,135
XIII. Equity	780,581	700,693	183,170	164,393
XIV. Share capital	8,133	8,125	1,908	1,906
XV. Number of shares	8,133,349	8,125,590	8,133,349	8,125,590
XVI. Earnings (losses) per single share (PLN/EURO)	9.80	8.37	2.34	2.00
XVII. Diluted earnings (losses) per single share (PLN/EURO)	9.80	8.37	2.34	2.00
XVIII. Book value per single share (PLN/EURO)	96.01	86.42	22.52	20.28
XIX. Diluted book value per single share (PLN/EURO)	96.01	86.34	22.52	20.26

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 01.01.2015 to 31.12.2015: 4.1848;
- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2014 to 31.12.2014: 4.1893;

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

- 31.12.2015: 4.2615;
- 31.12.2014: 4.2623.

**ANNUAL REPORT INCLUDES:**

File	Description
RS_Opinion.pdf	Opinion of an Auditor entitled to Audit Financial Statements – attachment no. 1
RS_Report.pdf	Report of an Auditor entitled to Audit Financial Statements- attachment no. 2
Letter of the President of The Management Board.pdf	Letter of the President of The Management Board- attachment no. 3
Consolidated Financial Statement.pdf	Consolidated Financial Statement- attachment no. 4
Report of the Management Board.pdf	Report of the Management Board- attachment no. 5
The Management Board's statement regarding the independent auditor.pdf	The Management Board's statement regarding the independent auditor- attachment no. 6
The Management Board's statement regarding the reliability of the financial statement.pdf	The Management Board's statement regarding the reliability of the financial statement- attachment no. 7
Report regarding Corporate Governance Principles.pdf	Report regarding Corporate Governance Principles- attachment no. 8

**SIGNATURES OF ALL MEMBERS OF THE BOARD**

Date	Name and surname	Position	Signature
2016-04-28	Janusz Filipiak	President of the Management Board	
2016-04-28	Marcin Dąbrowski	Vice-President of the Management Board	
2016-04-28	Paweł Prokop	Vice-President of the Management Board	
2016-04-28	Andrzej Przewięźlikowski	Vice-President of the Management Board	
2016-04-28	Zbigniew Rymarczyk	Vice-President of the Management Board	
2016-04-28	Konrad Tarański	Vice-President of the Management Board	
2016-04-28	Marcin Warwas	Vice-president of the Management Board	

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

Date	Name and surname	Position	Signature
2016-04-28	Maria Smolińska	Head Accountant	

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2015

All amounts are expressed in thousands of PLN unless otherwise indicated

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**I. Consolidated Balance Sheet**

	<b>Note</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.3	422,566	390,958
Investment real estates	3.4	17,063	16,119
Goodwill	3.5	40,735	40,735
Other intangible assets	3.6	66,474	70,317
Non-current prepayments	3.7	819	537
Investments in associates	3.8	23,177	567
Other assets at fair value		79	-
Other investments		106	106
Deferred income tax assets	3.22	33,432	32,134
Other non-current receivables		1,548	-
		<b>605,999</b>	<b>551,473</b>
<b>Current assets</b>			
Inventories	3.9	51,413	47,919
Trade and other receivables	3.13	385,375	328,449
Current income tax receivables		7,143	3,132
Long-term contracts receivables	3.18	32,440	53,105
Available-for-sale financial assets	3.11	-	-
Other financial assets at fair value – derivative financial instruments	3.12	664	13
Interest and shares		1	1
Cash and cash equivalents	3.14	221,793	232,463
		<b>698,829</b>	<b>665,082</b>
<b>TOTAL ASSETS</b>		<b>1,304,828</b>	<b>1,216,555</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	3.15	8,133	8,125
Other capitals	3.16	148,226	148,226
Exchange differences		6,509	6,917
Net profit for the current period		79,651	67,894
Retained earnings		525,040	457,146
		<b>767,559</b>	<b>688,308</b>
Minority interest	3.16.2	13,022	12,385
<b>Total equity</b>		<b>780,581</b>	<b>700,693</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credits and loans	3.19	113,540	121,593
Other liabilities		83	83
Financial assets at fair value – derivative financial instruments	3.12	1,411	1,404
Other financial liabilities		33	138
Provision for deferred income tax	3.22	37,619	38,298
Provisions for other liabilities and charges	3.23	-	-
		<b>152,686</b>	<b>161,516</b>
<b>Current liabilities</b>			
Trade and other payables	3.17	150,898	140,217
Current income tax liabilities		13,010	10,712
Long-term contracts liabilities	3.18	26,176	48,507
Credits and loans	3.19	24,152	20,522
Financial assets at fair value – derivative financial instruments	3.12	1,639	1,369
Other financial liabilities		7,939	380
Provisions for other liabilities and charges	3.23	147,747	132,639
		<b>371,561</b>	<b>354,346</b>
<b>Total liabilities</b>		<b>524,247</b>	<b>515,862</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,304,828</b>	<b>1,216,555</b>

## II. Consolidated Income Statement

	Note	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Revenue</b>	3.24	<b>1,131,580</b>	<b>1,038,351</b>
Cost of sales	3.25	(791,442)	(730,975)
<b>Gross profit</b>		<b>340,138</b>	<b>307,376</b>
Other operating income	3.26	20,849	8,774
Sales and marketing costs		(129,520)	(111,386)
Administrative expenses		(93,246)	(75,519)
Other operating expenses	3.27	(25,193)	(30,716)
<b>Operating profit</b>		<b>113,028</b>	<b>98,529</b>
Finance revenue/(costs)-net	3.28	(1,650)	(4,959)
Share of profit/(loss) of associates	3.8	(3,249)	(993)
<b>Profit before income tax</b>		<b>108,129</b>	<b>92,577</b>
Income tax expense	3.29	(27,859)	(23,681)
<b>Net profit for the period</b>		<b>80,270</b>	<b>68,896</b>
including:			
<b>Net profit (loss) attributable to the parent company's shareholders (in PLN per share)</b>		<b>79,651</b>	<b>67,894</b>
Net profit (loss) attributable to the interests not entitled to control	3.16	619	1,002
		<b>80,270</b>	<b>68,896</b>
<b>Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)</b>			
– basic	3.31	9.80	8.37
– diluted		9.80	8.37

## III. Total Income Consolidated Statement

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Net profit (loss) for the period</b>	<b>80,270</b>	<b>68,896</b>
<b>Other total income</b>	<b>(390)</b>	<b>4,262</b>
Currency translation differences from currency translation in related parties	(390)	4,262
<b>Other total income</b>	<b>(390)</b>	<b>4,262</b>
<b>Sum of total income for the period</b>	<b>79,880</b>	<b>73,158</b>
Attributable to the company's shareholders	79,243	72,141
Attributable to the minority	637	1,017

Other total income comprises items, which may be transferred to income statement in the following years.

#### 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
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
<b>Balance at 1 January 2014</b>	<b>8,051</b>	<b>145,205</b>	<b>2,670</b>	<b>25,077</b>	<b>445,340</b>	<b>11,368</b>	<b>637,711</b>
Transferring result for 2013	-	-	-	(25,077)	25,077	-	-
Increase in the company's share capital	74	-	-	-	-	-	74
Dividend paid	-	-	-	-	(12,188)	(1,083)	(13,271)
Result of subsidiaries for general partners outside the Group	-	-	-	-	(1,083)	1,083	-
Capital from valuation of the managerial option	-	3,021	-	-	-	-	3,021
<i>Currency translation differences<sup>1</sup></i>	-	-	4,247	-	-	15	4,262
<i>Profit for the period<sup>2</sup></i>	-	-	-	67,894	-	1,002	68,896
Total income recognised in equity (1+2)	-	-	4,247	67,894	-	1,017	73,158
<b>Balance at 31 December 2014</b>	<b>8,125</b>	<b>148,226</b>	<b>6,917</b>	<b>67,894</b>	<b>457,146</b>	<b>12,385</b>	<b>700,693</b>
<b>Balance at 1 January 2015</b>	<b>8,125</b>	<b>148,226</b>	<b>6,917</b>	<b>67,894</b>	<b>457,146</b>	<b>12,385</b>	<b>700,693</b>
Transferring result for 2014	-	-	-	(67,894)	67,894	-	-
Increase in the company's share capital	8	-	-	-	-	-	8
Dividend paid	-	-	-	-	-	-	-
Result of subsidiaries for general partners outside the Group	-	-	-	-	-	-	-
Capital from valuation of the managerial option	-	-	-	-	-	-	-
<i>Currency translation differences<sup>1</sup></i>	-	-	(408)	-	-	18	(390)
<i>Profit for the period<sup>2</sup></i>	-	-	-	79,651	-	619	80,270
Total income recognised in equity (1+2)	-	-	(408)	79,651	-	637	79,880
<b>Balance at 31 December 2015</b>	<b>8,133</b>	<b>148,226</b>	<b>6,509</b>	<b>79,651</b>	<b>525,040</b>	<b>13,022</b>	<b>780,581</b>

In 2015, there were no dividend payments for 2014 to entities outside the Group.

**V. Consolidated Cash Flow Statement**

	<b>12 months 2015</b>	<b>12 months 2014</b>
<b>Cash flows from operating activities</b>		
Net profit (loss)	80,270	68,896
Total adjustments	55,554	112,475
Share in net (gains) losses of related parties valued using the equity method of accounting	3,249	993
Depreciation	53,483	54,380
Exchange gains (losses)	1,510	2,470
Interest and profit-sharing (dividends)	1,838	1,766
(Profit) loss on investing activities	5,731	5,766
Change in inventories	3,997	7,355
Change in receivables	(51,423)	42,516
Change in liabilities and provisions excluding credits and loans	36,289	(5,792)
Other adjustments	880	3,021
Net profit less total adjustments	135,824	181,371
Income tax paid	(18,809)	(23,984)
<b>Net cash from operating activities</b>	<b>117,015</b>	<b>157,387</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(71,834)	(73,769)
Proceeds from sale of property, plant and equipment	854	544
Purchases of intangible assets	(20,926)	(11,953)
Proceeds from disposal of investment in real estates and intangible assets	17	14
Expenses for acquisition of financial assets	(23,359)	-
Expenses for purchase of financial assets	-	(152)
Proceeds from sales of available-for-sale financial assets	-	6,849
Granted non-current loans	(15,640)	(11,462)
Paid non-current loans	14,511	15,480
Interest	627	1,190
Other proceeds from financial assets	-	393
Expenses for investment in real estates	(1,294)	(6 171)
Other expenses on financial assets	(2,611)	-
Other investment proceeds	1	-
Other investment expenses	(1,500)	-
<b>Net cash used in investing activities</b>	<b>(121,154)</b>	<b>(79,037)</b>
<b>Cash flows from financing activities</b>		
Payment in relation to shares issue	8	74
Proceeds from credits and loans	16,395	68,123
Repayments of credits and loans	(19,859)	(64,045)
Interest on the loan	(2,391)	(2,954)
Proceeds from repaid loans	490	526
Other financial liabilities (loans granted)	(500)	(780)
Dividends and other payments to owners	-	(13,271)
Expenses due to profit sharing but other than those to owners	(362)	(693)
Other financial proceeds	274	30
Other financial expenses	(108)	(188)
<b>Net cash used in financial activities</b>	<b>(6,053)</b>	<b>(13,178)</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>(10,192)</b>	<b>65,172</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	232,436	167,640
Positive (negative) exchange differences in cash and bank overdrafts	(463)	(376)
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>221,781</b>	<b>232,436</b>
- including limited disposal	4,924	6,526



## 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 31<sup>st</sup> of December, 2015, 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,
- 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 Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch SRL with its registered office in Milan we 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 (100%),
- 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. SKA with its registered office in Krakow in Poland (25% votes held by CCF FIZ; 75% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SKA to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. SKA with its registered office in Krakow in

Poland (100% votes held by CCF FIZ),

- “Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA (66.67% votes held by Bonus Management Sp. z o.o. SKA, 33.33% votes held by MKS Cracovia SSA),
- Bonus Development sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Management sp. z o.o. II Activia SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Development sp. z o.o. II Koncept SKA 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 and 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. SKA 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. SKA),
  - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SKA),
- 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 31<sup>st</sup> of December, 2015, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% votes held by Bonus Management sp. z o.o. II Activia SKA).
- 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 2015

On the 8<sup>th</sup> of January, 2015, the District Court for Kraków – Śródmieście in Kraków, the Eleventh Economic Division of the National Court Register issued a decision on the appointment of an expert to examine the merger plan for ESAPROJEKT sp. z o.o. and iMed24 SA, which was subsequently rectified by decision of the 20<sup>th</sup> of January, 2015. On the 1<sup>st</sup> of April, 2015, the Court issued a decision that an expert's opinion from the audit of the merger plan will be attached to the registration files. On the 1<sup>st</sup> of July, 2015, the general meeting of iMed24 S.A. and the general meeting of ESAProjekt sp. z o.o. passed the resolutions on merger of these companies and changes in the articles of association of iMed24 S.A. As a consequence of these resolutions, after the merger, there will be a name change of iMed24 S.A., acting as the acquiring company, to Comarch Healthcare S.A. The acquiring company will comprise most of assets of the Comarch Group's e-Health sector and Piotr Piątosa was appointed its president of the management board. (current report no. 16/2015 dated the 2<sup>nd</sup> of June, 2015). On the 1<sup>st</sup> of July, 2015, the merger was registered. Simultaneously with the merger, there was an increase in share capital of Comarch Healthcare S.A. to PLN 5,328,806.00. Comarch S.A. announced details in current report no. RB-26-2015 dated the 7<sup>th</sup> of July, 2015. On the 26<sup>th</sup> of October, 2015, Extraordinary Shareholders' Meeting of Comarch Healthcare S.A. passed a resolution on an increase in the company's share capital from PLN 5,328,806 up to the amount of PLN 6,014,806 as a result of an emission of

686,000 series M shares, worth PLN 1 per share. The capital increase was registered on the 31<sup>st</sup> of December, 2015.

On the 19<sup>th</sup> of January, 2015, a name change was registered from Volatech Capital Advisors S.A. to Metrum Capital S.A.

On the 20<sup>th</sup> of January, 2015, a name change was registered from Comarch Oy to Comarch Technologies Oy.

On the 5<sup>th</sup> of February, 2015, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Kuala Lumpur in Malaysia with a share capital of RM 2.00 (PLN 2.05 according to the exchange rate dated the 2<sup>nd</sup> of April, 2015), of which 50% was held by Comarch S.A. On the 7<sup>th</sup> of May, 2015, Comarch S.A. acquired a share in Comarch Malaysia SDN. BHD. from a current shareholder and holds 100% of the company's shares. On the 8<sup>th</sup> of June, 2015, an increase in share capital was registered up to RM 500,000 (PLN 500,050 according to the exchange rate dated the 8<sup>th</sup> of June, 2015), i.e. increase of 499,998 shares, shared on 500,000 ordinary shares with a value of RM 1.00 each.

On the 16<sup>th</sup> of April, 2015, Comarch Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

On the 8<sup>th</sup> of May, 2015, the AGM of Comarch Yazilim A.S. passed a resolution on an increase in the company's share capital from TL 100,000 (PLN 134,300 according to the exchange rate dated the 8<sup>th</sup> of May, 2015) to TL 600,000 (PLN 806,580 according to the exchange rate dated the 8<sup>th</sup> of May, 2015). The share capital was fully paid. On the 5<sup>th</sup> of June, 2015, the capital increase was registered.

On the 25<sup>th</sup> of June, 2015, a resolution was passed to change the name of the company from Infrastruktura24 S.A. to Comarch Infrastruktura S.A.

On the 7<sup>th</sup> of July, 2015, conditional agreement concerning acquisition of shares of Goldcup 111447 AB company in Sweden by Comarch S.A. was signed. 100% of shares were acquired on the 18<sup>th</sup> of August, 2015, for total acquisition price SEK 50,000 (PLN 22,080 at the exchange rate on the 18<sup>th</sup> of August, 2015). On the 28<sup>th</sup> of August, 2015, a name change was registered to Comarch AB.

On the 13<sup>th</sup> of July, 2015, Comarch Pointshub, Inc. was registered in Rosemont, IL. On the 17<sup>th</sup> of July, 2015, Comarch Pointshub Inc. a subsidiary of Comarch SA, has signed a conditional agreement concerning acquisition of 4,250,000 shares in Thanks Again LLC for total acquisition price amounted to USD 8,000 thousand (PLN 30,140,800 at the exchange rate on the 17<sup>th</sup> of July, 2015). Acquired shares will represent 42,5% of total shares and will entitle to 42,5% of total number of votes at Thanks Again LLC general meeting. The conditions set out in the agreement have been fulfilled and on the 24<sup>th</sup> of August, 2015, the shares of Thanks Again LLC have been acquired. Thanks Again LLC is an operator of loyalty systems for airports in North America.

On the 16<sup>th</sup> of July, 2015, the share capital of Comarch Software Spain S.L.U. was increased by EUR 250 thousand – from EUR 250 thousand (PLN 1,027,775 at the exchange rate on the 16<sup>th</sup> of July, 2015) to EUR 500 thousand (PLN 2,055,550 at the exchange rate on the 16<sup>th</sup> of July, 2015).

On the 29<sup>th</sup> of July, 2015, the resolution was passed on an increase in the share capital of Comarch SRL from EUR 50 thousand (PLN 207,260 at the exchange rate on the 29<sup>th</sup> of July, 2015) to EUR 200 thousand (PLN 829,040 at the exchange rate on the 29<sup>th</sup> of July, 2015).

On the 17<sup>th</sup> of August, 2015, Extraordinary Shareholders' Meeting of Comarch Management sp. z o.o. SKA passed a resolution on an increase in the company's share capital from PLN 140,110 up to the amount of PLN 170,110 as a result of an emission of 30,000 series D shares, worth PLN 1 per share.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA signed a purchase agreement for 1,315 shares with CCF FIZ.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA concluded an agreement with

CCF FIZ to acquire 1,315 shares for redemption.

On the 16<sup>th</sup> of October, 2015, an increase in share capital of Comarch Management sp. z o.o. SKA up to the amount of PLN 170,110 was registered in the proper register.

On the 26<sup>th</sup> of October, 2015, Comarch Management sp. z o.o. SKA concluded a purchase agreement for 26,000 shares with CCF FIZ in order to redeem the shares.

On the 20<sup>th</sup> of August, 2015, a name change was registered from Infrastruktura24 S.A. to Comarch Infrastruktura S.A. in the National Court Register.

On the 3<sup>rd</sup> of September, 2015, a resolution was passed on a company's name change from iReward24 S.A. to Comarch Pointshub S.A. On the 5<sup>th</sup> of October, 2015, the company's name change was registered in the National Court Register.

On the 11<sup>th</sup> of November, 2015, Comarch S.A. concluded an agreement for the acquisition of 100,000 shares of Comarch Argentina S.A. based in Buenos Aires (100% of the share capital, each share having a nominal value of ARS 1), for a nominal amount of ARS 100,000 (i.e. PLN 41,280 at the exchange rate on the 10<sup>th</sup> of November, 2015).

On the basis of resolutions of the sole shareholder dated the 10<sup>th</sup> of December, 2015, changes were made in the share capital of Comarch SAS. First of all the share capital was reduced from EUR 2,500,000 to EUR 308,429 (PLN 1,339,816 at the exchange rate of the 10<sup>th</sup> of December, 2015), i.e. a reduction of EUR 2,191,571 (PLN 9,520,184 at the exchange rate of the 10<sup>th</sup> of December, 2015) and then increased by EUR 3,000,000 (PLN 13,032,000 at the exchange rate of the 10<sup>th</sup> of December, 2015). The current share capital of Comarch SAS is EUR 3,308,429. The change of share capital is effective from the 17<sup>th</sup> of December, 2015.

On the 10<sup>th</sup> of December, 2015, Comarch SAS and Comarch SA (existing shareholders of Comarch R&D SARL) entered into a share purchase agreement, which resulted in purchase of 525 shares of Comarch R&D SARL (70% of the share capital) by Comarch SA from Comarch SAS for a total amount of EUR 70,000 (PLN 304,080 at the exchange rate of the 10<sup>th</sup> of December, 2015), i.e. EUR 133.33 (PLN 579.19 at the exchange rate of the 10<sup>th</sup> of December, 2015) per share. From the 10<sup>th</sup> of December, 2015, Comarch SA is the sole shareholder of Comarch R&D SARL.

On the 21<sup>st</sup> of December, 2015, the Extraordinary General Meeting of Comarch Management sp. z o.o. passed a resolution to increase the share capital from PLN 250 thousand to PLN 300 thousand through the issuance of 500 new shares with a nominal value of PLN 100 each. The shares were acquired by the existing sole shareholder, Comarch S.A. based in Krakow.

### **1.3 Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date**

On the 15<sup>th</sup> 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 15<sup>th</sup> of January, 2016).

On the 22<sup>th</sup> 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 4<sup>th</sup> 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 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 14<sup>th</sup> of April, 2016.

### **1.4 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 Smart City), Comarch Malaysia SDN. BHD., Comarch AB and Comarch Argentina S.A. 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. acquire IT contracts in domestic markets, mostly in Public sector, and execute them in their entirety or in part;

- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software;

- CA Consulting S.A. specialises in data communications relating to the provision of 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 contractors;

- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;

- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A oraz Bonus Management sp. z o.o. II Activia SK-A, Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;

- The subject matter of activities of Bonus Development sp. z o.o. SKA and Bonus Development sp. z o.o. II Koncept SKA are activities related to real estates;

- Comarch Healthcare S.A. (the company was established on the 1<sup>st</sup> of July, 2015, by merger of iMed24 S.A. and ESAProjekt sp. o.o.) produces and sells IT software related to medicine, provides medical and diagnostic devices and services as well as manufactures and delivers comprehensive solutions for the medical sector;

- Comarch Pointshub S.A. (formerly iReward24 S.A.) produces and implements loyalty software for the customers in small and medium sized enterprises;

- Comarch Infrastruktura S.A. (formerly Infrastruktura24 S.A.) offers services related to Data Centre and IT services outsourcing,

- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;

- MKS Cracovia SSA is a sport joint stock company;

- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sports;

- Opso sp. z o.o. provides catering services;

- Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

## 2. Description of the Applied Accounting Principles

This consolidated financial statement for the 12 months ended the 31<sup>st</sup> of December, 2015 was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.

This financial statement was prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.

Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.5 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.

The financial statement was prepared with the assumption of the continuation of commercial activities by the Comarch Group in the foreseeable future. According to company management, there are no circumstances suggesting any threat to the continuation of activities.

The Comarch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

The consolidated financial statement of the Comarch Group for the 12 months ended the 31<sup>st</sup> of December, 2015 comprises the financial statements of the following companies:

	<b>Relationship</b>	<b>Consolidation method</b>	<b>% held by Comarch S.A. in a subsidiary's share capital</b>
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100.00%
Comarch Sistemas LTDA	subsidiary	full	80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG
Comarch Software und Beratung AG	subsidiary	full	100,00% held by Comarch AG *)
Comarch Solutions GmbH	subsidiary	full	100.00% held by Comarch Software und Beratung AG
Comarch S.A.S.	subsidiary	full	100.00%
Comarch R&D S.à r.l.	subsidiary	full	100.00%
Comarch Luxembourg S.à r.l.	subsidiary	full	100.00%
Comarch Inc.	subsidiary	full	100.00%
Comarch Panama Inc.	subsidiary	full	100.00% held by Comarch Inc.
Comarch Canada, Corp.	subsidiary	full	100.00%
Comarch Espace Connecté Inc. (Comarch Smart City)	subsidiary	full	100.00%
Comarch Middle East FZ-LLC	subsidiary	full	100.00%
Comarch LLC	subsidiary	full	100.00%
OOO Comarch	subsidiary	full	100.00%
Comarch Software (Shanghai) Co. Ltd.	subsidiary	full	100.00%
Comarch Technologies Oy	subsidiary	full	100.00%
Comarch UK Ltd.	subsidiary	full	100.00%
Comarch Chile SpA	subsidiary	full	100.00%
Comarch Software Spain S.L.U.	subsidiary	full	100.00%
Comarch Yazilim A.S.	subsidiary	full	100.00%
Comarch SRL	subsidiary	full	100.00%
Comarch Malaysia SDN. BHD.	subsidiary	full	100.00%
Comarch s.r.o.	subsidiary	full	100.00%

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All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch Pointshub Inc.	subsidiary	full	100.00%
Comarch AB	subsidiary	full	100.00%
Comarch Argentina S.A.	subsidiary	full	100.00%
Comarch Technologies sp. z o.o.	subsidiary	full	100.00%
CA Consulting S.A.	subsidiary	full	100.00%
Comarch Management sp. z o.o.	subsidiary	full	100.00%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00% in total number of investment certificates
Comarch Management sp. z o.o. SKA	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. SKA to be redeemed
Bonus Management sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SKA	subsidiary	full	100.00% 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. SKA
Comarch Polska S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Pointshub S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Infrastruktura S.A.	subsidiary	full	100.00% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100.00% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Comarch Swiss AG	subsidiary	full	100.00% 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
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SKA	subsidiary	full	50% held by Bonus Management sp. z o.o. SKA, 50% held by MKS Cracovia SSA
Opso sp. z o.o.	subsidiary	full	100.00%
MKS Cracovia SSA	subsidiary	full	66.11%

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

## **2.1 Methods of Valuation of Assets and Liabilities and the Determination of Financial Results**

### **2.1.1 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 and software production, as well as medical equipment for medicine sector (hereinafter referred to as the "Medical segment").

Please note that the "Medical" segment has been reclassified in the Q1-Q4 2015 report. Currently "Medical" 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 "Medical" sector is presented in the IT segment.

Analogical adjustments were introduced in the presentation of comparable data for 2014.

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.

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. Revenues of the first and second quarter had a greater share in annual revenues than it had in 2014.

In 2016, the Company expects the distribution of sales revenue similar to that in 2015.

### **2.1.2 Consolidation**

#### **a) Subsidiaries**

Subsidiaries are all entities (including special purpose entities), over which Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Acquisitions of companies and the individual parts of the activity are accounted for with the purchase method. The cost of merging companies is evaluated in the aggregated fair value of the assets transferred, born or acquired and capital instruments issued by the Group in return for taking control over the acquired entity. Acquisition-related costs are recognised in profit or loss as incurred.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. All other changes are recognised in accordance with the respective IFRS regulations. Changes in the fair value of the contingent consideration that qualify as equity transactions are not recognised.

Identifiable assets, liabilities and contingent liabilities of the acquiree meeting the requirements of recognition in accordance with the IFRS 3 "Merging economic entities" is recognized at fair value as at the day of acquisition, except exclusions in accordance with the IFRS 3.



Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss.

Goodwill arising on an acquisition of a business is recognised in assets and initially carried at cost, assumed to exceed the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. If, after reassessment, the share of the Group in net of the acquisition-date amounts of the identifiable assets, liabilities and contingent liabilities of the acquiree, assumed to exceed the sum of the consideration transferred, the excess is recognised immediately in profit or loss.

Transactions, settlements and unrealised gains on transactions between parties in the Group are eliminated. Unrealised gains are also eliminated, unless a transaction gives evidence for impairment of assets. Accounting principles applied by subsidiaries have been changed everywhere it has been necessary to ensure compliance with accounting principles applied by the Group.

## **b) Associates**

Associates are all entities over which the Group has significant influence but not control; this generally accompanies a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised as costs. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## **c) Principles for the Presentation of the Comarch SuB Group within the Financial Statement**

Comarch Software und Beratung AG is the parent company for the companies of the Comarch SuB Group and from 2013 has not prepared independently the consolidated financial statement, including data from Comarch Software und Beratung AG and its subsidiaries. Comarch S.A. is the parent company of the Comarch Group and prepares directly the consolidated financial statement, including data from Comarch S.A. and all other subsidiaries (including Comarch SuB and its subsidiaries).

### **2.1.3 Foreign Currency Translation**

#### **a) Functional and Presentation Currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Polish zlotys (PLN), which is the parent company's functional and presentation currency.

#### **b) Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the

settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit and loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale assets, are included in the available-for-sale reserve in equity.

### **c) Group Companies**

The results and financial position of all group entities (none of which operates in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate of the date of the balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the dates of the transactions); and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of credits and loans and other currency instruments designated as hedges of such investments, are included in shareholder equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

EURO rates used to financial data:

NBP average exchange rates as at 31.12.2015: 4.2615,

NBP average exchange rates as at 31.12.2014: 4.2623,

NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2015: 4.1848,

NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2014: 4.1893.

### **2.1.4 Investment**

#### **a) Financial Assets and Liabilities at Fair Value through Profit or Loss**

This category comprises two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of sale in the short term or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges. This type of derivative is classified separately in 'Derivative financial instruments' in the balance sheet. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months from the balance sheet.

#### **b) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. These arise when the Group gives cash, goods or services directly to the debtor, without the intention of introducing its receivables into trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

#### **c) Held-to-Maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

#### **d) Available-for-Sale Financial Assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are no longer recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets available-for-sale and financial assets carried at fair value, through profit or loss are initially recognised at fair value. Loans, receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of the non-monetary securities classified as 'available-for-sale' are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or if a security is unlisted), the Group establishes fair value by using valuation techniques. These comprise the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and models (commonly regarded as correct) of the valuation of derivative instruments based on input data from the active market.

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each balance sheet date. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

### **2.1.5 Non-Current Assets**

#### **a) Intangible Assets**

Intangible assets are recorded at their acquisition prices less the current redemption as well as possible write-offs due to permanent loss in value. The Group carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

- |   |                   |        |
|---|-------------------|--------|
| • | computer software | 30%    |
| • | licences          | 30%    |
| • | copyrights        | 30%    |
| • | other rights      | 10-20% |

Adopted depreciation rates are related to the estimated useful life of intangible assets, excluding the players' cards (MKS Cracovia SSA), which are depreciated within the period of the agreement signed with a given player.

In the case of intangible assets that were acquired for a particular project, the depreciation period

is established as the duration of the project.

The right of perpetual usufruct of land relating to MKS Cracovia SSA is classified as an intangible asset with an undefined useful life, therefore it is not depreciated. Lands that MKS Cracovia SSA holds in perpetual usufruct are not depreciated, because of an undefined useful life, since the company expects that the perpetual usufruct rights will be renewed without any major costs, as it is not obliged to meet any conditions, upon which the extension of these rights depends.

In Poland, perpetual usufruct is considered synonymous to ownership, as opposed to a lease after which a user releases land. The company does not expect to incur any major costs for the renewal of perpetual usufruct rights as the co-owner of MKS Cracovia SSA is the City of Krakow. The city supports sports activities, including those of MKS Cracovia SSA through initiatives that include:

- refinancing sports infrastructure
- redeeming real estate taxes
- providing fees for perpetual usufruct

The right of perpetual usufruct of land relating to the parent company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

Intangible assets purchased as a result of the acquisition of the A-MEA Informatik AG (currently Comarch Swiss AG) are comprised of the value of the company's relationships with customers. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the A-MEA Informatik AG. It was assumed the depreciation period is equal to the predicted period of economic benefit from the company's relationships with customers, i.e. 60 months.

Intangible assets purchased as a result of the acquisition of the ESAProjekt sp. z o.o. (currently Comarch Healthcare S.A.) are comprised of property rights for the software: Optimed, OptiNFZKom, BaKS, Carber, SDK, Repos. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the ESAProjekt sp. o.o. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

## **b) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill recognised separately is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carriage of an amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

## **c) Property, Plant and Equipment**

### **Property, Plant and Equipment in Use**

Property, plant and equipment in use were valued according to acquisition prices or production costs less current redemption and possible write-offs due to losses in value. The adopted depreciation rates correspond to the economic utility of property, plant and equipment in use.

The following detailed principles of depreciation of property, plant and equipment in use have been adopted by the company: assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for buildings), 30% (for machines and devices) and 20% (for furniture, equipment and other assets). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

### **Property, Plant and Equipment under Construction**

Property, plant and equipment under construction are valued according to the acquisition price less any possible write-offs due to permanent loss in value. The company applies the rule that interests on investment credit, in the period when the investment is realised, are recognised as property, plant and equipment under construction. Interests on investment credit decrease the annual result within finance costs, after non-current asset, financed by credit, was brought to use.

#### **Improvements in Third Party Property, Plant and Equipment Assets**

Improvements in third party property, plant and equipment are valued according to the acquisition price less any current redemptions and possible write-offs due to loss in value.

#### **d) Leases**

The Group uses leased vehicles and computer hardware. As, according to the agreements made, practically all risks and benefits resulting from the title of ownership of the subject matter leased have been transferred, these are classified as finance leases. They have been classified as assets and liabilities in the amounts equal to the minimum leasing fees set forth as at the date of lease initiation. Leasing fees are divided into finance costs and reductions of the unpaid balance of liabilities. The interest part of finance costs is charged to the income statement throughout the lease term so as to obtain a constant periodic interest rate on the remaining balance of the liability for each period. The means used on lease principles are subject to depreciation within a shorter period of time of either the asset's useful life or the lease term.

#### **e) Non-Current Prepayments**

Non-current prepayments refer to the non-current part of prepayments costs.

#### **f) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sales costs and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### **2.1.6 Current Assets**

#### **a) Inventories, Products in Progress and Finished Goods**

Production in progress given in the statement refers to software produced by the Group and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by the Group and allocated for multiple sales is valued in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.

Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50% to 100% of the invoiced sale in the above time period of sales, are written off into its own costs, provided that the 50% rate is the basic rate. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

The register of materials and finished goods is managed at current purchase prices. Expenses are appraised according to the FIFO principle. Finished goods are appraised according to actual purchase prices, no higher than net selling prices.

#### **b) Receivables**

Receivables are recognised initially at fair value and subsequently according to adjusted acquisition prices (at amortised cost).

Receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).

In order to make their value real, receivables are decreased by write-offs revaluating bad debts. Write-offs due to loss in value correspond with the difference between balance sheet value and the current value of actual cash flows from the given item of assets. Due to the specific nature of activities (limited scope of receivables from mass contractors), appropriate updating of write-offs is carried out by way of a detailed identification of receivables and an assessment of risk of the inflow of funds resulting from contractual and business conditions.

### **c) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks, bank deposit payable on demand, liquid current securities and other current investment with high liquidity.

### **d) Settlement of Long-Term Contracts**

Costs related to long-term contracts are given when they occur. The result in contracts is determined according to the progress of work if a reliable determination of such is possible. If it is not possible to determine the results in contracts, revenues are recognised uniquely up to the amount of a contract's costs incurred, which are probable to recover. The progress of work is measured based on the value of costs incurred by the balance sheet date divided by the total estimated costs due to contracts, expressed as a percentage. If it is probable that the total costs due to an agreement exceed total revenues, the anticipated loss is recognised immediately.

In assets, the Group presents 'Long-term contracts receivables' for cases where there is a surplus in incurred costs and recognised profits due to long-term contracts over the value of invoiced sales for contractors. Otherwise, when there is a surplus of the invoiced sales to contractors over the value of incurred costs and recognised profits due to long-term contracts, the Group presents an item in the liabilities called 'Long-term contracts liabilities'. The above surpluses are determined for each contract separately and are presented separately without balancing particular items.

### **e) Assets Designated for Sales**

Assets and groups for disposal are classified as designated for sales if their balance sheet values will be recovered more as a result of sales transactions than in the result of their further usage. This condition is considered to be met only when a sale transaction is very probable to perform and an assets' item or a group for disposal are available for immediate sales in their present shape. An assets' item may be classified as designated for sales when the company's management is going to make a transaction within one year from change of classification.

Assets and groups for disposal classified as designated for sales are evaluated at lower of two values: initial balance sheet value or fair value less transaction costs.

## **2.1.7 Equity**

Equity includes:

- a) the share capital of the parent company presented at nominal value,
- b) other capitals established:
  - from profit-sharing,
  - from surpluses of shares sold above their nominal value (premium share)
  - from the valuation of managerial options,
- c) retained profit resulting from adjustments resulting from changes to accounting principles and from the results achieved by the entities of the Group, which were not transferred to other capitals,
- d) currency exchange differences.

**2.1.8 Employee Benefits****a) Share-Based Plans**

By 2014, the Group had a share-based reward scheme. The fair value of employee services received in exchange for every grant of options increases costs. The total amount to be spent over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Vesting conditions were included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revised its estimates of the number of options that are expected to vest. It recognised the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received when the option is exercised, i.e. proceeds from comprising shares (less transaction costs related directly to option exercising) were credited to share capital (nominal value) and the share premium is credited to supplementary capital.

**2.1.9 Liabilities and Provisions for Liabilities****a) Trade Liabilities and Other Liabilities**

Initially trade and other liabilities are recognised at their fair value and at the balance sheet date they are recognised at adjusted acquisition prices (depreciated cost). Liabilities, depending on maturity (up to or over 12 months from the balance sheet date) are recorded as current or non-current items.

**b) Financial Liabilities**

At the time of initial recognition, financial liabilities are valued at fair value, increased (in case of an item of liabilities not qualified as valued at fair value by the financial result) by transaction costs. After the initial recognition, the unit appraises financial liabilities according to depreciated costs using the effective interest method, with the exception of derivative instruments, which are valued at fair value. Financial liabilities set as items being hedged are subject to appraisal pursuant to hedge accounting principles.

**c) Provisions for Liabilities**

Provisions for restructuring costs, guarantee repairs, legal claims and for other events (especially for leaves and rewards), which result in the Group's current obligation from past events, are recognised if:

- The Group has current legal or customary liabilities resulting from past events;
- There is a high probability that expending Group funds may be necessary to settle these liabilities, and
- Their value has been reliably assessed.

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses.

If there are a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.

The provisions are appraised at the current value of costs assessed according to the best knowledge of company management. Incurring such costs is necessary in order to settle the current liability at the balance sheet date. The discount rate applied for determining current value reflects the current market assessment of the time value of money and impairments relating to a given liability.

**2.1.10 Deferred Income Tax**

The general principle, pursuant to IAS12, is applied. It states that due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.

Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

Deferred income tax liabilities are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future.

Deferred income tax is established using fiscal rates (and regulations) which are legally binding at the balance sheet date, which according to expectations shall be in force at the moment of realisation of relevant deferred income tax assets or settlement of deferred income tax liability.

The difference between deferred income tax liabilities and deferred income tax assets at the end and at the beginning of the reporting period affects the financial results. In addition, liabilities and assets due to deferred income tax related to operations settled with equity are referred into shareholders' equity.

## 2.2 Recognition of Revenues and Costs

The Comarch Group's operations mostly consist of producing software for multiple sales and implementing IT integration contracts. As part of its integration contracts, Comarch offers the implementation of IT turnkey systems consisting of (own and third party) software and/or computer hardware and/or services such as:

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- sharing IT service solutions in the Cloud model,
- other IT and non-IT services necessary for system implementation.

In determining the total revenues from contracts, the following items are taken into account:

- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services specified in the previous point.

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).

When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.

Several integration contracts are combined and recognised as one contract, if:

- the agreements are executed at the same time or sequentially one after another and the precise separation of the costs of their execution is impossible, or
- the agreements are so closely inter-related that they are actually parts of a single project and share a single profit margin for the entire project.

Revenues from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenues from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms.

Revenues from sales of other services, products, finished goods and property items comprise



sums of fair values from due invoiced revenues taking into account discounts and rebates without commodity and services taxes.

Sales costs include marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch Group.

General costs consist of the costs of the Comarch Group functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the Group.

Exchange rate differences related to receivables are presented in 'Revenues from sales' and those related to liabilities are presented in 'Cost of sales.'

### **Subsidies**

The Group receives subsidies for the financing of R&D projects within the framework of European Union aid programmes. These subsidies are systematically recognised as revenue in particular periods so as to ensure that they are adequate to incurred costs, which should be compensated by subsidies respectively to the reason of their settlement. These subsidies diminish the respective direct costs, which are presented in the cost of sales just after they are compensated with subsidies.

### **a) Other Operational Revenues and Costs**

Other operational revenues and costs comprise revenues and costs not directly related to the regular activities of the units and mostly include: the result of the sale of property, plant and equipment and intangibles, subsidies, established provisions and the consequences of asset revaluation.

### **b) Financial Revenues and Costs**

Financial revenues and costs mostly include: revenues and costs due to interest, those from the result achieved due to exchange rate differences in financial activities, those from disposal of financial assets and those arising as the consequences of the investment revaluation.

Interest charges due to investment credit are recognised in finance costs beginning from the moment when asset finance with the credit was completed for use.

## **2.3 Financial Risk Management**

### **2.3.1 Credit Risk**

The Group establishes 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 Group's sales to a significant number of customers in different branch of economy, in different world's regions.

### **2.3.2 Risk of Change in Interest Rates**

The company is exposed to the risk of changes in interest rates related to cash and cash equivalents and 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 LIBOR index. The parent company has been hedging this interest rate risk using IRS contracts, but also still monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

An analysis of the sensitivity of the Group's financial results to interest rate risk carried out in accordance with IFRS 7 principles indicates that if, on the balance sheet date, the interest rates had been 50 base points higher/lower, net profit for 2015 would have been PLN 421 thousand higher/lower given that the other variables remained constant. This would largely have been the result of higher/lower revenue arising from interest received on cash and cash equivalents. Conducting an analogous analysis as at the 31<sup>st</sup> of December, 2014 indicates that if interest rates had been 50 base points higher/lower net profit for 2014 would have been PLN 452 thousand higher/lower, given that the other variables remained constant. An analysis of the sensitivity of

the Group's financial results to interest rate risk was carried out using a simplified method that assumes that the rates' increases and decreases close at the same amount.

### **2.3.3 Risk of Fluctuation in the Exchange Rates**

The company 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, USD/PLN, GBP/PLN, CAD/PLN, BRL/PLN, CHF/EUR and RUB/PLN. At the same time, part of the parent company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts, and it tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change in currency investment loans). 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 as well as cash as at the balance sheet date. These values were presented in note 3.10.

An analysis of the Group's sensitivity to exchange rate fluctuation risk conducted in accordance with IFRS 7 indicated that if the actual exchange rate in relation to the balance sheet exchange rate valuation for the EUR, USD, GBP and BRL had risen/fallen by 5% with all other variables remaining constant, the Group's net result for the 12 months ended 31<sup>st</sup> of December, 2015 would have been PLN 8,595 thousand higher/lower. This is made up of an increase/decrease of PLN 5,002 thousand from financial assets and liabilities expressed in EUR, an increase/decrease of PLN 1,713 thousand from financial assets and liabilities expressed in USD, an increase/decrease of PLN 639 thousand from financial assets and liabilities expressed in GBP and an increase/decrease of PLN 1,241 thousand from financial assets and liabilities expressed in BRL. Assets and financial liabilities expressed in foreign currencies have only a slight share in currency structure of assets and liabilities.

If the exchange rate in relation to the balance sheet exchange date for currencies the (EUR, USD, GBP, CAD, CHF, UAH, CLP, BRL, SEK and AED) had risen/fallen by 10% with all other variables remaining constant, the Group's net result resulting from long-term contracts for the 12 months ended 31<sup>st</sup> of December, 2015, would have been PLN 4,868 thousand higher / PLN 4,927 thousand lower. The assessment above of the effect of exchange rate risk on the financial result was calculated using a symmetrical method that assumes that the rates' increases and decreases close at the same amount.

### **2.3.4 Financial Liquidity Risk**

The 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 Group are fixed, while revenue from sales, as is typical for a services company, fluctuates. The 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.

Information on dates of contractual maturity of financial liabilities is presented in note 3.10.

## **2.4 Accounting for Derivative Financial Instruments and Hedging Activities**

Derivative financial instruments designated as 'hedging instruments' according to IAS 39, qualified as fair value hedging, are recognised at fair value and changes in their valuation refer to the results of financial operations.

Derivative financial instruments designated as 'hedging instruments' according to IAS 39, qualified as cash flow hedging are recognised at fair value and change to their valuation refers to:

- a) capital from the revaluation of prices (in the part constituting effective hedging),
- b) the results of financial operations (in the part not constituting effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to IAS 39 are valued at fair value and changes in their valuation refers to the results of financial operations.

## **2.5 Critical Accounting Estimates and Judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including anticipations of future events that are believed to be reasonable under given circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### **2.5.1 Estimation of the Periods of Economic Utility of Intangible Assets and Property, Plant and Equipment in Use**

#### **a) Intangible assets**

The following depreciation rates have been adopted:

- computer software 30%
- licences 30%
- copyrights 30%
- other rights 10-20%

In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

For depreciation write-offs of intangible assets purchased as a result of the acquisitions, it was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

#### **b) Property, Plant and Equipment in Use**

Assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for buildings), 30% (for machines and devices) and 20% (for furniture, equipment and other assets). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

### **2.5.2 Estimation of the total costs of the execution of projects related to the appraisal of long-term contracts, pursuant to IAS 11**

Pursuant to the accounting principles adopted by the company, the company determines the degree of progress for long-term contracts by way of determining the ratio of currently incurred costs for a given project to the total estimated project costs. Due to the long-term nature of projects under way and their complex structure, as well as the possibility of unexpected difficulties related to their execution it may happen that the actual total costs for project execution differ from the estimates made for specific balance sheet dates. Changes in estimates of total project execution costs could result in the definition of project progress at the balance sheet date and consequently recognised revenues, in different amounts.

### **2.5.3 Estimation related to the determination and recognition of deferred income tax assets, pursuant to IAS 12**

As the company operates in the Special Economic Zone and enjoys investment allowances as a result, the parent company determines the value of deferred income tax assets on the basis of forecasts relating to the shape of the tax-exempt income and the period, in which such income may be noted. Due to high business fluctuations in the IT industry (in which the parent company is active) it is possible that the actual results and tax-exempt income may differ from the parent company's anticipations. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

#### **2.5.4 Estimation of possible costs related to current court proceedings against the company, pursuant to IAS 37**

At the balance sheet date, the Group is the plaintiff and the defendant in a number of court proceedings. Preparing the financial statement, the Group always assesses the opportunities and risks related to court proceedings and, in accordance with the results of such analyses, establishes provisions for potential losses. However, there is always a risk that the courts will pronounce verdicts different from the expectations of the companies and the established provisions will be insufficient or excessive in comparison with the actual results of the proceedings.

#### **2.5.5 Estimation due to carrying out yearly test on loss in the goodwill according to IFRS3 and IAS 36**

At the end of every fiscal year the Group carries out tests on losses in the goodwill according to accounting rules contained in note 3.5. The Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the Group. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. These calculations require to the use of estimates related to cash flow in the IT segment in the following financial year and an anticipated development of the IT market in Poland and regions where the Group is active in the following years. Due to a high fluctuation in the economic situation of the IT branch, where the Group operates, it is possible that real cash flow will differ from the one estimated by the Group.

#### **2.5.6 Fair value assessment of intangible assets purchased as a result of the acquisitions**

As at the acquisition date Comarch SuB Group, ESAProjekt sp. z o.o. and Amea Informatik AG (currently Comarch Swiss AG, after the merger of both companies in 2013) the assessment of the fair value of assets held by these companies, was done based on the useful value valuation model with the discounted cash flow method (DCF). The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average capital cost (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk.

### **2.6 New Standards and IFRIC Interpretations**

This consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union.

Accounting principles (policy) applied when preparing the consolidated financial statement for 2015 are coherent with the principles applied when preparing the consolidated financial statement for 2014, providing changes described below. The same rules were adopted for the current and comparable periods, unless a standard or an interpretation assumed only prospective application.

#### ***Standards and interpretations applied in 2015 for the first time***

The following amended standards issued by the International Accounting Standards Board and approved by the European Union ("EU") were effective in 2015:

- **Amendments to various standards "IAS Improvements (period 2011-2013)"** – adopted within the frame of annual improvements process to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40). The purpose of these annual improvements is to resolve inconsistencies and clarify guidance or wording (effective for annual periods beginning on or after the 1<sup>st</sup> of January, 2015).
- **IFRIC 21 "Levies"** – adopted in EU on the 13<sup>th</sup> of June, 2014 (effective for annual periods beginning on or after the 17<sup>th</sup> of June, 2014).

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

**Standards and Interpretations published by IASB and approved by the EU, but not yet effective**

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **IFRS 11 "Joint Arrangements"** - Accounting for the acquisition of shares in joint operations - approved by the EU on 24<sup>th</sup> of November, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - The initiative in relation to disclosures - approved by the EU on 18<sup>th</sup> of November, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> 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 2<sup>nd</sup> of December, 2015 (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants - approved by the EU on 23<sup>rd</sup> of November, 2015 (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - approved by the EU on 17<sup>th</sup> of December, 2014 (effective for annual periods beginning on or after 1 February 2015),
- **Amendments to IAS 27 "Separate Financial Statements"** - Equity method in the separate financial statements - approved by the EU on 18<sup>th</sup> of December, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> 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 17<sup>th</sup> of December, 2014 (effective for annual periods beginning on or after 1<sup>st</sup> 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 15<sup>th</sup> of December, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016).

**Standards and Interpretations adopted by IASB but not yet approved by the EU**

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the 28<sup>th</sup> of April, 2015, (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018),
- **IFRS 14 „Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1<sup>st</sup> 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 1<sup>st</sup> of January 2018),

- **IFRS 16 " Leasing"** (effective for annual periods beginning on or after 1<sup>st</sup> of January 2019),
- **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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> of January, 2017),

The Management Board of the company anticipates that application of IFRS 15 may, in the future, impact the amounts and recognitions presented in the consolidated financial statement of the Capital Group. However, there is no possibility to present any reliable estimations related to the impact of IFRS 15, as long as the Group conducts the detailed analysis of this issue. According to the parent company's estimates, other abovementioned standards, interpretation and amendments to standards would not significantly impact the financial statements, if 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 significantly impact the financial statements, if applied as at the balance sheet date.

### 3. Notes to the Consolidated Financial Statement

#### 3.1 Approving the Financial Statement for 2014

On the 24<sup>th</sup> of June, 2015, the consolidated financial statement for the financial year of 2014 was approved at the General Shareholders' Meeting. On the 7<sup>th</sup> of July, 2015, in accordance with the law, it was submitted to the National Court Register.

#### 3.2 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 related services, including production of software for medicine sector and sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports activity conducted by MKS Cracovia SSA (hereinafter referred to as the "Sport segment"),
- investment activity on capital market and real estate market (hereinafter referred to as the "Investment segment"),
- activities related to medical services (hereinafter referred to as the "Medical segment").

Please note that starting from the fourth quarter of 2015 the "Medicine" segment has been reclassified. Currently the "Medicine" segment presents the business of providing medical services by Medical Center iMed24. The activities related to software production and providing services for the customers in the Medical sector is presented in the IT segment.

Similar adjustments have been also made in the presentation of comparative data for 2014.

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 breakdown of activities, Comarch Group has defined the following market segments: Poland, DACH Region (Germany, Austria, Switzerland) and other countries. Segments: Sport, Investment and Medical 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, defining separate results for export and domestic activities is not deliberate.

Comarch Group's sales is highly diversified and is not dependent on a single customer. In 2015, the share of none of the contractor exceeded 10% of the sales of Comarch Group.

Over 2015, Comarch Group's 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. Revenues of the first and second quarter had a greater share in revenues year-round than it did in 2014.

In the company's opinion, over 2016, Group's revenue structure will be similar to that observed in 2015.

Detailed data related to the segments are presented below.

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2015

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2014	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients <i>including:</i>	647,055	226,441	149,504	2,121	19,601	5,592	-	1,050,314
<i>revenues from sales</i>	641,745	224,960	148,224	529	17,341	5,552	-	1,038,351
<i>To customers in Telecommunication, Media, IT sector</i>	86,733	109,091	67,520	-	-	-	-	263,344
<i>To customers in Finance and Banking sector</i>	121,153	4,063	13,528	-	-	-	-	138,744
<i>To customers in Trade and services sector</i>	49,279	5,322	63,197	-	-	-	-	117,798
<i>To customers in Industry &amp; Utilities</i>	87,386	4,128	2,595	-	-	-	-	94,109
<i>To customers in Public sector</i>	170,568	-	1,384	-	-	-	-	171,952
<i>To customers in small and medium enterprises sector</i>	99,463	102,356	-	-	-	-	-	201,819
<i>To customers in Medicine sector</i>	25,497	-	-	-	-	5,552	-	31,049
<i>To other customers</i>	1,666	-	-	529	17,341	-	-	19,536
<i>other operating revenue</i>	4,770	1,548	920		1,496	40	-	8,774
<i>finance revenue</i>	540	(67)	360	1,592	764	-	-	3,189
Revenues per segment - sales to other segments	262,983	22,549	14,202	2,780	8,639	1,340	(312,493)	-
Revenues per segment - total*	910,038	248,990	163,706	4,901	28,240	6,932	(312,493)	1,050,314
Costs per segment relating to sales to external clients	589,076	212,828	125,626	2,194	17,072	9,948	-	956,744
Costs per segment relating to sales to other segments	262,983	22,549	14,202	2,780	8,639	1,340	(312,493)	-
Costs per segment - total*	852,059	235,377	139,828	4,974	25,711	11,288	(312,493)	956,744
Current taxes	(13,550)	(5,633)	(9,542)	(352)	-	-	-	(29,077)
Assets for the tax due to investment allowances and other tax relief	4,874	1,342	(29)	(619)	(408)	236	-	5,396
Share of parties in the result of parties valued using the equity method of accounting	(993)	-	-	-	-	-	-	(993)
Net result	48,310	9,322	14,307	(1,044)	2,121	(4,120)	-	68,896
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	48,310	9,039	14,307	(1,044)	1,402	(4,120)	-	67,894
<i>result attributable to minority interest</i>	-	283	-	-	719	-	-	1,002

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

Sales between specific segments are calculated based on market conditions.



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

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2014, as well as investment expenditures and depreciation for 12 months ended the 31<sup>st</sup> of December, 2014:

	IT Segment			Investment	Sport	Medicine	Total
	Poland	DACH	Other	Segment	Segment	Segment	
Assets	731,862	200,005	118,194	113,764	40,645	12,085	1,216,555
Liabilities	384,370	92,040	23,013	2,279	13,358	802	515,862
Investment expenditures	71,576	10,981	706	17,594	1,273	1,377	103,507
Depreciation	32,171	15,671	896	847	1,388	3,407	54,380

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2015

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2015	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients including:	668,507	275,472	176,974	2,065	21,136	6,625	-	1,150,779
revenues from sales	662,840	264,943	176,485	344	19,648	7,320	-	1,131,580
To customers in Telecommunication, Media, IT sector	124,883	117,987	70,414	-	-	-	-	313,284
To customers in Finance and Banking sector	123,283	13,836	14,003	-	-	-	-	151,122
To customers in Trade and services sector	64,244	9,991	84,797	-	-	-	-	159,032
To customers in Industry&Utilities	89,149	18,109	5,547	-	-	-	-	112,805
To customers in Public sector	110,062	2,473	1,705	-	-	-	-	114,240
To customers in small and medium enterprises sector	106,600	102,547	-	-	-	-	-	209,147
To customers in Medicine sector	42,620	-	-	-	-	7,320	-	49,940
To other customers	1,999	-	19	344	19,648	-	-	22,010
other operating revenue	6,165	12,597	629	214	1,016	228	-	20,849
finance revenue	(498)	(2,068)	(140)	1,507	472	(923)	-	(1,650)
Revenues per segment - sales to other segments	273,195	31,137	34,249	3,061	8,814	1,509	(351,965)	-
Revenues per segment - total*	941,702	306,609	211,223	5,126	29,950	8,134	(351,965)	1,150,779
Costs per segment relating to sales to external clients	590,141	222,563	191,339	2,980	21,105	11,273	-	1,039,401
Costs per segment relating to sales to other segments	273,195	31,137	34,249	3,061	8,814	1,509	(351,965)	-
Costs per segment - total*	863,336	253,700	225,588	6,041	29,919	12,782	(351,965)	1,039,401
Current taxes	(10,555)	(11,504)	(6,965)	(337)				(29,361)
Assets for the tax due to investment allowances and other tax relief	2,706	(2,925)	1129	313	279	-	-	1,502
Share of segment in the result of parties valued using the equity method of accounting	227	-	(3,476)	-	-	-	-	(3,249)
Net result	70,744	38,480	(23,677)	(939)	310	(4,648)	-	80,270
including:								
result attributable to shareholders of the parent company	70,744	37,952	(23,677)	(925)	205	(4,648)	-	79,651
result attributable to minority interest	-	528	-	(14)	105	-	-	619

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

\*\*) Please note that starting from the fourth quarter of 2015 the "Medicine" segment has been reclassified. Currently the "Medicine" segment presents the business of providing medical services by Medical Center iMed24. The activities related to software production and providing services for the customers in the Medical sector is presented in the IT segment. Similar adjustments have been also made in the presentation of comparative data for 2014.

Sales between specific segments are calculated based on market conditions.

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

The following table presents the assets and liabilities of particular segments as at the 31<sup>st</sup> of December, 2015, as well as investment expenditures and depreciation for 12 months ended the 31<sup>st</sup> of December, 2015:

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	701,639	243,805	184,009	121,750	44,072	9,553	1,304,828
Liabilities	383,953	79,446	39,327	7,112	14,345	64	524,247
Investment expenditures	57,857	10,459	32,118	34,825	1,905	-	137,164
Depreciation	35,353	11,656	1,490	713	1,051	3,220	53,483

The following tables present a geographical structure of revenues from sales, assets and investment expenditures:

### Revenues from basic sales - activities location

	12 months ended 31 December 2015		%	12 months ended 31 December 2014		%
Poland		690,152	61.0		665,167	64.0%
DACH		264,943	23.4		224,960	21.7%
Other countries		176,485	15.6		148,224	14.3%
<b>TOTAL</b>		<b>1,131,580</b>	<b>100.0</b>		<b>1,038,351</b>	<b>100.0%</b>

The above-mentioned table presents a geographical structure of revenues by the Comarch Group clients' offices.

### Assets – activities location

	12 months ended 31 December 2015		%	12 months ended 31 December 2014		%
Poland		876,925	67.2		898,355	73.8%
DACH		243,805	18.7		200,005	16.5%
Other countries		184,098	14.1		118,195	9.7%
<b>TOTAL</b>		<b>1,304,828</b>	<b>100.0</b>		<b>1,216,555</b>	<b>100.0%</b>

### Investments expenditures - activities location

	12 months ended 31 December 2015	12 months ended 31 December 2014
Poland	94,587	91,819
DACH	10,459	10,981
Other countries	32,118	707
<b>TOTAL</b>	<b>137,164</b>	<b>103,507</b>

### 3.3 Property, Plant and Equipment

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
<b>At 1 January 2014</b>				
Cost or valuation	308,862	237,318	44,826	591,006
Depreciation	(41,139)	(164,337)	(24,705)	(230,181)
Net book value	267,723	72,981	20,121	360,825
Transferring to investment real estates – gross value	(7,876)	-	-	(7,876)
<b>Year ended 31 December 2014</b>				
Opening net book value	259,847	72,981	20,121	352,949
Additions	47,974	22,922	2,392	73,288
Disposals	-	(1,153)	(1)	(1,154)
Depreciation	(6,601)	(22,968)	(4,556)	(34,125)
Closing net book value	301,220	71,782	17,956	390,958
<b>At 31 December 2014</b>				
Cost or valuation (gross)	348,960	259,087	47,217	655,264
Depreciation	(47,740)	(187,305)	(29,261)	(264,306)
Net book value	301,220	71,782	17,956	390,958
<b>Opening balance after the change in presentation</b>				
<b>Year ended 31 December 2015</b>				
Opening net book value	301,220	71,782	17,956	390,958
Additions	24,450	43,249	2,730	70,429
Disposals	(45)	(1,668)	(10)	(1,723)
Depreciation	(7,091)	(25,279)	(4,728)	(37,098)
Closing net book value	318,534	88,084	15,948	422,566
<b>At 31 December 2015</b>				
Cost or valuation (gross)	373,365	300,668	49,937	723,970
Depreciation	(54,831)	(212,584)	(33,989)	(301,404)
Net book value	318,534	88,084	15,948	422,566

Property, plant and equipment comprise mostly real estate and machinery owned by the Comarch Group. As at the 31<sup>st</sup> of December, 2015, propriety of Group are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 56,760 m<sup>2</sup> of the total space, two office buildings in Warsaw at 2,582 m<sup>2</sup> of the total space, an office and storage buildings in Łódź, one office and storage building in Lille and office building and data centre in Dresden. The Group owns also lands in the Special Economic Zone in Krakow at 1.7 ha of the total space. As at the 31<sup>st</sup> of December, 2015, property, plant and equipment under construction comprise mostly expenditures related to the redevelopment of former factory building and the construction of an adjacent office building in Łódź and expenditures related to the modernisation works of buildings used by the Group.

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract was the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure, with the total space of the building being 11,708.87 m<sup>2</sup>. Initially, the value of this agreement amounted to PLN 62,268 thou. As a result of signing amendments to the aforementioned agreement, the total value of the agreement increased from PLN 62,268 thou. to PLN 64,907 thou. Due to the extension of the scope of work provided by the Consortium, the planned completion date of the investment was changed to the 31<sup>st</sup> of August, 2015. The above mentioned changes were announces by the company in current reports RB-5-2015 dated the 16<sup>th</sup> of January, 2015, RB-9-2015 dated the 30<sup>th</sup> of March, 2015, RB-15-2015 dated the 28<sup>th</sup> of May, 2015, RB-27-2015 dated the 16<sup>th</sup> July, 2015 and RB-31-2015 dated the 14<sup>th</sup> of August, 2015. On the 31<sup>st</sup> of August, 2015, the SSE6 building was finally accepted. The total expenditure on the investment was PLN 68,747 thou. In September 2015 the building was entered into fixed assets register and since October 2015 its depreciation has started.

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 31<sup>st</sup> of December, 2015, book value of this equipment amounts to PLN 8,462 thousand.

On the 16<sup>th</sup> 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 m<sup>2</sup>. 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 31<sup>st</sup> of December, 2015, amounted to PLN 5,968 thousand. Comarch S.A. announced concluding of above mentioned contract in current report RB-18-2015 dated the 16<sup>th</sup> of June, 2015.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. On the 15<sup>th</sup> of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. signed an agreement with SNC-LAVALIN S.A.S., for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building 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 2<sup>nd</sup> 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 15<sup>th</sup> of March, 2016.

On the 18<sup>th</sup> 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 27,736.07 m<sup>2</sup>. 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 S.A. announced details in current report RB-3-2016 dated the 18<sup>th</sup> of March, 2016.

As at the 31<sup>st</sup> of December, 2015, bank loans are secured on land and buildings for the value of PLN 307,246 thousand (ordinary mortgages, real estate mortgages in BNP Paribas Bank Polska S.A., BZ WBK S.A., Pekao S.A. and PKO BP S.A.) and other property, plant and equipment in use in the amount of PLN 19,973 thousand. The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to PLN 207,396 thousand.

	2015	2014
Amount of interest on credits capitalised on investments in non-current assets	608	255

Investment expenditures on property, plant and equipment under construction are recognised in the net balance sheet value of property, plant and equipment:

	31 December 2015	31 December 2014
Buildings	24,892	59,085
Equipment	2,796	3,794
Other	10	0
<b>Total</b>	<b>27,698</b>	<b>62,879</b>

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of PLN 24,393 thousand (PLN 29,525 thousand in 2014), costs of sales in the amount of PLN 984 thousand (PLN 2,336 thousand in 2014), general and administrative expenses in the amount of PLN 2,642 thousand (PLN 2,161 thousand in 2014) and social activities expenses in the amount of PLN 9,079 thousand (PLN 105 thousand in 2014).

### Assets in finance leasing

As at the 31<sup>st</sup> of December, 2015, the Group had no liabilities due to a finance lease.

Net equity	150
Interest	19

The Group has no due liabilities due leasing fees.

Interest	0
Net equity	0

### 3.4 Investment Real Estates

	31 December 2015	31 December 2014
Lands	9,815	8,538
Buildings	7,248	7,581
<b>Total</b>	<b>17,063</b>	<b>16,119</b>

As at the 31<sup>st</sup> of December, 2015, investment real estate comprise developed properties located in Krakow used for lease to the entities outside Group, land plots located in Krakow purchased in order to construct buildings dedicated for lease to the entities outside Group, as well as a real estate located in Kostrzyń leased to the entities outside Group.

### 3.5 Goodwill

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

	31 December 2015	31 December 2014
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
A-MEA Informatik AG	8,413	8,413
ESAProjekt sp. z o.o.	0	0
<b>Total</b>	<b>40,735</b>	<b>40,735</b>

#### 3.5.1 Acquisition of Subsidiaries

	Core Activities	Acquisition Date	(%) of Purchased Shares (%)	Acquisition Cost PLN'000
<b>2008</b>				
Comarch Software und Beratung AG	IT	2008-11-18	50.15%	44,685

<b>2009</b>				
Comarch Software und Beratung AG	IT	2009-02-09	30.74%	31,901
<b>2012</b>				
Comarch Software und Beratung AG	IT	2012-10-19	5%	3,777
A-MEA Informatik AG	IT	2012-01-30	100%	5,717
A-MEA Informatik AG	IT	2012-02-27	-	2,578
ESAProjekt Sp. z o.o.	IT	2012-04-27	100%	12,200

### 3.5.2 Test for Goodwill Impairment

On the 31<sup>st</sup> of December, 2015, the Comarch Group conducted a test for loss in value regarding goodwill in relation to acquisition of Comarch Software und Beratung AG and it did not show any loss in value. The assessment of the fair value of a cash generating unit was done based on the useful value valuation model with the discounted cash flow method (DCF). The predicted cash flow for particular Comarch SuB product lines are based on sales results in 2015, the Comarch SuB Group budget for 2016, and the forecast for 2016-2020, development estimates of the German market within the upcoming years and assuming a constant growth rate of 0.5% from 2020. The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average cost of capital (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk. The weighted average cost of capital applied in the model amounted to 8.28%.

On the 31<sup>st</sup> of December, 2015, the Comarch Group conducted also tests for loss in value regarding goodwill in relation to acquisitions of Comarch Swiss (d. A-MEA Informatik AG) and they did not show any loss in value.

The Group considers IT Segment, comprising companies in the Comarch Group before acquisition of the Comarch Software und Beratung Group, as one cash generating unit thereby doesn't allocate the goodwill, that was worth PLN 3,284 thousand and recognised in relation to purchases of shares in Comarch Kraków S.A., CDN Comarch S.A., Comarch Inc. and Comarch AG, to particular companies of the Group. A test for loss in value in reference to the goodwill that was run on the 31<sup>st</sup> of December, 2015, did not show any loss in value. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. The Management Board of the parent company conducted also the analysis of the P/E index for companies in the IT sector registered with the Warsaw Stock Exchange and assessed on this basis the estimated market value of the IT Segment in the Comarch Group as at the 31<sup>st</sup> of December, 2015. P/E index for IT sector companies listed on the Warsaw Stock Exchange, conducting business activities similar to Comarch S.A., was taken for analysis and amounted to 14.16. It was not adjusted to the needs of the test. The above analyses did not show any loss in value in reference to the goodwill.

### 3.6 Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
<b>At 31 December 2013</b>					
Cost (gross)	4,570	39,940	143,723	27,045	215,278
Accumulated amortisation and impairment	(2,152)	(905)	(115,562)	(16,939)	(135,558)
Net book value	2,418	39,035	28,161	10,106	79,720
<b>Year ended 31 December 2014</b>					
Opening net book value	2,418	39,035	28,161	10,106	79,720
Additions	1,067	-	11,350	890	13,307
Disposals	(2,408)	-	-	(47)	(2,455)
Amortisation charge	(58)	(93)	(16,230)	(3,874)	(20,255)
Closing net book value	1,019	38,942	23,281	7,075	70,317
<b>At 31 December 2014</b>					
Cost (gross)	3,229	39,940	155,073	27,888	226,130
Accumulated amortisation and impairment	(2,210)	(998)	(131,792)	(20,813)	(155,813)
Net book value	1,019	38,942	23,281	7,075	70,317
<b>Year ended 31 December 2015</b>					
Opening net book value	1,019	38,942	23,281	7,075	70,317
Additions	1,307	-	10,806	2,047	14,160
Disposals	-	-	-	(1,619)	(1,619)
Amortisation charge	(191)	(92)	(12,499)	(3,602)	(16,384)
Closing net book value	2,135	38,850	21,588	3,901	66,474
<b>At 31 December 2015</b>					
Cost (gross)	4,536	39,940	165,879	28,316	238,671
Accumulated amortisation and impairment	(2,401)	(1,090)	(144,291)	(24,415)	(172,197)
Net book value	2,135	38,850	21,588	3,901	66,474

The Group presented costs for research and development works directly in costs, with no previous activation, in the amount of PLN 11,555 thousand.

I. Other intangibles include, in particular, valuation of software acquired from ESAProjekt Sp. z o.o. (at present Comarch Healthcare S.A.) goodwill in the amount of PLN 1,243 thousand, value of relationship with A-MEA Informatik AG (at present Comarch Swiss AG) customers in the amount of PLN 651 thousand, and the right to use the players' cards in the amount of PLN 1,398 thousand. All other items of the intangible assets were disposed.

Amortization charges in the income statement have been reported in the positions: the amount of PLN 13,641 thousand is included in the cost of production, the rest is presented in general and administrative costs (PLN 2,275 thousand) and selling costs (PLN 469 thousand).

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31,650 thousand is considered as 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 major costs in renewal of perpetual usufruct right in the context of the previous activities of the co-owner of the Club that is the City of Krakow. The city supports sport activities, including MKS Cracovia SSA, by the way of, among others:

- additional financing of sport infrastructure
- redemption of real estate tax
- contributing fees for perpetual usufruct in non-cash contribution



The right of perpetual usufruct of land relating to the parent company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

## II. Impairment test for the right of perpetual usufruct as at 31<sup>st</sup> of December, 2015

As at the 31<sup>st</sup> of December, 2015, an analysis was performed on changes in prices of real estate properties in Krakow in 2015. Based on reports: „Real Estate Market Review: Summary of 2015” by Colliers International ([www.colliers.com](http://www.colliers.com)), reports of the Institute of Real Estate Market Monitor and articles published by branch portals (among others Bankier.pl), it was found that in 2015 an average price of land in Krakow had an upward trend. On this basis it was established that in 2015, there was no impairment of the right of perpetual usufruct of land owned by the Comarch Group.

### 3.7 Non-Current Prepayments

	12 months ended 31 December 2015	12 months ended 31 December 2014
Opening balance	537	904
Changes due to:		
- settlement and transfer to non-current prepayments	282	(367)
<b>Closing balance</b>	<b>819</b>	<b>537</b>

### 3.8 Investment in Associates

As at the 31<sup>st</sup> of December, 2015, the Group had investments in associates.

<b>At 1 January 2014</b>	<b>49</b>
Share in the increased capital and profit for 2014 of Sointeractive S.A.	471
Acquiring shares and share in profit of Volatech Capital Advisors S.A. (currently Metrum Capital S.A.)	68
Repayment of loans	(21)
<b>At 31 December 2014</b>	<b>567</b>
<b>At 1 January 2015</b>	<b>567</b>
Share in profit for 2015 of Sointeractive S.A.	(103)
Acquiring shares and share in profit of Metrum Capital S.A. (formerly Volatech Capital Advisors S.A.)	156
Grant a loan to SolInteractive S.A.	737
Acquiring shares and share in profit of Thanks Again LLC	21,820
<b>At 31 December 2015</b>	<b>23,177</b>

	Country of incorporation	Assets	Liabilities	% shares held
<b>At 31 December 2014</b>				
SolInteractive S.A.	Poland	3,381	1,591	42.98
<b>At 31 December 2015</b>				
SolInteractive S.A.	Poland	4,382	2,934	42.98

	Country of incorporation	Revenue	Profit /(Loss)	% shares held
<b>12 months ended 31 December 2014</b>				

SolInteractive S.A.	Poland	8,643	291	42.98
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**12 months ended 31  
December 2015**

SolInteractive S.A.	Poland	8,738	(342)	42.98
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	Country of incorporation	Assets	Liabilities	% shares held
<b>At 31 December 2015</b>				
Metrum Capital S.A.	Polska	269	46	64.29

	Country of incorporation	Revenue	Profit /(Loss)	% shares held
<b>12 months ended 31 December 2015</b>				
Metrum Capital S.A.	Polska	387	(253)	64.29

	Country of incorporation	Assets	Liabilities	% shares held
<b>At 31 December 2015</b>				
Thanks Again LLC	Polska	10,884	11,116	42.50

	Country of incorporation	Revenue	Profit /(Loss)	% shares held
<b>12 months ended 31 December 2015*</b>				
Thanks Again LLC	Polska	2,275	(4,072)	42.50

\* data covering the period from the moment of acquisition, i.e. from September, 2015

As at the 31<sup>st</sup> of December, 2015, investments in associates includes stocks and shares acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SKA in SolInteractive S.A. (42.98% of shares, 27.37% of votes at the AGM), shares in Metrum Capital S.A. (Comarch S.A. acquired 21.43% of shares, i.e. 15.79% of votes at the AGM, and CAMS AG acquired 42.86% of shares, i.e. 31.58% of votes at the AGM, with total value of PLN 620 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 21,820 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) and loans granted to SolInteractive SA by Comarch Infrastruktura SA and Comarch SA in the amount of PLN 737 thousand.

### 3.9 Inventories

	31 December 2015	31 December 2014
Raw materials	1,108	2,211
Work in progress	44,817	28,289
Finished goods	5,021	16,763
Commodities	76	-
Advances due to finished goods	391	656
	<b>51,413</b>	<b>47,919</b>

The cost of inventories included in 'Costs of products, goods and materials sold' amounted to PLN 343,037 thousand (12 months ended the 31<sup>st</sup> of December, 2015), PLN 396,647 thousand (12 months ended the 31<sup>st</sup> of December, 2014).

In 2015, Comarch Group created write-downs of the value of goods and materials in the amount of PLN 211 thousand. Comarch Group resolved write-downs in the amount of PLN 224 thousand created in previous years.

### 3.10 Categories and Classes of Financial Instruments

Assets and financial liabilities are presented by categories (according to IAS 39) as follows:

	31 December 2015	31 December 2014
<b>Financial assets</b>		
At fair value through the income statement (note 3.12)	664	13
Own receivables (including cash and cash equivalents)	615,858	564,045
Available-for sale financial assets (note 3.11)	-	-
<b>Total</b>	<b>616,522</b>	<b>564,058</b>
<b>Financial liabilities</b>		
At fair value through the income statement	10,853	2,773
Financial liabilities	169	518
Other financial liabilities	288,672	282,415
Financial guarantees contracts	-	-
<b>Total</b>	<b>299,694</b>	<b>285,706</b>

The following classes of financial instruments are presented within particular categories of instruments:

<b>Own receivables and cash and cash equivalents</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Receivables from related parties (note 3.13)	1,463	465
Receivables from related parties - non-current	-	-
Receivables from other entities - current (note 3.13)	391,055	331,117
Receivables from other entities - non-current	1,547	-
Cash and cash equivalents (note 3.14)	221,793	232,463
<b>Total</b>	<b>615,858</b>	<b>564,045</b>
<b>Financial liabilities</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Liabilities due to credits (note 3.19)	137,692	142,115
Liabilities to related parties (note 3.17)	2,073	1,273
Liabilities to other entities - current (note 3.17)	148,825	138,920
Liabilities to other entities – non-current	83	107
At fair value through the income statement (3.12)	3,050	2,773
Liabilities due to acquisition of shares	7,802	-
Liabilities due to finance lease (note 3.16)	169	518
<b>Total</b>	<b>299,694</b>	<b>285,706</b>

Currency structure of financial liabilities and assets are presented as follows:

	<b>Financial assets</b>		<b>Financial liabilities</b>	
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Currency - PLN	211,524	310,352	92,344	115,713
Currency - EUR	276,423	168,806	176,388	150,677
Currency - USD	54,255	21,678	19,992	2,444
Currency - GBP	13,830	32,411	1,057	9,852
Currency - UAH	1,318	2,281	12	26
Currency - AED	4,321	-	-	-
Currency - RUB	788	1,219	806	140
Currency - CHF	6,036	8,067	2,263	4,719
Currency - CAD	11,194	8,910	2,468	1,773
Currency - BRL	25,723	8,650	901	234
Currencies - other	11,110	1,684	3,463	128
<b>Total</b>	<b>616,522</b>	<b>564,058</b>	<b>299,694</b>	<b>285,706</b>

As at the 31<sup>st</sup> of December, 2014, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Receivables from related parties	465	-	-	-	465
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	329,830	1,287	-	-	331,117
Receivables from other parties – non-current	-	-	-	-	-
Cash and cash equivalent (note 3.14)	232,463	-	-	-	232,463
<b>Total</b>	<b>562,758</b>	<b>1,287</b>	<b>-</b>	<b>-</b>	<b>564,045</b>

As at the 31<sup>st</sup> of December, 2015, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Receivables from related parties	1,463	-	-	-	1,463
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	383,308	7,746	1	-	391,055
Receivables from other parties – non-current	-	1,547	-	-	1,547
Cash and cash equivalent (note 3.14)	221,793	-	-	-	221,793
<b>Total</b>	<b>606,564</b>	<b>9,293</b>	<b>1</b>	<b>-</b>	<b>615,858</b>

As at the 31<sup>st</sup> of December, 2014, maturity periods of particular classes of financial liabilities are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Liabilities due to credits (note 3.19)	20,042	20,755	58,347	42,971	142,115
Liabilities to related parties	1,273	-	-	-	1,273
Liabilities to other entities - current	138,916	4	-	-	138,920
Liabilities to other entities – non-current	-	24	-	83	107
Derivative financial instruments	2,773	-	-	-	2,773
Liabilities due to finance lease	96	368	54	-	518
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>163,100</b>	<b>21,151</b>	<b>58,401</b>	<b>43,054</b>	<b>285,706</b>

As at the 31<sup>st</sup> of December, 2015, maturity periods of particular classes of financial liabilities are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Liabilities due to credits (note 3.19)	24,153	23,108	53,385	37,046	137,692
Liabilities to related parties	2,073	-	-	-	2,073
Liabilities to other entities - current	148,246	579	-	-	148,825
Liabilities to other entities – non-current	-	-	-	83	83
Derivative financial instruments	3,050	-	-	-	3,050
Liabilities due to finance lease	137	32	-	-	169
Liabilities due to acquisition of shares	7,802	-	-	-	7,802
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>185,461</b>	<b>23,719</b>	<b>53,385</b>	<b>37,129</b>	<b>299,694</b>

The Group has adopted the following methods of valuation for particular classes of financial instruments:

#### **Own receivables**

#### **Valuation method**

Receivables from related parties (note 3.13)	according to the adjusted acquisition price
Receivables from other entities – current (note 3.13)	according to the adjusted acquisition price
Receivables from other entities – non-current	according to the adjusted acquisition price
Cash and cash equivalents (note 3.14)	at the fair value

#### **Financial liabilities**

#### **Valuation method**

Liabilities due to credits (note 3.19)	according to the adjusted acquisition price
Liabilities to related parties (note 3.17)	according to the adjusted acquisition price
Liabilities to other entities - current (note 3.17)	according to the adjusted acquisition price
Liabilities to other entities – non-current	according to the adjusted acquisition price
Liabilities due to finance lease (note 3.17)	according to the adjusted acquisition price

Within the reporting period, the Group did not reclassified items of financial assets to those valued according to costs, adjusted acquisition costs or fair value. The Group has not hedged financial assets.

### 3.11 Available-for-Sale Financial Assets

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>At the beginning of the year</b>	-	<b>6,685</b>
Additions H1	-	137
Disposal H1	-	-
<b>At 30 June</b>	-	<b>6,822</b>
Additions Q3	-	-
Disposal Q3	-	6,822
<b>At 30 September</b>	-	-
Additions Q4	-	-
<b>At 31 December</b>	-	-

In the periods related to this statement, no write-offs due to loss in value of available-for-sale financial assets were performed.

As at the 31<sup>st</sup> of December, 2015, the Group had no financial assets available for sale.

### 3.12 Derivative Financial Instruments

#### a) Assets

	31 December 2015	31 December 2014
Forward foreign exchange contracts – held-for-trading	743	13
Transaction on change of IRS	-	-
	<b>743</b>	<b>13</b>
<i>Current portion</i>	<i>664</i>	<i>13</i>
<i>Non-current portion</i>	<i>79</i>	<i>-</i>

#### b) Liabilities

	31 December 2015	31 December 2014
Forward foreign exchange contracts – held-for-trading	1,840	1,539
Transaction on change of IRS	1,210	1,234
	<b>3,050</b>	<b>2,773</b>
<i>Current portion</i>	<i>1,639</i>	<i>1,369</i>
<i>Non-current portion</i>	<i>1,411</i>	<i>1,404</i>

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro. As at the 31<sup>st</sup> of December, 2015, 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 31<sup>st</sup> of December, 2015, amounted to EUR 18,100 thousand, USD 8,200 thousand, GBP 2,200 thousand and CAD 700 thousand. After the balance sheet date, the Comarch Group concluded forward contracts for sales EUR 13,475 thousand, USD 6,700 thousand and GBP 2,500 thousand.

On the 24<sup>th</sup> of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30<sup>th</sup> 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 31<sup>st</sup> of October, 2018. As at the 31<sup>st</sup> of December, 2015, valuation of the IRS transaction amounted to minus PLN 262 thousand.

On the 27<sup>th</sup> of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevolving credit taken on the 4<sup>th</sup> of January, 2013 from Bank Zachodni WBK S.A. (formerly Kredyt Bank S.A.) with its registered office in Wrocław. As a consequence of the concluded

transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 28<sup>th</sup> of June, 2019. As at the 31<sup>st</sup> of December, 2015, valuation of IRS transaction amounted to minus PLN 244 thousand.

On the 9<sup>th</sup> of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June, 2006, from BNP Paribas Bank Polska S.A. (formerly Fortis Bank Polska S.A.) with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29<sup>th</sup> of July, 2024. As at the 31<sup>st</sup> of December, 2015, valuation of the IRS transaction amounted to minus PLN 589 thousand.

On the 23<sup>th</sup> of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4<sup>th</sup> of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30<sup>th</sup> of November, 2023. As at the 31<sup>st</sup> of December, 2015, valuation of the IRS transaction amounted to minus PLN 115 thousand.

### 3.13 Trade and Other Receivables

	31 December 2015	31 December 2014
Trade receivables	367,832	311,100
Write-off revaluating receivables	(23,366)	(23,932)
Trade receivables – net	344,466	287,168
Other receivables	23,594	27,530
Short-term prepayments	10,453	9,219
Other prepayments	2,687	1,687
Loans	2,712	2,380
Receivables from related parties	1,463	465
<b>Total</b>	<b>385,375</b>	<b>328,449</b>
<i>Current portion</i>	<i>385,375</i>	<i>328,449</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of customers. As at the 31<sup>st</sup> of December, 2015, the Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 13,855 thousand and resolved previously created write-offs in the amount of PLN 13,367 thousand due to the settlement of debts (mainly by one of the clients of the Russian market). These operations were included respectively in other operating income and expenses in the profit and loss account.

### 3.14 Cash and Cash Equivalents

	31 December 2015	31 December 2014
Cash in hand, cash at bank accounts	191,880	171,749
Current bank deposit	29,901	60,687
<b>Total cash and cash equivalents</b>	<b>221,781</b>	<b>232,436</b>
Due interest on bank deposit	12	27
<b>Total cash and cash equivalents</b>	<b>221,793</b>	<b>232,463</b>

In 2015, effective interest rates for short-term bank deposits were 1.634% for PLN, 1.505% for EUR, 0.293% for USD and 0.441% for GBP. The average maturity period for these deposits was 9.51 day for PLN, 14.09 day for EUR, 8.20 day for USD and 25.25 day for GBP. For the needs of the cash flow, cash and cash equivalents include cash in hand and deposits. Credit in the current account is included in financial operations.

As at the 31<sup>st</sup> of December, 2015, the Group had cash with limited disposal rights in the amount of PLN 4,924 thousand, including: a security deposit set by companies in the Comarch Group in relation to concluded rental contracts and bank guarantees in the amount of PLN 2,004 thousand, funds received for implementation of projects co-financed with a subsidy in the amount of PLN 2,113 thousand, cash in a separate bank account of the consortium in the amount of PLN 212 thousand and cash in a separate bank account of the Social Services and Residential Fund in the amount of PLN 595 thousand.

### 3.15 Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
<b>At 1 January 2014</b>	<b>8,051,637</b>	<b>8,051,637</b>	<b>-</b>	<b>8,051,637</b>
<i>31 March 2014 - registration of an increase in the company's share capital</i>	<i>73,953</i>	<i>73,953</i>	<i>-</i>	<i>73,953</i>
<b>At 31 December 2014</b>	<b>8,125,590</b>	<b>8,125,590</b>	<b>-</b>	<b>8,125,590</b>
<i>14 May 2015 - registration of an increase in the company's share capital</i>	<i>7,759</i>	<i>7,759</i>	<i>-</i>	<i>7,759</i>
<b>At 31 December 2015</b>	<b>8,133,349</b>	<b>8,133,349</b>	<b>-</b>	<b>8,133,349</b>

The nominal value of one share is PLN 1.

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

- 1) 864,800 series A registered preference shares,
- 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 18 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.



### **3.15.1. 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 Preparing the Financial Report**

As at the date of the report's preparation:

- Janusz Filipiak held 2,674,488 shares (32.88% of the company's share capital), which gave him 6,246,488 votes at the AGM and constituted 41.30% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.40% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.96% of all votes at the AGM.

### **3.15.2. Changes in Share Capital in 2015**

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearer Comarch S.A. shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. The company announced details in current report no. RB-7-2015 dated the 2<sup>nd</sup> of March, 2015.

On the 11<sup>th</sup> of June, 2015, in Skala, a person who has access to the confidential information about Comarch S.A. disposed 20,950 ordinary bearer Comarch S.A. shares, based on the marital property agreement concluded in the form of notarial deed on the 11<sup>th</sup> of June, 2015. The disposal was gratuitous, estimated value of the comprised shares amounted to PLN 2,775,875.00 with a unit price of PLN 132.50 per each share. The company announced details in current report no. RB-17-2015 dated the 15<sup>th</sup> of June, 2015.

Acting in execution of the Resolution no. 36 of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, regarding the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 (in writing: one zloty) and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015). Therefore the Management Board of Comarch S.A., passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares (RB-8-2015 dated the 16<sup>th</sup> of March, 2015). On the 14<sup>th</sup> of May, 2015, the increase in the company's share capital of Comarch S.A. to the amount of PLN 8,133,349.00 was registered by the District Court for Kraków-Śródmieście in Kraków, XI Economic Division of the National Court Register. After this increase the company's share capital is divided into 8,133,349 shares. It corresponds to 15,126,949 votes at the company's AGM (RB-13-2015 dated the 21<sup>st</sup> of May, 2015).

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

On the 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme was to additionally motivate members of the company's Management Board by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's Management Board. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the programme was limited for 2014.

The Management Board of Comarch S.A. announced that acting in execution of the Resolution no. 36 of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, regarding the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 (in writing: one zloty) and issue price of PLN 1 each, excluding a stock right of the

current company's shareholders. Shares will be offered to the entitled persons according to the provisions of the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, passed with Resolution no. 36 of the Annual General Meeting of the 26<sup>th</sup> of June, 2013 (current report no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015).

The Management Board of Comarch S.A. announced that pursuant to Art. 430-433, 444, 446 and 447 of the Code of Commercial Companies and Partnerships, and article 9 sec. 3-7 of the company's articles of association, in execution of the Resolution no. 36 of the Annual General Meeting dated 26<sup>th</sup> of June, 2013, passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 each and issue price of PLN 1, excluding a stock right of the current company's shareholders, in addition to changes in the company's articles of association within the scope. The company announced details in current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015.

On the 14<sup>th</sup> of May, 2015, the increase in the company's share capital of Comarch S.A. to the amount of PLN 8,133,349.00 was registered by the District Court for Kraków-Śródmieście in Kraków, XI Economic Division of the National Court Register. After this increase the company's share capital is divided into 8,133,349 shares. It corresponds to 15,126,949 votes at the company's AGM (RB-13-2015 dated the 21<sup>st</sup> of May, 2015).

As a consequence of the aforementioned increase in the company's share capital, on the 14<sup>th</sup> of May, 2015, changes in Comarch S.A. Articles of Association were registered by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register (RB-14-2015 dated the 21<sup>st</sup> of May, 2015).

On the 23<sup>rd</sup> of June, 2015, the Management Board of the National Deposit for Securities passed a resolution no. 400/15 in relation to the conditional registration of 7,759 ordinary bearer series L1 Comarch S.A. shares of a nominal value of PLN 1.00 (one zloty) each. Series L1 shares were registered by the National Deposit for Securities on condition that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares with the code PLCOMAR00012 had been introduced by the company managing the regulated market (RB-19-2015 dated the 23<sup>rd</sup> of June, 2015).

On the 21<sup>st</sup> of July, 2015, with the resolution no. 700/2015 the Management Board of the Warsaw Stock Exchange decided that 7,759 ordinary bearer series L1 Comarch S.A. shares of nominal value of 1 PLN each are admitted to trading (RB-29-2015 dated the 21<sup>st</sup> of July, 2015).

On the 22<sup>nd</sup> of July, 2015, the Management Board of Comarch S.A received an announcement of the Operating Department of the National Deposit for Securities informing that pursuant to the NDS Management Board's resolution no. 400/15 dated the 23<sup>rd</sup> of June, 2015, on the 23<sup>rd</sup> of July, 2015, 7,759 Comarch S.A. shares will be registered in the National Deposit for Securities under the ISIN code: PLCOMAR00012. The total number of shares after the following registration will amount to 6,384,949 (RB-30-2015 dated the 22<sup>nd</sup> of July, 2015).

Shares were granted to members of Comarch S.A.'s Management Board as follows:

<b>Name and surname</b>	<b>Number of shares</b>	<b>Shares' value as at 16 December, 2015</b>
Janusz Filipiak	5,173	PLN 641,193.35
Piotr Piątosa	431	PLN 53,422.45
Paweł Prokop	431	PLN 53,422.45
Piotr Reichert	431	PLN 53,422.45
Zbigniew Rymarczyk	431	PLN 53,422.45
Konrad Tarański	431	PLN 53,422.45
Marcin Warwas	431	PLN 53,422.45
<b>Total</b>	<b>7,759</b>	<b>PLN 961,728.05</b>

The following payments in the form of own shares were made within the current and previous periods:

Options' series		Number	Allocation date	Expiry date	Execution date PLN	Fair value as at allocation date PLN'000
(1) issued 31 December 2009	Dependent on market correspondant to 3.0% of the increase in Comarch S.A. capitalisation		31/12/2009	31/12/2010	1.00	2,980
(2) issued 31 December 2010	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation		31/12/2010	31/12/2011	1.00	2,643
(3) issued 31 December 2011	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation		31/12/2011	31/12/2012	1.00	1,566
(4) issued 31 December 2012	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation.		31/12/2012	31/12/2013	1.00	2,873
(5) issued 31 December 2013	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation.		31/12/2013	31/12/2014	1.00	3,021

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

None present.

### 3.16 Other Capitals

#### 3.16.1. Capital of the Company's Shareholders

	Capital from valuation of the managerial option	Investment capital and capital for covering the budget commitments	Supplementary capital from premium share	Total
<b>At 31 December 2014</b>	<b>25,140</b>	<b>745</b>	<b>122,341</b>	<b>148,226</b>
At 1 January 2015	25,140	745	122,341	148,226
Managerial option valuation	-	-	-	-
<b>At 31 December 2015</b>	<b>25,140</b>	<b>745</b>	<b>122,341</b>	<b>148,226</b>

On the 24<sup>th</sup> of June, 2015, the General Meeting adopted resolution no. 9 on division of net profit for the fiscal year 1.01.2014 - 31.12.2014. The General Meeting of Shareholders decided, that the net profit for the fiscal year 1.01.2014 - 31.12.2014 in the amount of PLN 41,048,275.65 is entirely transferred to supplementary capital. In 2015, there were no dividend payments for 2014 to entities outside the Group.

#### 3.16.2. Minority Capital

##### Minority capital

<b>At 31 December 2013</b>	<b>11,368</b>
At 1 January 2014	11,368
Dividend paid	(1,083)
Results of subsidiaries for general partners outside the Group	1,083
MKS Cracovia SSA share in profit	719
Comarch SuB and CAMS AG share in profit	283
Currency differences due to valuation	15
<b>At 31 December 2014</b>	<b>12,385</b>

<b>At 1 January 2015</b>	<b>12,385</b>
Dividend paid	-
Results of subsidiaries for general partners outside the Group	-
MKS Cracovia SSA share in profit	105
Comarch SuB and CAMS AG share in profit	514
Currency differences due to valuation	18
<b>At 31 December 2015</b>	<b>13,022</b>

We present data of subsidiary MKS Cracovia SSA.

In the other subsidiaries, interests not entitled to control are insignificant.

Name of company: MKS Cracovia SSA,

Main country of company's activities and country of registration: Poland,

Proportion of shares held by interests not entitled to control: 33.89%,

Proportion of votes held by interests not entitled to control, if differs from the proportion of held

Shares: 33.89%,

Financial result attributable to subsidiary's minority interest, during the reporting period: PLN 105 thousand.

Total subsidiary's minority interest as at the end of the reporting period: PLN 13,022 thousand.

### **Condensed financial information about subsidiary Cracovia SSA**

The following tables present a summary of financial data of a significant subsidiary, which holds **interests not entitling to control**. The below mentioned amounts constitute amounts from financial statements prepared pursuant to the IFRS (adjusted by the Group).

	<b>31 December 2015</b>	<b>31 December 2014</b>
Cracovia SSA		
Current assets	5,541	7,588
Non-current assets	43,952	40,304
Current liabilities	(8,724)	(7,232)
Non-current liabilities	(5,943)	(6,145)
	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
Revenue	28,461	25,980
Profit (loss) from continued activities	310	2,121
Profit (loss) from discontinued activities (after tax)	-	-
Net profit for the period	310	2,121
Other total income for the period	-	-
Sum of total income for the period	310	2,121

### **3.17 Trade and Other Payables**

	<b>31 December 2015</b>	<b>31 December 2014</b>
Trade payables	64,665	61,988
Advances received due to services	6,467	993
Liabilities to related parties	2,073	1,273
Liabilities due to social insurance and other tax charges	46,771	46,885
Investments liabilities	3,832	6,025
Proceeds from future periods	20,527	18,291
Other payables	4,959	3,449
Special funds (Social Services Fund and Residential Fund)	1,604	1,313
<b>Total</b>	<b>150,898</b>	<b>140,217</b>

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

### 3.18 Long-term Contracts

	12 months ended 31 December 2015	12 months ended 31 December 2014
a) revenues from completed contracts recognised in the reporting period	115,210	28,068
b) revenues from not completed contracts recognised in the reporting period	138,602	135,372
c) revenues from not completed contracts recognised in the reporting period - an effect of settlement pursuant to IAS 11	1,666	5,750
<b>Revenues due to long-term contracts recognised in the reporting period</b>	<b>255,478</b>	<b>169,190</b>

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and 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 31<sup>st</sup> of December, 2014 and the 31<sup>st</sup> of December, 2015 are presented below:

	31 December 2015	31 December 2014
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	564,120	337,429
Issued invoices	(557,856)	(332,831)
	<b>6,264</b>	<b>4,598</b>

	Long-term contracts receivables	Long-term contracts liabilities	Net
<b>Revenues from long-term contracts included in the reporting period</b>			
Value at 1 January 2014	32,264	(33,416)	(1,152)
Change	20,841	(15,091)	5,750
Value at 31 December 2014	53,105	(48,507)	4,598
Change	(20,665)	22,331	1,666
Value at 31 December 2015	32,440	(26,176)	6,264

### 3.19 Credits and Loans

	31 December 2015	31 December 2014
<b>Non-current</b>		
Bank credits	113,540	121,593
Loans	-	-
	<b>113,540</b>	<b>121,593</b>
<b>Current</b>		
Bank overdraft	-	-
Loans	-	122
Bank credits	24,152	20,400
	<b>24,152</b>	<b>20,522</b>
<b>Total credit and loans</b>	<b>137,692</b>	<b>142,115</b>

**3.19.1. Investment credits**

Credits acquired by Comarch S.A.:

- a) An investment credit from BGŻ BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20,000 thousand, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate amounted to EURIBOR1M+margin. On the 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of March, 2015, the credit was fully repaid.
- b) 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 to 85% of the investment value up to a maximum of PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate amounted to EURIBOR1M+margin. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 5,422 thousand, i.e. PLN 23,104 thousand (EUR 6,042 thousand, i.e. PLN 25,750 thousand as of the 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of July, 2024.
- c) 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. on the 28<sup>th</sup> of April, 2010, 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 amounted to EURIBOR1M+margin. 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 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 2,966 thousand, i.e. PLN 12,638 thousand (EUR 3,482 thousand, i.e. PLN 14,838 thousand as of the 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 31<sup>st</sup> of October, 2018.
- d) 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 credit was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+margin. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at the 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 218 thousand, i.e. PLN 930 thousand (EUR 873 thousand, i.e. PLN 3,720 thousand as of the 31<sup>st</sup> of December, 2014).
- e) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 4,774 thousand, i.e. PLN 20,345 thousand (EUR 5,729 thousand, i.e. PLN 24,419 thousand as of 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 28<sup>th</sup> of June, 2019.
- f) 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 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+margin. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million, 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. It was taken out by the 30<sup>th</sup> of September, 2015. Repayment of the credit started in December 2015. As at the 31<sup>st</sup> of December, 2015, the value of outstanding capital amounted to EUR 13,184 thousand, i.e. PLN 56,185 thousand. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of November, 2023.

In the third quarter of 2011, Comarch Healthcare S.A. acquired 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 NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31<sup>st</sup> of December, 2011, it was used in total. The crediting period may last 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 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to PLN 6,809 thousand (PLN 9,079 thousand as of the 31<sup>st</sup> of December, 2014).

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 25<sup>th</sup> 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 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 3,103 thousand, i.e. PLN 13,225 thousand (EUR 4,345 thousand, i.e. PLN 18,519 thousand as of the 31<sup>st</sup> of December, 2014).

In the second quarter of 2015, Bonus Development Sp. z o.o. SKA acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing and refinancing no more than 90% of net costs of an investment related to redevelopment of postindustrial building and construction of an adjacent office building in Łódź. The loan was granted in Euro to the amount of PLN 38,800 thousand which on the date of signing the agreement was equivalent of EUR 9,261,690.50. The crediting period may last 15 years, the final maturity date is the 28<sup>th</sup> of June, 2030. This credit has a variable interest rate. Contractual mortgage to the amount of PLN 58,200 thousand on the property, upon which the investment is being implemented, power of attorney to current accounts of Bonus Development Sp. o.o. SKA led by Bank Pekao S.A., the statement of Bonus Development Sp. o.o. SKA of execution, assignment of rights from property insurance agreement, cession of rights in the bank guarantee for contract good performance and for warranty obligations, assignment of rights under the lease agreement of financed real estate concluded with Comarch S.A., the surety granted by Comarch SA with power of attorney to accounts Comarch S.A. led by Bank Pekao S.A. and a statement of submission to enforcement are security of this credit. Launch date of the loan expires on the 28<sup>th</sup> of June, 2017. As at the 31<sup>st</sup> of December, 2015, the loan was used in the amount of EUR 1,161 thousand, i.e. PLN 4,946 thousand.

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

The exposure of Group's bank credits to interest rate risk arises from investment credits (at variable interest rates). Group optimises interest by continuously monitoring its interest rate structure and appropriately adjusting the basic interest rate of its credits.

### The exposure of Group bank credits to interest rate changes

At 31 December 2014	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	10,755	10,160	79,101	42,492	142,508
Interest	(393)	-	-	-	(393)
	<b>10,362</b>	<b>10,160</b>	<b>79,101</b>	<b>42,492</b>	<b>142,115</b>

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)
	<b>12,370</b>	<b>11,782</b>	<b>77,675</b>	<b>35,865</b>	<b>137,692</b>

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

	31 December 2015	31 December 2014
Between 1 and 2 years	23,755	23,025
Between 2 and 5 years	53,920	56,076
Over 5 years	35,865	42,492
	<b>113,540</b>	<b>121,593</b>

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

	31 December 2015	31 December 2014
In Polish currency	6,785	8,807
In EUR (equivalence in PLN)	130,907	133,308
	<b>137,692</b>	<b>142,115</b>

### The effective interest rates at the balance sheet date

	31 December 2015	31 December 2014
Bank credits	1.73%	1.74%
Loans	-	5.81%

#### 3.19.2. Loans

On the 27<sup>th</sup> of December, 2012, 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 amounted to PLN 343 thousand and drawdown was made in the first quarter of 2013. The loan reached its maturity date in December, 2015. It had a fixed interest rate (approx. 5.63%). The loan was not secured and was fully repaid on the 1<sup>st</sup> of December 2015.

On the 28<sup>th</sup> 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 6,265,681.96 and drawdown was made in the first quarter of 2016. Loan will reach its maturity date in September, 2016. It has a fixed interest rate. The loan is not secured.

#### 3.19.3. Current Credit Lines (Variable Interest)

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

- 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 13<sup>th</sup> 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 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.

- 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 31<sup>st</sup> of October, 2016. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24,033 thousand. It can be used by the 31<sup>st</sup> of May, 2016. 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 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.

	31 December 2015	31 December 2014
Current credit lines granted, expiring within one year, including:	44,033	49,262
– used at the balance sheet date	-	-
– available at the balance sheet date	44,033	49,262

### 3.20 Contingent Liabilities

On the 31<sup>st</sup> of December, 2015, 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 48,740 thousand, whereas it was PLN 60,327 thousand on the 31<sup>st</sup> of December, 2014.

On the 31<sup>st</sup> of December, 2015, 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 PLN 19 thousand on the 31<sup>st</sup> of December, 2014.

On the 31<sup>st</sup> of December, 2015, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 815 thousand, i.e. PLN 3,474 thousand, whereas it was EUR 470 thousand, i.e. PLN 2,003 thousand on the 31<sup>st</sup> of December, 2014.

On the 31<sup>st</sup> of December, 2015, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 63 thousand, whereas it was EUR 16 thousand, i.e. PLN 68 thousand on the 31<sup>st</sup> of December, 2014.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA (valid till the 30<sup>th</sup> of June, 2017) and Comarch Healthcare S.A. (valid till the 30<sup>th</sup> of June, 2017).

The Comarch Group is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 69,739 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31<sup>st</sup> of December, 2015 and are worth PLN 10,698 thousand. They include provisions for claims recognised in 2015 and worth PLN 1,470 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 14,089 thousand. Third party claims in connection with the matters in disputes were not covered by provisions. 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.

Due to legal proceedings conducted in 2015, the Comarch Group created write-offs that revalue receivables and were worth PLN 393 thousand. The Group has not recognized impairment losses on receivables in connection with matters in disputes in 2015.

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

	31 December 2015	31 December 2014
Credit lines*	159,876	179,503
	<b>159,876</b>	<b>179,503</b>

(\*) they comprise credit lines at current account that are described in 3.19.3

### 3.21 Liabilities due to Finance Lease

	Less than 1 year	Less than 5 years	Total
Liabilities due to lease agreements for usage places	19,165	41,804	<b>60,969</b>
Liabilities due to lease agreements for equipment and means of transport	1,038	568	<b>1,606</b>
<b>Total</b>	<b>20,203</b>	<b>42,372</b>	<b>62,575</b>

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

As at the 31<sup>st</sup> of December, 2015, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 1,606 thousand (PLN 2,238 thousand as at the 31<sup>st</sup> of December, 2014).

### 3.22 Deferred Income Tax

	31 December 2015	31 December 2014
<b>Deferred income tax assets</b>		
<b>Beginning of year:</b>	<b>32,134</b>	<b>28,985</b>
- charged to financial result	32,134	28,985
<b>Movement on deferred income tax account charged to financial result</b>		
- recognition of an asset due to tax loss in Comarch SuB	1,170	355
- dissolution of an asset due to tax loss in Comarch SuB	-	(78)
- dissolution of an asset due to tax loss for the previous years in Comarch AG	(230)	-
- dissolution of an asset due to tax loss in OOO Comarch	-	(11)
- recognition of an asset due to tax loss in Comarch Polska S.A.	60	-
- dissolution of an asset due to tax loss in Comarch Polska S.A.	-	(232)
- recognition of an asset due to tax loss in ESAProjekt Sp. z o.o.	-	246
- dissolution of an asset due to tax loss in ESAProjekt Sp. z o.o.	-	(246)
- recognition of an asset due to tax loss in iReward24 S.A.	-	-
- dissolution of an asset due to tax loss in iReward24 S.A.	(10)	(107)
- recognition of an asset due to tax relief of the parent company due to activities in Special Economic Zone	10,441	9,916
- dissolution of an asset due to tax relief of the parent company due to activities in Special Economic Zone	(9,916)	(8,795)
- recognition of an asset due to temporary differences related to costs (depreciation, costs of research works)	4,990	7,033
- dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	(5,207)	(4,932)
<b>End of year</b>	<b>33,432</b>	<b>32,134</b>
- charged to financial result	33,432	32,134

<b>Deferred tax provision</b>	<b>38,298</b>	<b>40,545</b>
<b>Beginning of year:</b>		
- charged to equity	5,430	5,430
- charged to financial result	31,709	33,449
- provisions due to acquisition of Comarch SuB	-	-
- provisions due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	1,159	1,666
<b>Movement on deferred tax liabilities charged to financial result</b>		
- dissolution of a provision due to depreciation of Comarch SuB fair value valuation	-	-
- dissolution of a provision due to valuation of deposits in CCF FIZ	(674)	(3,023)
- dissolution of a provision due to depreciation of ESAProjekt sp. z o.o. fair value valuation	(704)	(402)
- dissolution of a provision due to depreciation of A-MEA Informatik AG fair value valuation	(105)	(105)
- recognition of a provision due to temporary differences related to depreciation, currency differences and interest	5,484	3,298
- dissolution of a provision due to temporary differences related to depreciation, currency differences and interest	(4,680)	(2,015)
<b>End of the period</b>	<b>37,619</b>	<b>38,298</b>
- charged to equity	5,430	5,430
- charged to financial result	31,839	31,709
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	350	1,159

**Deferred income tax asset**

	<b>Tax loss asset</b>	<b>Provisions for costs, revaluating write-offs</b>	<b>Asset due to tax relief related to income tax (SEZ)</b>	<b>Total</b>
<b>At 1 January 2014</b>	<b>5,903</b>	<b>14,287</b>	<b>8,795</b>	<b>28,985</b>
-charged to financial result	5,830	16,388	9,916	32,134
(Charged)/ credited to the result for 2014	(73)	2,101	1,121	3,149
<b>At 31 December 2014</b>	<b>5,830</b>	<b>16,388</b>	<b>9,916</b>	<b>32,134</b>
(Charged)/ credited to the result for 2015	990	(217)	525	1,298
<b>At 31 December 2015</b>	<b>6,820</b>	<b>16,171</b>	<b>10,441</b>	<b>33,432</b>
-charged to financial result	6,820	16,171	10,441	33,432

**Deferred income tax provision**

	Provision due to valuation of CCF FIZ	Provision due to valuation of Comarch SuB through fair value	Depreciation	Provisions (exchange differences, interest)	Provisions due to fair value valuation of MKS Cracovia SSA's assets	Provisions due to fair value valuation of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	Total
<b>At 1 January 2014</b>	<b>27,871</b>	-	<b>1,130</b>	<b>4,448</b>	<b>5,430</b>	<b>1,666</b>	<b>40,545</b>
(Charged)/ credited to the result for 2014	(3,023)	-	(1)	1,284	-	(507)	(2,247)
<b>At 31 December 2014</b>	<b>24,848</b>	-	<b>1,129</b>	<b>5,732</b>	<b>5,430</b>	<b>1,159</b>	<b>38,298</b>
- charged to financial result	24,848	-	1,129	5,732	-	-	31,709
- charged to equity	-	-	-	-	5,430	1,159	6,589
(Charged)/ credited to the result for 2015	(674)	-	-	804	-	(809)	(679)
<b>At 31 December 2015</b>	<b>24,174</b>	-	<b>1,129</b>	<b>6,536</b>	<b>5,430</b>	<b>350</b>	<b>37,619</b>
- charged to financial result	24,174	-	1,129	6,536	-	-	31,839
- charged to equity	-	-	-	-	5,430	350	5,780

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

- obtained in 1999, with a period of validity until the 31<sup>st</sup> of December, 2017;
- obtained in 2007, with a period of validity until the 31<sup>st</sup> of December 2017;
- obtained in 2013, its validity term has not been specified. The company also notes that on the 23<sup>rd</sup> of July, 2013, the Council of Ministers adopted a regulation extending the term of functioning special economic zones in Poland until 2026;
- obtained in February 2016, its validity term has not been specified;
- obtained in March 2016, its validity term has not been specified.

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

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of December, 2015, constitutes a deferred income tax asset. Limit of the unused investment tax relief under the permit obtained in 1999 amounted to PLN 245 thousand as at the 31<sup>st</sup> of December, 2015 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 23,787 thousand as at the 31<sup>st</sup> of December, 2015 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 29,987 thousand as at the 31<sup>st</sup> of December, 2015 (after discounting at the permit date).

Assets from deferred income tax are established in the amount of expected future income tax deduction, in connection with negative temporary differences and net income tax relief in connection with activities in the SEZ, which will result in a future reduction of the income tax base and tax loss deduction, determined by taking into account the precautionary principle. Due to the above principle an asset due to activities in the SEZ is established only in the year time horizon, taking as a basis for its determination an average income received in the zone from the period of four years (including the year for which the report is prepared).

During 2015, an asset due to activities in SEZ created as at the 31<sup>st</sup> of December, 2014, has been resolved in the amount of PLN 9,916 thousand (caused a decrease in the financial result). At the same time, an asset in the amount of PLN 10,441 thousand was created, which will be

realized successively (as write-offs diminishing net profit of the Group) in proportion to the generation of tax income by Comarch SA achieved on exempt activities over 2016. At the same time, in accordance with IAS 12, the company will regularly verify the valuation of the recognized asset considering the possibilities of its realization and recognition for further periods. It should be noted that the recognition of asset does not affect the cash flows neither of the parent company, nor in the Group (both the recognition of assets, as well as its implementation). This operation has only an accrual nature and results from applying the International Financial Reporting Standards for preparation of the consolidated financial statements of Comarch.

Over 2015, the Group made in part a settlement of deferred tax asset related to temporary differences created on the 31<sup>st</sup> of December, 2014, in the amount of PLN 5,207 thousand and a deferred tax asset related to temporary differences was created in the amount of PLN 4,990 thousand. Besides, an asset due to tax loss in the amount of PLN 240 thousand was dissolved and an asset due to tax loss in the amount of PLN 1,230 thousand was created. The total effect of the above-mentioned operations on the net result of 2015 amounted to plus PLN 1,298 thousand.

According to German regulations within the scope of tax rules, there is no time limitation for a tax loss settlement.

CSuB's tax loss incurred in the previous years amounted to approximately EUR 9.7 million, thus respective theoretical asset's value amounted to EUR 3.3 million.

As at the 31<sup>st</sup> of December, 2015, in the CSuB's financial statement an asset due to the above-mentioned tax loss was recognised and was worth approximately EUR 1.6 million, because it was established for the period when credible estimations related to the tax income may be performed.

Due to valuation of net assets of CCF FIZ, in 2015, the Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 674 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 5,484 thousand and dissolved in the amount of PLN 4,680 thousand. In 2015, the Group dissolved a provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o. which was worth PLN 809 thousand. The total effect of the all above-mentioned operations on the net result of 2015 was plus PLN 679 thousand. Total changes in the deferred income tax resulted in an increase in result of PLN 1,977 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.

### 3.23 Provisions for Other Liabilities and Charges

<b>Non-current</b>	<b>Provisions for contractual penalties</b>	<b>Provisions for costs of court proceedings</b>	<b>Provisions for taxes</b>	<b>Provisions for other costs</b>	<b>Total</b>
<b>At 1 January 2015</b>	-	-	-	-	-
Recognised in the consolidated income statement:	-	-	-	-	-
- Additional provisions	-	-	-	-	-
- Provisions used during year and transferred to current provisions	-	-	-	-	-
<b>At 31 December 2015</b>	-	-	-	-	-

Current	Costs related to the current period, which will be incurred in future	Provisions for contracts costs	Provisions for contractual penalties	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2015</b>	<b>5,689</b>	<b>19,034</b>	<b>14,947</b>	<b>20,621</b>	<b>72,348</b>	<b>132,639</b>
Recognised in the consolidated income statement:	(1,059)	2,658	1,267	1,757	10,485	15,108
- Additional provisions	13,405	24,901	8,301	17,723	100,935	165,265
- Provisions used during year	(14,464)	(22,243)	(7,034)	(15,966)	(90,450)	(150,157)
<b>At 31 December 2015</b>	<b>4,630</b>	<b>21,692</b>	<b>16,214</b>	<b>22,378</b>	<b>82,833</b>	<b>147,747</b>

All provisions were calculated based on credible estimate as of the balance sheet date. Costs of the current period refer to provisions established for costs on account of audits of financial statements, archive and other administrative costs, as well as VISA cards' settlements. Provisions for costs of contracts refer to recognition of the forecast losses in contracts.

#### Analysis of total provisions:

	31 December 2015	31 December 2014
Non-current	-	-
Current	147,747	132,639

### 3.24 Revenues from Sales

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Revenues from sales of products and services</b>		
Revenues from sales of IT services	755,851	689,185
Revenues from sales of proprietary software and licences	181,779	132,413
Revenues from sales of finished goods	14,204	41,576
Revenues from sales of medical services	1,160	2,469
Revenues from other sales	31,826	27,123
<b>Total</b>	<b>984,820</b>	<b>892,766</b>
<b>Revenues from sales of goods and materials</b>		
Revenues from sales of hardware	36,742	45,080
Revenues from third party software and licences	65,055	51,979
Revenues from other sales	44,963	48,526
<b>Total</b>	<b>146,760</b>	<b>145,585</b>
<b>Total revenues from sales</b>	<b>1,131,580</b>	<b>1 038,351</b>

### 3.25 Costs of Products, Services, Goods and Materials Sold

I/1 Costs by types	12 months ended 31 December 2015	12 months ended 31 December 2014
Depreciation of property, plant and equipment in use and intangible assets	53,483	54,380
Costs of social benefits	585,620	490,632
Change in products and work in progress	(9,231)	83,973
Consumption of raw materials and auxiliary materials	22,703	21,289
Third party services	160,276	84,220
Taxes and charges	8,967	8,848
Other costs	48,141	35,685
<b>Costs of products sold, services, marketing and</b>	<b>869,959</b>	<b>779,027</b>

**distribution as well as administrative costs, including:**

- <i>manufacturing costs</i>	644,334	589,302
- <i>costs of sales</i>	129,520	111,385
- <i>general costs</i>	93,246	75,519
- <i>exchange differences on liabilities</i>	2,859	2,821
<b>I/2 Costs of goods and materials sold</b>	<b>132,693</b>	<b>127,359</b>
<b>I/3 Costs of work execution within the framework of union projects</b>	<b>11,556</b>	<b>11,494</b>
<b>I/4 Total costs of products sold, services, marketing, administrative, goods, materials and work execution within the framework of union projects</b>	<b>1,014,208</b>	<b>917,880</b>

**II. Costs of social benefits**

	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
Remuneration	497,524	415,881
Social insurance	76,081	67,850
Social Services Fund	2,081	1,530
Training	2,173	1,634
Health and Safety at Work	906	885
Other	6,855	2,852
<b>Total</b>	<b>585,620</b>	<b>490,632</b>

**3.26 Other Operating Revenues**

	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
<b>Other operating revenues and profits</b>		
Recovered communication damages	148	33
Outdated liabilities	56	493
Dissolving write-offs revaluating receivables	13,367	3,834
Received contractual penalties	64	134
Earnings on disposal on non-financial non-current assets	499	639
Refund of VAT	-	-
Subsidies	594	356
Other	6,121	3,285
<b>Total</b>	<b>20,849</b>	<b>8,774</b>

**3.27 Other Operating Costs**

	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
<b>Other operating costs and losses</b>		
Write-off that revaluates assets (impairment)	7,168	6,240
Membership fees	422	273
Donations	72	37
Loss on non-current assets disposal and decommissioning	364	34
Write-off that revaluates receivables	13,855	19,626
Compensation	43	50
Other	3,269	4,456
<b>Total</b>	<b>25,193</b>	<b>30,716</b>

### 3.28 Finance Costs – Net

	12 months ended 31 December 2015	12 months ended 31 December 2014
Interest expense, including:	(1,639)	(2,297)
- <i>Interest on borrowings</i>	(1,567)	(2,255)
- <i>Other</i>	(72)	(42)
Gains on bank deposits	1,522	2,180
Gains on disposal of securities	-	-
Gains/(losses) on disposal of financial assets	(2,599)	353
Net gains/(losses) on exchange differences (note 3.29)	418	(1,118)
Fair value valuation of financial instruments and investment	412	(4,625)
Other, including:	236	548
- <i>compensation and financial penalties</i>	-	-
- <i>other</i>	236	548
<b>Total</b>	<b>(1,650)</b>	<b>(4,959)</b>

### 3.29 Income Tax

	12 months ended 31 December 2015	12 months ended 31 December 2014
Current tax	29,361	29,077
Deferred tax	(1,502)	(5,396)
<b>Total</b>	<b>27,859</b>	<b>23,681</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	12 months ended 31 December 2015	12 months ended 31 December 2013
<b>Consolidated gross profit before tax</b>	<b>108,129</b>	<b>92,576</b>
Differences between gross profit and basis of taxation:		
- Consolidation adjustments	(25,201)	(41,255)
- Exclusions of losses in consolidated companies	60,600	59,456
<b>Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the basis of taxation)</b>	<b>143,528</b>	<b>110,777</b>
<i>Tax calculated with the nominal rate on gross profit</i>	<i>35,949</i>	<i>23,625</i>
Nominal tax rate	25.05%	21.33%
Permanent and temporary differences between gross profit and the actual basis of taxation, including:	(18,131)	21,090
- <i>Utilisation of previously recognised tax losses</i>	(11,628)	(7,209)
- <i>Differences between basis of taxation and gross profit</i>	63,483	92,776
- <i>Income not subject to tax (due to activities in SEZ)</i>	(68,976)	(64,477)
- <i>Income not subject to tax (shareholders are tax payers)</i>	-	-
- <i>Other - income not subject to tax</i>	(1,010)	-
<b>Taxable base from income tax</b>	<b>125,397</b>	<b>131,867</b>
Tax calculated at tax rate for the Group	29,361	29,077
Effective tax rate	20.46%	26.25%



Tax authorities of the parent company country of origin can run inspections for books of account and tax settlements within 5 years since the end of the year, in which tax returns were filed and can charge additional tax on the Group along with penalties and interest. In the opinion of the Management Board of the parent company, there are no circumstances indicating possibility of arising significant liabilities on this account.

### 3.30 Net Foreign Exchange (Looses) /Gains

The exchange differences (charged)/credited to the income statement are included as follows:

	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
Revenues from sales	4,449	4,730
Costs of products, goods and materials sold	(2,859)	(2,821)
Finance costs-net	418	(1,118)
<b>Total</b>	<b>2,008</b>	<b>791</b>

### 3.31 Earnings per Share

	<b>12 months ended 31 December 2015</b>	<b>12 months ended 31 December 2014</b>
Net profit for the period attributable to equity holders of the Company	79,651	67,894
Weighted average number of shares in issue (thousands)	8,131	8,108
<b>Basic earnings per share (PLN)</b>	<b>9.80</b>	<b>8.37</b>
Diluted number of shares (thousands)	8,131	8,115
<b>Diluted earnings per share (PLN)</b>	<b>9.80</b>	<b>8.37</b>

Basic earnings per share in the column "12 months ended 31 December 2015" is calculated by dividing the net profit attributable to shareholders of the company for the period from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2015 by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2015, where the number of days is the weight. Basic earnings per share in the column "12 months ended 31 December 2014" is calculated by dividing the net profit attributable to shareholders of the company for the period from the 1<sup>st</sup> of January, 2014, to the 31<sup>st</sup> of December, 2014 by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2014, to the 31<sup>st</sup> of December, 2014, where the number of days is the weight.

Diluted earnings per share in the column "12 months ended 31 December 2015" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2015 by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2015, where the number of days is the weight and diluted number of shares. Diluted earnings per share in the column "12 months ended 31 December 2014" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from the 1<sup>st</sup> of January, 2014, to the 31<sup>st</sup> of December, 2014 by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2014, to the 31<sup>st</sup> of December, 2014, where the number of days is the weight and diluted number of shares (according to IAS 33) resulting from the execution of the managerial option for 2014.

### 3.32 Related-Party Transactions

#### 3.32.1. Revenues from Sales of Goods and Services

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Revenues from sales of goods:</b>		
SolInteractive S.A.	-	26
Thanks Again LLC	-	-
	<b>-</b>	<b>26</b>
<b>Revenues from sales of services:</b>		
SolInteractive S.A.	269	127
Thanks Again LLC	5,903	-
	<b>6,172</b>	<b>127</b>
	<b>6,172</b>	<b>153</b>

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

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

#### 3.32.2. Purchases of Goods and Services

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Purchases of goods:</b>		
SolInteractive S.A.	1,050	1,258
Thanks Again LLC	-	-
	<b>1,050</b>	<b>1,258</b>
<b>Purchases of services:</b>		
SolInteractive S.A.		
<i>Included in generation costs</i>	4,398	2,325
<i>Included in other costs</i>	2,792	3,995
	<b>7,190</b>	<b>6,320</b>
Thanks Again LLC		
<i>Included in generation costs</i>	-	-
<i>Included in other costs</i>	-	-
	<b>-</b>	<b>-</b>
	<b>8,240</b>	<b>7,578</b>

Price for services and goods is usually negotiated with related entities using one of the above methods. In the reporting period, there were no significant transactions with related entities other than those listed above.

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

	12 months ended 31 December 2015	12 months ended 31 December 2014
<b>Receivables from related parties:</b>		
SolInteractive S.A.	233	116
Thanks Again LLC	1,120	-
	<b>1,353</b>	<b>116</b>

**Payables to related parties:**

SolInteractive S.A.	2,073	1,273
Thanks Again LLC		-
	<b>2,073</b>	<b>1,273</b>

**3.32.4. Transactions with Associates and Personally Related Entities**

In PLN thou.	12 months ended 31 December 2015	12 months ended 31 December 2014
Purchases from personally related entities	2,133	825
Sales to personally related entities	114	90
Loans and interest on loans paid by personally related entities	14,594	15,611
Loans and interest on loans granted to personally related entities	15,130*	11,053
Purchases from associates	8,240	7,578
Sales to associates	6,172	153
Loans and interest on loans paid by associates	330	142
Loans and interest on loans granted to associates	737	4

\* Position includes loans in the amount of PLN 3,700 thousand granted to Chairman of the Supervisory Board of Comarch S.A. by Bonus Management sp. o.o. SK-A. At the balance sheet date loans have been fully repaid.

**3.33 Value of Remuneration of the Managing and Supervising Persons in 2015 and 2014**

Remuneration of members of the Management Board of Comarch S.A. in 2015 were PLN 27,184,270.31 in total. Remuneration of members of the Management Board of Comarch S.A. in 2015 paid by subsidiaries and associates were PLN 7,219,487.88 in total. Remuneration of members of the Management Board of Comarch S.A. in 2014 were PLN 14,956,543.95. Remuneration of members of the Management Board of Comarch S.A. in 2014 paid by subsidiaries and associates were PLN 2,010,815.46.

Remunerations presented in this note include remunerations actually paid in 2014 and in 2015 (including bonuses for the previous periods covered by provisions respectively as at 31.12.2013, And as at 31.12.2014). Remunerations do not include unpaid bonuses for the year 2015 (covered by provisions as at 31.12.2015) And do not include shares granted under the share option program.

**2014 (in PLN)****Comarch S.A.'s Management Board**

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	6,995,696.15	1,138,872.36	8,134,568.51
2	Piotr Piątosza	693,754.95	232,412.20	926,167.15
3	Paweł Prokop	1,264,359.27	7,707.00	1,272,066.27
4	Piotr Reichert	407,907.92	226,418.90	634,326.82
5	Zbigniew Rymarczyk	1,287,984.04	104,259.80	1,392,243.84
6	Konrad Tarański	723,068.19	237,630.60	960,698.79
7	Marcin Warwas	1,572,957.97	63,514.60	1,636,472.57
	<b>Razem</b>	<b>12,945,728.49</b>	<b>2,010,815.46</b>	<b>14,956,543.95</b>

**Comarch S.A.'s Supervisory Board**

		<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Elżbieta Filipiak	170,000.00	1,007,085.97	1,177,085.97
2	Maciej Brzeziński	42,500.00	0.00	42,500.00
3	Robert Bednarski*	30,000.00	0.00	30,000.00
4	Danuta Drobnik	42,500.00	0.00	42,500.00
5	Wojciech Kucharzyk	42,500.00	0.00	42,500.00
6	Anna Ławrynowicz	42,500.00	0.00	42,500.00
7	Anna Pruska	42,500.00	682,727.47	725,227.47
	<b>Total*</b>	<b>412,500.00</b>	<b>1,689,813.44</b>	<b>2,102,313.44</b>

\*) On the 26<sup>th</sup> of June, 2014, the Annual General Meeting appointed Mr. Robert Bednarski to a member of the Supervisory Board.

		<b>Paid from the Comarch S.A.'s net profit as a dividend</b>
1	Janusz Filipiak	4,003,973
2	Piotr Piątosza	31,430
3	Paweł Prokop	55,662
4	Piotr Reichert	15,266
5	Zbigniew Rymarczyk	48,654
6	Konrad Tarański	15,266
7	Marcin Warwas	15,266
8	Elżbieta Filipiak	1,269,000

Point 3.14.3 b) of this statement Presents program of management options and details on granting of shares in 2014 as part of its implementation

**2015 (in PLN)****Comarch S.A.'s Management Board**

		<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Janusz Filipiak	9,910,702.41	5,521,565.17	15,432,267.58
2	Piotr Piątosza*	973,798.07	411,161.16	1,384,959.23
3	Marcin Dąbrowski**	1,792,871.86	202,421.40	1,995,293.26
4	Paweł Prokop	917,040.04	158,902.41	1,075,942.45
5	Andrzej Przewięźlikowski**	1,115,051.45	101,081.45	1,216,132.90
6	Zbigniew Rymarczyk	1,622,015.60	204,363.41	1,826,379.01
7	Konrad Tarański	719,078.45	324,516.97	1,043,595.42
8	Marcin Warwas	2,438,829.31	163,650.56	2,602,479.87
9	Piotr Reichert*	475,395.24	131,825.35	607,220.59
	<b>Total</b>	<b>19,964,782.43</b>	<b>7,219,487.88</b>	<b>27,184,270.31</b>

\*) On the 9<sup>th</sup> of April, 2015, Mr. Piotr Piątosza and Mr. Piotr Reichert resigned from the positions of Vice-Presidents of the Management Board of Comarch S.A. with effect as of the 30<sup>th</sup> of April, 2015.

\*\*) On the 24<sup>th</sup> of June, 2015, the Annual General Meeting of Comarch S.A., appointed Mr. Marcin Dąbrowski and Mr. Andrzej Przewięźlikowski to the position of Vice-Presidents of the Management Board, Comarch S.A.

### Comarch S.A.'s Supervisory Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	240,000.00	1,366,001.17	1,606,001.17
2	Maciej Brzeziński	60,000.00	0.00	60,000.00
3	Robert Bednarski	60,000.00	0.00	60,000.00
4	Danuta Drobnia	60,000.00	0.00	60,000.00
5	Wojciech Kucharzyk	60,000.00	0.00	60,000.00
6	Anna Ławrynowicz	60,000.00	0.00	60,000.00
7	Anna Pruska	60,000.00	357,418.49	417,418.49
	<b>Total</b>	<b>600,000.00</b>	<b>1,723,419.66</b>	<b>2,323,419.66</b>

Point 3.15.3 of this financial statement describes the Managerial Option Program and presents details regarding shares granted in 2015 under the execution of this Program.

### 3.34 Information About Shareholders and Shares Held by Members of the Management Board and the Board of Supervisors

#### 3.34.1. 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 Preparing the Financial Report

As at the date of the report's preparation:

- Janusz Filipiak held 2,674,488 shares (32.88% of the company's share capital), which gave him 6,246,488 votes at the AGM and constituted 41.30% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.40% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.96% of all votes at the AGM.

#### 3.34.2. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between the 29<sup>th</sup> of February, 2016 and the 28<sup>th</sup> of April, 2016

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the quarterly consolidated report for the fourth quarter of 2015, i.e. the 29<sup>th</sup> of February, 2015 and on the 28<sup>th</sup> of April, 2016, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 28 April 2016		At 29 February 2016	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2 674 488	41,30	2 674 488	41,30
Elżbieta Filipiak	Chairman of the Board of Supervisors	846 000	27,96	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
<b>Number of issued shares</b>		<b>8,133,349</b>	<b>100.00</b>	<b>8,133,349</b>	<b>100.00</b>

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

#### **3.34.1. Deferred Income Tax Asset**

Over 2015, dissolved in part an asset due to activities in the SEZ that was worth PLN 9,916 thousand and established as at the 31<sup>st</sup> of December, 2014. At the same time, the parent company recognised an asset in the amount of PLN 10,441 thousand. This asset will be gradually resolved over 2016 in proportion to achieved income, due to activities in SEZ in this period of time.

During 2015, the Group settled in part a deferred tax asset related to temporary differences, that was presented on the 31<sup>st</sup> of December, 2014, and worth PLN 5,207 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 4,990 thousand. An asset due to tax loss was dissolved in the amount of PLN 240 thousand and recognised in the amount of PLN 1,230 thousand. The total effect of the above-mentioned operations on the net result of 2015 was + PLN 1,298 thousand.

#### **3.34.2. Valuation of Currency Translation Differences**

The influence of currency exchange rates on revenue and results of the Comarch Group in 2015 was moderate. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of December, 2015, increased revenue and operating result of the Comarch Group by PLN 1,590 thousand (while for 2014 increased by PLN 1,950 thousand). Other exchange differences increased by PLN 418 thousand Comarch's result (while for 2014 decreased by PLN 851 thousand). Total currency translation differences resulted in an increase of PLN 2,008 in the Comarch Group's net result for 2015 (while for 2014 increased by PLN 791 thousand).

#### **3.34.3. Write-off Revaluing Receivables**

As at the 31<sup>st</sup> of December, 2015, the Group recognized an impairment loss of trade receivables in the amount of PLN 13,855 thousand and reversed previously created write-offs in the amount of PLN 13,367 thousand due to the settlement of debts (mainly by one of the clients of the Russian market). These operations were included respectively in other operating income and expenses in the profit and loss account.

#### **3.34.4. 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 2015 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 9,060 thousand, of which PLN 3,476 thousand is related with the current activity of Thanks Again, LLC and the amount of PLN 5,584 thousand is related with the updating of the value of the acquired shares.

### **3.36 Events after the Balance Sheet Date**

#### **3.36.1. Dates of Periodical Financial Reports in 2016**

In the current report no. RB-1-2016 dated the 18<sup>th</sup> of January, 2016, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2016:

- 1) Q4 2015 - on the 29<sup>th</sup> of February, 2016
- 2) Q1 2016 - on the 16<sup>th</sup> of May, 2016
- 3) Q2 2016 - Pursuant to §101 sec. 2 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> 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, Comarch S.A. will not publish quarterly report for the second quarter of 2016
- 4) Q3 2016 - on the 14<sup>th</sup> of November, 2016
- 5) Annual report for 2015 - on the 29<sup>th</sup> of April, 2016
- 6) Consolidated annual report for 2015 - on the 29<sup>th</sup> of April, 2016
- 7) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2016 - on the 31<sup>th</sup> of August, 2016

### **3.36.2. 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 18<sup>th</sup> 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 27,736.07 m<sup>2</sup>. 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.

Comarch S.A. announced details in current report RB-3-2016 dated the 18<sup>th</sup> of March, 2016.

### **3.36.3. Investment Credit Agreement**

On the 18<sup>th</sup> 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. RB-2-2016 dated the 15<sup>th</sup> 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 18<sup>th</sup> of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18<sup>th</sup> of September, 2017. Comarch S.A. announced details in current report RB-4-2016 dated the 18<sup>th</sup> of March, 2016.

### **3.36.4. Meeting the criterion of a significant contract**

Due to conclusion by Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower) on the 18<sup>th</sup> of March, 2016, a loan agreement with a bank BGŻ BNP Paribas SA (Comarch SA announced it in the current report RB-4-2016 dated the 18<sup>th</sup> 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 SA as at the 31<sup>st</sup> 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 28<sup>th</sup> 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 30<sup>th</sup> 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 RB-5-2016 dated the 18<sup>th</sup> of March, 2016..

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

Between the 1<sup>st</sup> of January, 2016 and the 28<sup>th</sup> of April, 2016, Comarch S.A. concluded forward contracts for the sales of EUR 13,475 thousand, USD 6,700 thousand, GBP 2,500 thousand. The total net value of open forward contracts as of the 28<sup>th</sup> of April, 2016, amounted to EUR 27,775 thousand, USD 12,100 thousand, GBP 3,400 thousand and CAD 500 thousand. The open forward contracts as of the 28<sup>th</sup> of April, 2016, were valued at plus PLN 1,697 thousand. The contracts will be settled within 27 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, as well as to secure cash flows from an investment loan granted in euro, but run in PLN.

## **3.37 Significant Legal, Arbitration or Administrative Proceedings**

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 69,739 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31<sup>st</sup> of December, 2015 and are worth PLN 10,698 thousand. They

include provisions for claims recognised in 2015 and worth PLN 1,470 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 14,089 thousand. Claims by third parties in relation to matters of dispute were not covered by provisions. 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.

### 3.38 Equity Management

The main goal in the Group's equity management is maintenance of a secure debt structure and keeping debt ratios compliant with credit agreements concluded by the Group. The Group is able to manage its equity structure depending on changes of economic conditions through taking or repayment of loans, new shares issue or payment of dividend. In 2015, the Group did not change its goals or equity management politics.

The Group monitors its equity balance quarterly, mostly by analysis of solvency ratio, which is calculated by dividing equity by total assets.

**31 December 2014      31 December 2014**

Equity	780,581	700,693
Total assets	1,304,828	1,216,555
Solvency ratio	<b>59.82%</b>	<b>57.60%</b>

Over 2015, solvency ratio increased slightly mostly as a result of increase in equity. It remained at a very secure level which ensures the potential possibility of increasing debt significantly (by acquiring external financing) if needed.

Over 2015, all companies in the Group adhered to the credit agreements' conditions. The Management Board of parent company finds no risk of their violation.

28<sup>th</sup> of April, 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 2015

Krakow, 28<sup>th</sup> of April, 2016

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# 1. Information about Company

## 1.1 Shareholding Structure, Managing and Supervising Entities

### 1.1.1 Shareholders Holding at Least 5% of the Total Number of Votes at the General Meeting of Comarch S.A.

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 31<sup>st</sup> of December, 2015, shareholders holding at least 5% of votes at the company's AGM are Janusz Filipiak and Elżbieta Filipiak.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,674,488	32.88	6,246,488	41.30
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96
Other members of the company's Management Board	91,622	1.13	129,222	0.85
Other shareholders	4,521,239	55.59	4,521,239	29.89
<b>Total</b>	<b>8,133,349</b>	<b>100.00</b>	<b>15,126,949</b>	<b>100.00</b>

On the 14<sup>th</sup> of May, 2015, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered an increase in the share capital of Comarch S.A. to the amount of PLN 8,133,349.00 in connection with the issuance of 7,759 shares of common bearer L1 as part of the managerial option program for members of the Management Board and key managers of the Company and the Group. After this increase the Company's share capital is divided into 8,133,349 shares. It corresponds to 15,126,949 votes at the company's AGM.

### AFTER THE BALANCE SHEET DATE

As at 28<sup>th</sup> of April, 2016

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,674,488	32.88	6,246,488	41.30
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96
Other members of the company's Management Board	91,622	1.13	129,222	0.85
Other shareholders	4,521,239	55.59	4,521,239	29.89
<b>Total</b>	<b>8,133,349</b>	<b>100.00</b>	<b>15,126,949</b>	<b>100.00</b>

### 1.1.2 Comarch S.A.'s Board of Supervisors and Management Board

#### a) Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2015:

Name and surname	Position	Comarch S.A.  Number of shares / nominal value	Volatech Capital Advisors S.A. (currently Metrum Capital S.A.) Number of shares / nominal value
Elżbieta Filipiak	Chairman of the Supervisory Board	846,000 / PLN 846,000	-
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobnik	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-
Robert Bednarski	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / PLN 50,000

### AFTER THE BALANCE SHEET DATE

None present.

**b) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> of December, 2015:**

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,674,488	PLN 2,674,488
Marcin Dąbrowski	Vice-President of the Management Board	-	-
Paweł Prokop	Vice-President of the Management Board	37,539	PLN 37,539
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	PLN 32,867
Konrad Tarański	Vice-President of the Management Board	10,608	PLN 10,608
Marcin Warwas	Vice-President of the Management Board	10,608	PLN 10,608

On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015. On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

Marcin Dąbrowski, a manager for many years in the telecommunication sector, will be performing duties of the head of the telecommunication sector. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector, will be performing duties of the head of the finance, banking and insurance sector. The company announced details in current report no. RB-10-2015 dated the 9<sup>th</sup> of April, 2015. At the Annual General Meeting held on 24<sup>th</sup> of June, 2015, Marcin Dąbrowski and Andrzej Przewięźlikowski were appointed on the position of Vice-Presidents of the Management Board of Comarch SA.

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearers Comarch S.A. shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. The company announced details in current report no. RB-7-2015 dated the 2<sup>nd</sup> of March, 2015.

On the 11<sup>th</sup> of June, 2015, a member of Comarch S.A.'s Management Board disposed 20,950 ordinary bearer of Comarch S.A. shares, based on the marital property agreement concluded in the form of notarial deed. The disposal was gratuitous, estimated value of the comprised shares amounted to PLN 2,775,875.00, with a unit price of PLN 132.50 per each share. The company announced details in current report no. RB-17-2015 dated the 15<sup>th</sup> of June, 2015.

**AFTER THE BALANCE SHEET DATE**

As at 28<sup>th</sup> of April, 2016.

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,674,488	PLN 2,674,488
Marcin Dąbrowski	Vice-President of the Management Board	-	-
Paweł Prokop	Vice-President of the Management Board	37,539	PLN 37,539
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	PLN 32,867
Konrad Tarański	Vice-President of the Management Board	10,608	PLN 10,608
Marcin Warwas	Vice-President of the Management Board	10,608	PLN 10,608

Michał Bajcar, Dariusz Durałek, Anna Kleszcz, Maria Smolińska, Iwona Kasprzyk oraz Dorota Klentak-Łyżwa are the company's proxies.

**c) Contracts that May Result in Future Changes in Holdings of Shareholders or Bondholders**

None present.

**d) Agreements between the Issuer and the Managing Persons, which Plan for Compensation in Case of Resignation or Discharge from the Occupied Post without a Substantial Reason, or when Their Dismissing or Discharge are Caused by Merger through Takeover**

None present.

**e) Value of Paid, Due or Potentially Due Remuneration, Awards or Benefits, including those Resulting from Managerial or Bonus Programmes based on Issuer's Equity, Separately for Each of the Managing and Supervising Persons in the Parent Company**

Information is included in notes 3.15.3 and 3.33 of the consolidated financial statement.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2015	2014	2013	2012	2011
Revenue from sales	1,131,580	1,038,351	938,976	883,876	785,653
Operating profit	113,028	98,529	34,446	30,767	38,783
Profit before income tax	108,129	92,577	36,724	39,737	39,764
Net profit attributable to the parent company's shareholders	79,651	67,894	25,077	40,660	36,257
Profit per share	9.80	8.37	3.11	5.05	4.50
Assets	1,304,828	1,216,555	1,142,301	1,146,743	1,022,474
Equity	780,581	700,693	637,711	624,942	609,851

In 2015, Comarch Group's sales revenue increased by 9.0%, i.e. PLN 93.2 million year on year. Operating profit reached PLN 113.0 million and increased by 14.6% compared to 2014. Net profit attributable to the parent company's shareholders increased by 17.3% and amounted to PLN 79.7 million. EBIT margin was at 10.0% (9.5% in 2014) and net margin amounted to 7.0% (6.5% in 2014). On the 31<sup>st</sup> of December, 2015, Comarch Group employed 5,037 people, excluding employees of MKS Cracovia SSA. This represented a decrease of 826 people compared to the end of 2014.

As at the end of 2015, the value of Comarch Group's assets increased by PLN 88.3 million, i.e. 7.3% compared to the previous year. Equity grew by 11.4% over 2015 and in large measure due to the net profit gained in 2015.

### 2.2. Employment and Production Capacity of the Group

As at 31<sup>st</sup> of December, 2015, in Comarch S.A. there were 3,943 employees compared to 3,339 persons as at 31<sup>st</sup> of December, 2014, and in the Comarch Group number of employees reached 5,037 persons compared to 4,211 persons as at the 31<sup>st</sup> of December, 2014 (excluding employees of MKS Cracovia SSA due to different type of activity).

Average employment in the Comarch Group, excluding employees of MKS Cracovia SSA, from 2011 to 2015 is presented in tables below:

Number of employees:	2015	2014	2013	2012	2011
- full-time	4,029	3,401	3,376	3,048	2,815
- co-workers	867	728	738	612	532
<b>Total</b>	<b>4,896</b>	<b>4,129</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>

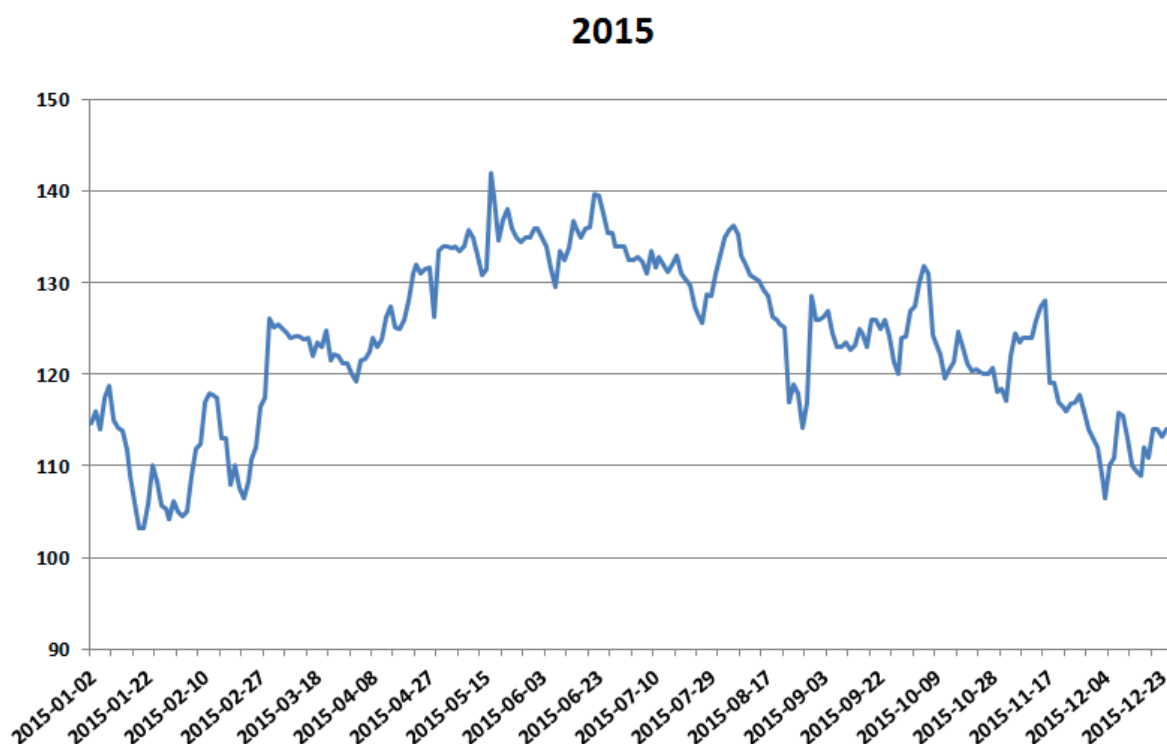
Employees:	2015	2014	2013	2012	2011
- production employees and technical consultants	3,810	3,218	3,213	2,785	2,534
- marketing and sales	642	528	516	500	442
- management and administrative employees	444	383	385	375	371
<b>Total</b>	<b>4,896</b>	<b>4,129</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>

An average employment in MKS Cracovia SSA within 2011-2015 was as follows:

Number of employees:	2015	2014	2013	2012	2011
- full-time	41	39	38	42	46
- co-workers	193	114	181	146	145
<b>Total</b>	<b>234</b>	<b>153</b>	<b>219</b>	<b>188</b>	<b>191</b>

Most of production by Comarch consists in production of company's own, versatile software products and in production of computer software on the basis of customer orders. The basic factor limiting the production capacity is human resources. As the company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources. The Group diversifies the risk of limitations in availability of human resources by conducting business in 14 branches located in urban centers in Poland. As at 31<sup>st</sup> of December, 2015, 2,830 employees were employed in Krakow, 1,672 in other cities in Poland and 535 abroad.

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



Period	The highest	The lowest
Q1 2015	126.10	103.20
Q2 2015	142.00	121.60
Q3 2015	136.20	114.20
Q4 2015	131.80	106.50

In 2015, the closing rate of Comarch S.A. shares between the 2<sup>nd</sup> of January, 2015, and 29<sup>th</sup> of December, 2015, decreased by 1.3% from PLN 115.5 to PLN 114.05. During the year, the maximum closing rate amounted to PLN 142.00.

### 3. Products and Services Offered by Comarch in 2015

Comarch is a producer of innovative IT systems for key sectors of economy: telecommunications, finance and banking, public administration, as well as large, small and medium-sized companies. A wide range of the Comarch offer includes ERP-class and financial and accounting systems, CRM systems and loyalty software, sales support, electronic document exchange, electronic banking, teleinformatic network management and billing systems, Business Intelligence, security and protection of data and many other solutions. Apart from providing innovative IT solutions to its customers, Comarch is focused on professional customer service and on providing consulting, advisory and integration services as a uniform package, with which our customers can take full advantage of the possibilities offered by modern IT systems.

#### **TELECOMMUNICATIONS DIVISION**

Comarch is a provider of comprehensive IT solutions for telecommunications. Since 1993 Comarch has helped telecommunication service providers from 4 continents optimize costs, increase business efficiency and transform BSS/OSS systems. Comarch solutions combine rich out-of-the-box functionalities with high configurability and are complemented with a wide range of services. The company's flexible approach to projects and a variety of deployment models help telecoms to make networks smarter, improve customer experience and quickly launch digital services, such as cloud and M2M. This strategy has earned Comarch the trust and loyalty of its clients, including the world's leading CSPs: Vodafone, T-Mobile, Telefónica, Orange, KPN and MTS.

#### **PRODUCTS**

##### **Sales & Customer Management**

**Comarch Customer Management** enables managing relationships with a customer. It was especially designed thinking of the needs of the telecommunication business. The solution is designed to integrate well with the existing OSS/BSS architecture. This flexible product for telecom operators provides a complex, centralised customer view and automates key sales, marketing and customer care processes.

**Comarch Online Self-Care** enables customers of all sorts of telecommunications services acquire an exact information 24 hours a day. This complex system enables subscribers and partners to review and analyse financial documents, information on their accounts, activation and deactivation of services and data exchange with a call centre in easy and flexible way. The system supports also operator's marketing by providing a communication channel for, among others, advertisements and promotion.

**Comarch Sales Channel Management** optimizes sales force efforts and helps service providers increase sales. The highly efficient Comarch Commission & Incentive module enables the implementation of innovative strategies and optimization of sales force compensation plans. Pre-integrated with the Comarch BSS suite, the tablet-based Comarch External Sales Mobile App lets your sales representatives check the most up to date customer data from any location at any time, verify service availability, and register new contracts. Comarch Logistics Management allows the verification, control and automation of replenishment of stock levels for selling points.

##### **Billing & Charging**

**Comarch Convergent Charging & Billing** is a modern tool perfectly suited for any type of communication services providers. It lets you charge customers for any type of service in real-time, personalize offers for your customers, and makes it easy to develop new business models in cooperation with various partners, which is essential to drive your business in the current telecommunication world and Internet of Things.

**Comarch Inter-Partner Billing** enables service providers to exchange settlements and invoices, and share revenue or costs with other service providers. The system also facilitates managing relations with national and multi-national business partners and gives ability to settle by one platform any service type, including voice, data transfer, and premium, in many business models, such as platform delivery, reselling and wholesale.



## Service Design & Fulfilment

**Comarch Service Fulfilment** supports processes of creation and delivery of services to a customer starting from customer order, through modelling and adequate orchestrating network operations. The solution enables operators to automate service fulfilment and quicker introduction of new services to the market. The system assumes that new services are built from predefined elements which are managed in service catalogue, thus telecom operators may quicker deliver them to a customer and keep high innovativeness of the offered products. Delivery of services process is performed over existing technical silos, what enables a gradual transformation without significant investment.

**Comarch Product Catalogue** enables simplification of the IT architecture, shortening time-to-market for new products and services and complex management over catalogue and life cycle of products from one month. The software allows to specify offers and products, designate relations between products and define which of them are mutually exclusive or may be sold exclusively within bigger packages. The system specifies potential end-users, location and many more other features. The product is based on TM Forum Information Framework called Shared Information Data model (SID).

**Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Due to the possibility to assign tasks to employees with appropriate competencies while taking into account their availability and geographical location, the system allows to increase resource efficiency and optimize labor costs and fuel consumption.

**Comarch Order Management** is a solution dedicated to automate and thus speed up order-to-cash process, which starts from customer order capture and goes through service, network provisioning and activation and ends at billing the customer. Comarch Order-to-Cash Automation supports shortening time-to-market for new products and services. This is achieved by building the solution around pre-integrated central product catalogue and service catalogue which serve as a single place for defining products. The whole process spans across both business and technical domains, served by Comarch Customer Order Management and Comarch Service Order Management.

## Network & Service Assurance

**Comarch Fault Management** enables effective control identification of problems and failures in a telecommunications network serviced by several suppliers (geographical localisation, position in a logical network architecture, standard list of alerts) and enables adequately quick reaction to network defects. Through continuous monitoring of all elements of the network, it displays and efficiently tracks alarms and repairs them at source before they influence the quality of service to the end-user.

**Comarch Service Assurance** enables a telecom operator to monitor complex services, automatically find problem root causes. The system makes telecom service assurance possible to control from one convergent, central application.

**Comarch Customer Experience Management** is based on integrated OSS and BSS systems. It enables telecom operators an insight into customer perception of the services, thus network and services management at the level which guarantees the highest level of customers' satisfaction. This product may be integrated with Comarch Service Monitoring and Comarch Service Quality Management modules, enabling transfer from traditional network management to practical network management which aims at improvement of customer experience.

**Comarch Service Quality Management** transforms traditional network-centric performance management into customer-centric telco service quality management. The insight into customers' perception of service quality enables to prioritize network performance management based on the forecasted influence on customer experience. Comarch SQM enables you to become proactive in managing service quality by preventing customers from experiencing service problems, thanks to trend analyses and prediction capabilities.



## Network Management and Planning

**Comarch Network Planning** enables you to comprehensively and efficiently manage telecom network planning, expansion and optimization processes. The solution enables full control over strategic, administrative and technical processes using only one OSS platform. This ensures unprecedented until now visibility of business processes.

**Comarch Network Inventory** stores the complete information about network resources and presents current, historical and future state of telecommunications/IT networks and facilitates network resource management. The system enables modelling links, planning, designing and configinventing equipment, address assignment and control, resource numbering and preparing reports. It also provides detailed network element information and allows the users to search the database using a wide range of criteria.

**Comarch Service Inventory** is to enable managing the network from service perspective. The product, pre-integrated with Comarch Service Catalogue, describes the services according to the TMF SID model, which identifies Customer Facing Services (CFS) and Resource Facing Services (RFS).

**Comarch Configuration Management** enables service providers to automate the crucial area of network configuration management. The product can be implemented as part of a broader solution for network planning and upgrading – Comarch NG Network Planning.

## BSS Systems

**Comarch B2B Solution** is a dedicated BSS/OSS stack, designed to support service providers in the area of B2B communications. The solution focuses on critical problems related to B2B relationships, such as providing distinct selling approaches for different company sizes, NCsdelivering and supporting large numbers of customized products and services, managing service level agreements (SLAs), and handling complex fulfilment processes. This solution can also support multiple billing scenarios.

**Comarch Smart BSS** is a complete pre-integrated solution that enables communication service providers to comprehensively manage Request-to-Answer, Order-to-Payment, Usage-to-Payment, Request-to-Change, Termination-to-Confirmation and Problem- / Complaint-to-Solution processes, via customer management and self-care applications. The solution is dedicated for local operators and smaller telecommunication companies, such as Internet suppliers, cable and satellite TV networks or virtual operators.

**Comarch MVNO/MVNE** is a solution tailored to both MVNO (Mobile Virtual Network Operators) and MVNE (Mobile Virtual Service Enablers) business models. With its help, telecom operators may launch cost-effective services, often aimed at niche customer segments and acquire additional revenue. Comarch MVNO/MVNE can help telecom operators easily manage relations with customers, business partners, the portfolio of offered services, as well as revenue.

## Intelligent Networks of the Future

**Comarch SDN/NFV** is a solution coupled Software Defined Networking with Network Function Virtualization. The tool prepares a company successfully face the challenges of the digital era and the Internet of Things. It carries the promise of lower OPEX and CAPEX and higher return on network investment. NFV / SDN enables to transform network nodes into micro-datacentres that can host not only software implemented network function (Virtualized Network Function) but also customer applications. The network can be transformed into a distributed platform that can dynamically re-shape itself to better service customer applications and allocate its resources according to customer application needs.

**Customer-Centric OSS** - transformation of OSS environment in the perspective of customer experience means switching the perspective from network resources to customer experience. The ultimate goal of costly network upgrades lies in providing a better service for end customers. This way, telecom operators may combine technical parameters and other data with how they influence the level of customers' satisfaction.

**Comarch Self-Organizing Network** responds to the challenges connected with the automatization of services and synchronisation of this process with business objectives. The concept of a self-organising network is accompanied by the implementation of LTE technology and the migration to 4G network. Comarch SON allows to increase customer satisfaction through the introduction of the following paradigms: "plug & play", network "self-optimisation" and network "self-treatment".

## **Professional Services**

**Business Consulting** is a service that helps telecoms optimize and automate their business processes and increase their efficiency in OSS and BSS areas by eliminating multi-vendor and cross-organization redundancy and by rethinking IT architectures and configurations. Comarch offer was build based on three basis: rich portfolio of business services, complex responsibility for implementation and business effects, as well as experience and knowledge of the industry.

**Managed Services** is a set of services within modernization of BSS/OSS environment which results in improvement of efficiency of business processes, limitation of costs and keeping a high quality of the provided services. Comarch offers outsourcing system and/or process management which enables customers to optimize the process of services delivery to the end-user and to increase their availability, and at the same time, to reduce operating expenses and labour costs. Comarch products, together with components of third parties and data centre services, guarantee a transformation to a new generation managed services model of and enable providing high quality consulting services within the business and IT.

**BSS/OSS Transformations** are services which enable a telecom operator the personalization and improvement of quality of provided services, as well as directing at the specified set of customers. BSS/OSS transformations support a comprehensive, multilevel transformation of IT environment based on Comarch products and infrastructure, and an open cooperation model. The services enable creation of a unified, standardized architecture of the system in accordance with the KPI indicators of the telecom operator.

**End-to-End Project Delivery** is a suit of Comarch services which ensure that a telecom operator obtains a software which integrates effectively with the existing IT environment and includes both systems and components from the external suppliers and own Comarch solutions. The suit provides designing from the very beginning of some business processes and ensures comprehensive and secure data migration, as well as continuous and efficient work of systems, and later on also support in solving the problems related to the maintenance, training for selected employees and system update.

## **M2M / IoT Solutions**

**Comarch M2M** Connectivity enables mobile operators to provide Managed Connectivity in multinational, multi-operator environments. The system lets telecoms target various industry verticals with M2M offerings, including: automotive, consumer electronics, FMCG, energy & utilities, finance & banking, healthcare, manufacturing, public services, security, as well as transport & logistics.

**Digital Services Platform** is a partner collaboration and service management platform that enables telecom operators to manage the quality of modern services (Internet of Things, Machine-to-Machine, cloud services, mobile payments, standard telecommunication products based on new technologies), handle the collaboration process between the partners, as well streamline the process of service integration by efficiently distributing tasks between appropriate partners and departments. The solution enables telecom operator to play an active role in various industries such as Smart City, automotive, healthcare and electronics.

**Comarch M2M Actionable Analytics** focuses on delivering measurable business value, using intelligent big data processing and real-time actionable analytics. It provides thorough information about the way in which customers are using your M2M products. Additionally, it handles some issues related to quality of service (QoS) within M2M operations, by helping discover which device (or type of device) generates issues, revealing data patterns and trends, and providing reports and analyses of anomalies.

**Comarch IoT Monetization Suite** combines several M2M and IoT service management solutions, creating one comprehensive platform that enables operators to: effectively provide this type of services to various industries (automotive, retail, wind power plant, etc.), settle them easily, offer high quality of services within the SLA field, analyse the data related to M2M and IoT as well as offer any type of new services with a wide selection of pricing models.

## **FINANCE, BANKING AND INSURANCE DIVISION**

For over 20 years Comarch delivers IT systems for the largest financial institutions, in particular for banks, brokerage houses, insurers and entities managing assets and funds. As one of the biggest producers of software in Poland and Central and Eastern Europe, Comarch may be proud of many lines of products, reach scope of competences, and most of all, large group of satisfied customers, among others: UniCredit, ING, Raiffeisen, BGŻ BNP Paribas, BPH, Alior Bank, Swiss Life, Ergo, Oney, Allianz. Our offer comprises both own finished solutions, dedicated solutions, and advisory and integration works.

### **PRODUCTS**

**Comarch Asset Management** is a multi-module platform designed for investment and pension funds, asset managers and insurance companies. The tool supports the processes of asset management, fund valuation and bookkeeping, measurement of portfolio risk and performance, and regulatory reporting. It is comprised of the following modules: Comarch Portfolio Management, Comarch Fund Valuation, Comarch Performance Attribution & Risk, Comarch Regulatory & Portfolio Reporting and Comarch Fund Portal.

**Comarch Commission & Incentive** is an online system consisting of multiple functional modules. It provides end-to-end support for sales network management, commission calculation and settlement, sales network training register, document generation and reporting. It is designed for insurance companies, banks and other organizations whose operation includes the management of an extensive sales network and complex commission policies.

**Comarch Corporate Banking** is a multi-channel and multi-product platform used to support corporate clients and medium-sized enterprises. Thanks to applied solutions, modularity and wide customization options, the platform meets the expectations of even the most demanding banks. Owing to its integration capability with the existing bank systems, the solution is a universal, comprehensive, efficient and safe tool which streamlines the management of transactions, automates business processes and reduces business costs. It can be easily integrated with ERP systems. As a result, companies which process tens of thousands of transactions per day gain an efficient tool which automates their processes and streamlines their daily activities.

**Comarch CRM & Loyalty for Banking** is a set of tools to comprehensively support all the processes associated with building and maintaining customer relationships. The platform enables the measurement of advisors' performance and the effective management. The tools designed for banks and other financial institutions put great emphasis on customer relationship reinforcement based on the strategy of professional communication. The solution includes modules: Comarch Virtual Marketplace (possibility to integrate with Comarch Beacon), Comarch Campaign Management and Comarch Customer Relationship Management – Branch Office.

**Comarch Custody 2** is a state-of-the-art reference system for end-to-end servicing of bank operations related to securities trading. The solution is targeted at financial institutions of all sizes. It provides support for basic and advanced processes, including the basic bookkeeping of client portfolio statuses and own positions, full automation of communication, as well as cross-border settlements and security management. It focuses on various types of operations conducted in an active financial institution, including settlement of market transactions, management of corporate actions, a wide range of bank reporting as well as communication with clearing houses, clients and partners in line with the latest standards for data exchange (SWIFT, ISO 20022).

**Comarch Insurance Agent Essentials** is a platform that aims at integrating multiple business systems and providing an intuitive and ergonomic work interface, consistent for agents, branch and call centre employees, and partners, agencies, multi-agencies and brokers. **The platform is designed to satisfy the**

needs of business users, and they work both online and offline. It is the platform's significant advantage taking into account the mobility of insurance agents and claim adjusters.

**Comarch Loan Origination** is a platform that provides comprehensive support for credit processes. It works for products targeted both at individual customers and business clients, including micro-enterprises, small and medium enterprises and corporations. The system is designed based on the proprietary Comarch Business Process Management solution, thanks to which all the parameters of a loan product, the process itself and the associated screens and printouts can be tailored according to the bank's needs.

**Comarch Smart Finance** is a platform for retail banking that consolidates internet and mobile banking, personal finance management and enhanced communication channels. Moreover, it is a smart advisory tool that performs a detailed financial analysis and helps bank retail customers, individuals and small businesses, make right investment or savings decision. The solution contributes to increased bank customer loyalty as it provides the possibility to tailor the bank's product offering to customer's needs. After the analysis of customer's behaviour, it recommends products that should be of their interest.

**Comarch Wealth Management** is a multi-module platform for private banking and wealth management. It supports client wealth management processes as part of personal services and a self-service channel, including the analysis of a client's financial situation, risk profile assessment, financial planning, strategic asset allocation, recommendations for financial products and investment performance reporting. It consists of the following modules: Comarch Investment Advisor, Comarch Client Front-End, Comarch Client Reporting, Comarch Portfolio Management, and Comarch Performance Attribution & Risk.

**Comarch Global IT Services** provide comprehensive solutions for demanding clients who look for effective, safe and stable IT systems. They offer four categories of services: Outsourcing IT/Data Centre, Community Cloud, Security & Monitoring and Comarch Big Data.

## **COMARCH TECHNOLOGIES DIVISION**

Launched in 2014, Comarch's Technologies Division is the fast-growing technology wing of Comarch Capital Group. It provides comprehensive end-to-end hardware and software solutions for B2B clients. Basis for development of the company constitutes experience gained within prototyping, production and control over quality of the offered solutions of the area of consumer electronics and automotive, medical, and finance and banking industry.

Own R&D centre and launching the production line (IoT Lab) guarantees the highest quality of the produced electronics and conformity with the current trends and the industry standards.

## **PRODUCTS**

### **INTERNET OF THINGS**

**Comarch IoT Platform** is a flexible cloud-based platform to manage smart and mobile devices. The platform enables configuration, management and monitoring of the communication between devices in network. It results in an increase in efficiency of process management and a decrease in both operating and of used resources.

**Comarch beacon** is a small transmitter that broadcasts a continuous signal via Bluetooth Low Energy. The device, through a dedicated mobile application, allows to connect individually with a customer using such its functionalities as: contextual messaging, communication in real time, indoors and outdoors.

**Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforces in the field. The system enables improvement of efficiency in the context of available resources by assigning work orders to those employees who are more competent and of locations in the field, thus contributes to the labour costs and fuel usage optimization.

**MOBILITY**

**Application development** is a service consisting in the designing of mobile applications according to the customer's requirements, while using knowledge and experience within security of the network and logistics, as well intuitiveness of the application when in contact with a customer.

**User Experience Consulting** consists in a comprehensive behaviour and users' profiles survey carried out in order to design intuitive and end-user friendly applications.

**Quality control and testing** is a complex planning and managing the testing process of mobile applications.

**Certification tools** enable effective management of device and application certification processes. Additionally, they allow for verification of compliance with folded standards and provide continuous support to organizations during the evolution of the standards.

**CYBER SECURITY****Consulting**

- **Comarch Cyber Security Solution** provides professional services within preparation and implementation of security policy, as well as carrying out an IT audit in an entity. New feature is implementation of C<sup>2</sup>SOC (Comarch Cyber Security Operations Centre) service which is used for early detection and elimination of cyberattacks which would influence the customer's business. C<sup>2</sup>SOC is available 24 hours a day, whole year.

**Identity and Access Management**

- **Comarch Identity and Access Manager DRACO** is a software enabling management the identity and access to IT systems of an entity. It was built from scratch having in mind single sign-on (SSO), role-based access control and users' accountability.

**Public Key Infrastructure**

- **Comarch CertificateAuthority** manages creation, storage and distribution of PKI certificates, which are used to securely share data over a network whilst verifying the identity of a certain entity.
- **Comarch CertificateWorkshop** along with Comarch Certificate Authority covers a complete PKI certificate lifecycle, starting from a request for certificate issuance up to its extension, termination or cancellation.
- **Comarch SOPEL** provides Public Key Infrastructure (PKI) libraries and services related to the electronic signature operations. The electronic signature is used to confirm the user's identity, software or hardware, and gives transaction authorization.

**Authentication & Authorization Methods**

- **Comarch Smart PKI Devices** re cryptographic devices which verify the identity of their owners and provide secure access to any sensitive data. Comarch's Smart PKI Devices portfolio includes smartcards, smart tokens and smart card readers serviced also with biometric technology.
- **Comarch SmartElliptic Devices** are the unique protectors embedded with certificates and private keys based on the Elliptic Curves Cryptography (ECC) mechanism for future-proof secure systems. Unlike today's most commonly used algorithms, the ECC mechanism delivers a higher security level along with shorter cryptographic keys. Comarch Smart Elliptic Devices family comprises of Comarch tPro and Comarch Smart Token ECC devices.



- **Comarch OTPSolutions** provides strong methods of user authentication and authorization based on the one-time password generation and challenge-response mechanisms. The one-time password mechanism is the most popular and simple form of the two-factor authentication used to protect networks against unauthorized access. Comarch OTP Solutions offer comprises of Comarch Smart Token OTP and Comarch Mobile ID solutions.

### Security Assurance

- **Comarch SecureAdmin** is a tool dedicated for management, remote monitoring and internal access to resources on servers. In addition, it is equipped with a mechanism for configuration of the limit of session's time and an automatic notification about an unauthorised attempt to access to a server.
- **Comarch FrozenObject** monitors and reports changes in the selected elements of the company's systems and applications.
- **Comarch CentralLog** is a solution used to gather logs coming from IT systems in an entity. The gathered data are filtered, processed online and hosted for audit purposes.

### OUTSOURCING

Outsourcing delivered by Comarch is provided within outsourcing of processes, R&D, systems and know-how (human resources). Cooperation with Comarch enables limitation of costs, time and risk of the conducted projects.

### DESIGN & PROTOTYPING

In our IoT Lab, we build functional prototypes which follow the highest industry standards in safety, security and user experience. Our rapid prototyping technology process includes design, manufacturing and final product assembly, along with thorough testing and validation.

### QUALITY ASSURANCE

Comarch provides quality assurance services of IT systems. The quality assurance services comprise preparation of a specification including an analysis of a customer's requirements, designing of the test scenarios and preparation of documentation, test automation and their execution, carrying out analysis in order to improve, as well as after audit inspection.

### SHORT SERIES MANUFACTURING

Comarch offers an innovative and sophisticated product line that allows for rapid short series manufacturing. Aiming at supporting clients in a whole prototyping process, we provide services in the areas of industrial design, prototyping, software development and integration finalized in extensive quality assurances.

### EMBEDDED SYSTEMS

Comarch offers visionary system and product solutions within embedded systems. Experience gained during performance of international projects related to consumer electronics, and automobile, medical, finance and banking industries guarantees conformity of the offered solutions with the current trends and the industry standards.

**ERP DIVISION**

**Comarch ERP Altum** – the first intelligent ERP platform which comprehensively supports all key business processes in medium and large trading and service companies and in store chains. It is also intended for holdings. The solution is adjusted to the Polish and foreign markets. The system is also available in a service model (SaaS).

**Comarch ERP XL** – for years it has been the most desired system of the ERP class in Poland and is used by more than 5,000 enterprises from different industries. The solution fulfils specific requirements of manufacture, trading and service enterprises. The system is also available in a service model (SaaS).

**Comarch ERP Optima** – an application for micro, small and medium enterprises which offers sales management, management, accounting services and personnel and payroll management. Along with an additional Accountant Office module and iKsięgowość24 Accountant Office Social portal, Comarch ERP Optima is a tool for managing and advertising the accountant offices and tax counselling offices. The application is also available in a service model (SaaS).

**Comarch ERP iFaktry24** – an innovative application for on-line invoicing, managing a warehouse and simplified accountancy, it is available through an internet browser or an application installed on computers with Windows 8, 8.1 and 10 systems. A solution dedicated to micro and small enterprises. Its main advantages are the ease of use, a complete process automation, a possibility to integrate it with an accountant office, Wszystko.pl portal, Comarch ERP e-Shop and Comarch BI Point. The application is only available in a service model (SaaS).

**Comarch Retail** – an independent system for managing a retail sale, enables a company to manage a retail store chain efficiently and comprehensively, starting from its main office through back-up facilities to the point of sale (POS).

**Comarch ERP Mobile** – a package of mobile applications which supports the ERP systems: Comarch ERP Optima, Comarch ERP XL and Comarch ERP Altum. The package includes: Comarch ERP Mobile Sales Manager and Comarch ERP Mobile Sales. Comarch ERP Mobile Sales Manager is a web application which enables companies to manage mobile personnel and their sales results via one application, run on any type of device: smartphone, tablet, laptop or PC. It enables companies to monitor work results and the current locations of the personnel and routes registered by them. Comarch ERP Mobile Sales is an application of SFA type, enabling users to work on a smartphone or tablet with Android platform, support the field personnel, amongst others, sales representatives and sales assistants in shops.

**Comarch WMS** – a solution which enables companies do manage a High Bay Warehouse. The package includes: Comarch WMS Management and Comarch WMS Warehouse. Comarch WMS Management is a tool dedicated to management of a company warehouse logistic, among others, by defining warehouse structure, handling carriers, giving warehouse orders, monitoring the warehouse's work. It is a web application which can be run on any type of device: smartphone, tablet, laptop or PC. Comarch WMS Warehouse supports the operation of warehouses on data collectors with an option to work on-line. The application allows users to receive, issue, move and take inventory of goods.

**Comarch Business Intelligence** – it is a system based on a technology of data warehouse which is dedicated to small and medium enterprises and international corporations. The solution supports decision-making processes and handling tasks relating to reporting. It offers support to the following industries: financial and insurance institutions, FMCG, service and production.

**Comarch BI Point** – Comarch's own reporting tool allows you to create and view interactive reports and managerial dashboards online, directed primarily to analysts, controllers and managers. Responsiveness of the application allows you to use it as well on mobile devices. Through an intuitive interface and many forms of visualization it ensure ease of use for the user. The tool is used in every type and size of enterprises - the ability to share reports with other users from different geographic locations and different operating systems, ensure flexibility and versatility.

**iBard24** – an easy to use, multifunctional tool for, amongst others, automatic backup, file synchronization between devices and team work on documents. iBard24 service allows users to have constant access to

company data from any device and place 24/7. A huge advantage of the application is the high level of security of the stored data: double encoding and their storage in a certified Comarch Data Centre in Poland. iBard24 is available in four languages (Polish, English, German and French).

**iKsięgowość24** – accountancy and bookkeeping services for enterprises, provided by more than 1,000 accountant offices which use Comarch ERP Optima.

**Comarch ERP Contractor Desk** – B2B platform allowing users to, amongst others, order goods on the Internet. A logged on contractor has access to the history of their orders, payments, claims, can view a realization status of service and production orders. The application works with Comarch ERP XL, Comarch ERP XL and Comarch ERP Altum.

**Comarch ERP e-Sklep** – a software for an internet shop for small and medium companies fully integrated with the Comarch ERP management systems, price comparison applications, Allegro and Wszystko.pl auction websites, and also with on-line payment services.

**Wszystko.pl** – a trading platform (operating so far in www.iMall24.pl domain), it enables a company to sale directly on the Internet from the invoicing and warehouse system used by enterprises. Every company that has purchased the Comarch ERP management software can sell its products via this application.

**Comarch ERP e-Pracownik** - application to manage, among others, working time and holiday leaves, cooperating with the personnel and payroll module in Comarch ERP Optima, Comarch ERP XL and Comarch Altum ERP. The application can be used on your computer, laptop, tablet and smartphone. The program dynamically adapts to the screen size of the device where it is displayed. It can be installed on the user's local computer or as a service model in the Comarch cloud (SaaS).

**Comarch ERP Inwentaryzacja** – is used to make inventory records using a smartphone. Using the camera built into the smartphone allows you to scan barcodes of goods and enter their quantity or count them automatically for the user.

**The Systems of Comarch Software und Beratung AG** belong to a range of ERP systems as well as financial and accounting systems designed for small and medium-sized enterprises in the German-speaking market:

- **Comarch ERP Enterprise** - ERP system of the new generation intended for active companies operating on the international markets and using the Internet. Possesses an ergonomic user interface, built-in WorkFlow module and is optimised to best reflect business processes and organisation structure.
- **Comarch Financials Enterprise** - financial and accounting system of the new generation, developed as the complement of Comarch ERP Enterprise system, enabling complete financial management of modern enterprises.
- **Comarch ERP Suite** - classic ERP system, offering proven, tailored to the specificity of the industry, functional solutions for a wide range of users.
- **Comarch Financials Suite** - comprehensive, certified financial and accounting system with controlling and electronic archiving of documents modules at its disposal, enabling work in an international environment, taking into account different accounting standards (US GAAP, IFRS).
- **Comarch Financials Schilling** - classic financial and accounting system.
- **Comarch Financials DKS** - financial and accounting system developed for customers in the Austrian market, possessing also the controlling and HR modules.
- **Comarch HR** - HR and employee settlement system dedicated to support work time management and recruitment processes.
- **Comarch ECM** - system for electronic archiving and document management, enabling companies to implement a fully electronic documents circulation.

**Comarch eBilanz** - system designed for the electronic transmission of financial statements to the bodies of state administration in Germany; the application works with various accounting and financial systems.



## **PUBLIC DIVISION**

Comarch specialises in designing, implementing and integrating modern IT systems for public administration and companies and institutions from the public sector, Comarch is also experienced in developing comprehensive turnkey solutions and creating network hardware infrastructure. In view of the changes taking place in Polish public administration, Comarch has developed a series of e-government solutions. They are designed to meet specific needs of public sector entities. Comarch solutions are designed and developed according to the latest international standards and are implemented by the best specialists. The most important solutions implemented in public sector are:

**Comarch Workflow** - It supports the electronic (and paper) flow of documents in companies and institutions (industry-specific versions have been developed for particular entities).

**Comarch Portal** - This proprietary Content Management System (CMS) not only provides tools to create and publish website content, but also provides advanced management over content and communication. The system facilitates managing multimedia files and e-learning support. The thematic video chat and forum solutions, as well as the FAQ options, will ensure efficient interchange of information throughout a company.

**Comarch e-Investor** - This is a useful tool to provide support for investors (individuals, institutions and companies). The system is offered to local government bodies and investment agencies and is used in many different fields of the investment industry (information, research, organization, spatial management and transport).

**Comarch e-Tourist** - This platform provides support to promote locations and regions attractive to tourists. Interactive maps (connected to GPS maps) can include visualizations of tourist trails, descriptions of restaurants, overnight accommodation, local attractions as well as weather forecasts. Apart from the informational function, users can book various activities (including tour guides, special attractions and support in selected languages) for individual tourists or groups and also presentation of local attractions (also in 3D).

**Comarch e-Office** - Comarch e-Office is a platform of online public services with a set of modules that allow local public administration bodies to execute tasks set by the legislator. Intuitive tools allow for independent management of the application and ensure support for content creation and publication. Comarch e-Office includes the following modules, among others: Digital Office, Public Information Newsletter, Information Portal and Intranet.

Comarch **ERP Egeria** - This ERP class Integrated IT System supports management of organization and decision-making processes. It features a high configuration capacity and flexibility, which allows it to be adjusted to the individual needs of each client. The system is offered to different types of companies and institutions (government and local level administration, health care, colleges and universities, utilities, etc.).

**Comarch ERP Egeria e-Health** - Comarch Egeria e-Health is a system designed to handle the administrative part of health care facilities. Its modular construction makes it easy to be adapted to current needs and can be gradually expanded. The system is prepared to work with data from working time recorders, data collectors and fiscal printers. For users' convenience, the system is divided into the following areas: Finance and Accounting, Personnel Management, Warehouse Management and CRM. The system supports also defining the medical procedures and calculating the cost of treatment.

**Comarch ERP Egeria Education** - This is an integrated tool to provide support for academic institutions. The system consists of two parts: Front Office, to support didactic processes, control over student and scientific issues, and Back Office, which is responsible for accounting, warehousing, HR and other processes related to administration over higher education institutions. The system is fitted with a wide range of reporting tools.

**Comarch ERP Egeria Virtual University** - The solution providing a comprehensive functionality package designed to manage current student affairs. The portal is fully integrated with the part of ERP Comarch Egeria Education, which is used by the dean's office. The Access to individual sections of the portal depends on the level of privilege that a user holds (student, teacher, worker and administrator).

**Comarch ERP Egeria Mobile Virtual University** - The solution allows students to gain academic knowledge with the use of mobile devices. Students have the access to: personalized messages, news, assessment history, schedule, offers of educational institutions and so on.

**Comarch ERP Egeria Leasing** - This integrated IT system gives support to companies that provide financial services (including leasing). The system supports the sale of financial products with calculators templates and tools which facilitate customizing offers and adjusting them to changing market requirements.

**Comarch ERP Egeria Leasing Partner Care** - The main functionality of the Leasing Partner Care system is the possibility of entering offers and object data for customers of leasing companies. The system provides customer support (e.g. by providing the repayment schedule), and adding securities and allows for adding a lease insurance option to the offer. The last stage is pre-valuation, that is a process where specific conditions in configuration of a product are checked.

**Comarch ERP Egeria Public Administration** - The ERP (Enterprise Resource Planning) system for public administration management, which is adapted to the specific requirements of the local government units and is often supplied with extra modules to correspond to the variety of needs of individual offices, e.g. budgeting and tax service.

**Comarch ERP Egeria Utilities** - Enterprise Resource Planning (ERP) system software is dedicated to water-supply and heat generating companies. The system is provided with billing modules and specialized tools supporting maintenance, repair and technical support, and analytical modules.

**Comarch Egeria EBOK** is a portal with elements of CMS. It provides direct online access to basic data about the client, in particular the statements of sales documents, settlement balances, list of contracts and equipment related to the client as well as relevant readout data. EBOK allows for direct transfer of information from the enterprise to the user and vice versa, and the CMS elements enable free publication of profiled articles. Additionally, the EBOK portal makes it possible to send queries, record any issues directly related to the client, or report a possible fault. This greatly simplifies and accelerates the process of communication between the client and the service provider. The direct access to sales documents eliminates the need to collect a large number of documents, including paper invoices.

**Comarch Mobile Inventory and Mobile Inventory** is a solution enabling full support for the process of inventory of fixed assets recorded in the COMARCH ERP Egeria system using mobile devices. The inventory process comprehensively supports various steps of the process: downloading data from Comarch ERP Egeria, verification of fixed asset data (including photographs), their adaptation or adjustment, settlement within spreadsheets, submitting a request to change an asset. The application works both online and offline and after completion of the inventory allows you to organize your fixed assets in the system. Comarch Mobile Inventory works with Motorola MC40 terminal, a standard tablet, phone with Android version 4.1 or higher, and Motorola CS3000 Series reader, which enables comprehensive service of the inventory process.

**Comarch ERP Egeria Smart Office** is an integrated with ERP Egeria system, secure and ergonomic package of mobile applications that optimizes realization of selected business processes connected with warehouse operations services (Goods Received Note and Goods Issued Note), reservations, inventory management and equipment order processing. Comarch ERP Egeria Smart Office can operate online and offline, cooperate with data collectors, typical tablets and mobile phones running on Android 4.1 version or higher.

**Comarch Work Expenditures Recording** - This system is used for planning and recording time worked (as well as registering attendance). The system provides a way to plan employee tasks and records actual attendance, as well as the execution of assigned tasks.

**Comarch CBO for media trading companies and distributed recipients** - This is a solution dedicated for companies that trade electricity, heat, gas, water and sewage networks, as well as for dispersed recipients. It ensures fast access to data collected from various sources (such as distribution companies or independent reading operators), tracking the consumption of utilities and providing multiplane analysis of gathered data. Data in the system constitutes a credible basis for settlement of recipients, planning

purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analyses and client segmentation in terms of their consumption structure.

**Comarch CBO for media distribution companies** - This system acts as a measurement operator for companies. It provides a number of automatic mechanisms for data acquisition taken from various sources and its verification, and makes it available for multidimensional analysis. It ensures easy integration with existing billing systems, network property management systems and other systems vital to a company's activities. This solution facilitates managing readings from electricity meters and other utilities, including water, heat, and gas.

**Comarch Network Assets Management System** - This is a solution dedicated for network companies such as electricity distribution companies, gas distribution companies, or water and sewage network companies. The system ensures complete registration and management of data concerning a company's entire network infrastructure and improvements in executing core business processes such as connections of clients, planning and execution of investment and repairs, operational use of networks, processing service calls, network complaints, emergency events and disconnections.

**Comarch IT Cost & Risk Analysis** – This is a tool for determining the total costs of providing IT support and comparing it to the alternative of having no IT support. The system calculates the costs and risks related to migrating support for business processes. It provides valuable information related to the profitability of providing IT support including: ROI, NPV, and IRR. It presents a simulation for processes, systems and entire models of providing IT support.

**Comarch Business Intelligence** - The thematic data warehouses built by Comarch include various data ranges and carry out many different objectives. We have created data warehouses which are knowledge databases, the tools to analyse medical and financial data, and to support business activities. Our solutions are specifically valuable for the management of large volumes of data, collected from numerous systems and locations.

**Comarch Database Archive** - This is a tool used for optimizing archived data and the planned management of it. The system facilitates creating new data partitions by selecting them from active partitions and correctly rebuilding database structures, partition disconnection and archiving, and authorization of data deletion and restoration.

**Comarch Security Platform** is solution merging elements of both physical security and cybersecurity. It's an innovative Physical Security Information Management system supporting security of objects and protected areas. Our solution integrates multiple security systems such as anti-theft alarms, CCTV, fire alarms and access control system, allowing users to manage all the security measures throughout one central security system. Additional components regarding image analysis, data correlation and predefined action procedures allows for automation of work, increasing security of protected area or building. Information analysis modules allows for detection and prevention of physical (terrorism, demonstrations) and cyber (hackers, botnets) threats.

**Comarch Smart City Platform** is a comprehensive solution dedicated to cities and urban matters. The platform centre - Comarch Smart City Engine combines all platform elements with the existing municipal systems and infrastructure (including Internet of Things). The Platform is composed of: Comarch Partners Market, mobile applications, dedicated Comarch City Portal, Comarch Developers Platform and Comarch Smart City Console. Comarch Smart City is a set which constitutes both a data warehouse and analytical tool. Collection of data from the systems, urban infrastructure and users themselves enables not only the optimization of urban processes, but also more efficient matching the offer of services to the preferences and habits of the inhabitants.

**Comarch eRecording** - Comarch eRecording is a comprehensive and coherent solution, which combines the convenience of classic audio / video recorders with sound systems and a dedicated application to control the process of audio / video registration. The system allows for recording meetings or public appearances together with related metadata and comments, which guarantees efficient search for a recording during the playback. Additional sources for the registered data may be external multimedia data and remote transmission conducted by a video terminal. Comarch eRecording provides, together with a recording, multimedia player independent from the device's platform.

**Comarch Video Terminal** - Comarch Video Terminal is a client of video conference that supports popular connection standards and audio-visual transmission. It is also a suitable complement for Comarch eRecording, as it provides point-to-point connection, as well compilation of multi-party calls based on the standards and infrastructure of video conferencing bridges of leading suppliers.

## **SERVICES DIVISION**

In the services sector, Comarch designs, implements and integrates innovative IT solutions for loyalty programs, marketing campaign management, employee motivation management, electronic data interchange and business information, manages documents and their flow within the company and sales process management using support systems and mobile applications. The offer also includes a comprehensive range of IT infrastructure management for services companies.

Services Sector currently employs about 900 employees and implements projects on five continents in 35 countries, starting from Poland through all European countries, Arab countries, Malaysia and the Philippines up to the United States, Canada, Dominican Republic, Brazil and Chile. Among our clients are BP Global, Carlsberg, Heathrow Airport, Heineken, JetBlue Airways, Metro Group, OMV, Diageo (producer of such brands as Johnnie Walker, Smirnoff and Baileys), Red Bull and Tesco.

### **Solutions to manage loyalty programs and marketing activities**

Comarch CRM & Marketing is an offer for large companies constitutes a comprehensive package of IT solutions and expert services that helps to build loyalty programs and manage them, to create a good relationship with customers, to automate marketing processes and, ultimately, increase profits. Our software supports all activities creating value for the loyalty program participants. Comarch knows the characteristics of many industries thanks to the experience gained while working with more than 80 customers, which include FMCG companies, retail chains, telecom operators, financial institutions, airlines and airports, among others, JetBlue Airways, Heathrow Airport or BP. Comarch's offer also includes tools to analyze Big Data and innovative, based on gamification, systems to build customer engagement that increase profits and strengthen relationships between customers, partners and brand.

Comarch CRM&Marketing includes the following solutions and services:

**Comarch Loyalty Management for Retail** - is a world-class system for managing loyalty programs of all sizes, both multi-partner and in a stand-alone model. The system supports operators of B2C and B2B loyalty programs and provides support for all areas, ranging from customer registration and profile management by creating promotions based on different currencies and communication with participants, to rewarding customers with gifts, discounts and special offers from partners. Customers are engaged with built-in geo-located marketing offers, gamification mechanisms and promotional actions, such as lotteries, auctions, coupons, or benefits for rewarding the best customers - all these in order to maintain a high level of satisfaction and to increase customer retention and sales.

**Comarch Loyalty Management Travel Edition** - is a version of the product dedicated to companies in the transport and tourism sector, particularly airlines. The platform supports airline loyalty programs for all types of carriers, both for individual clients (Frequent Flyer Programs), as well as B2B. The system supports the creation of sector-specific rules for points accrual and redemption, defining Elite Tiers and privileges, as well as a separate module that automates the process of adding new partners and exchanging data with them.

**Comarch Campaign Management** - is a system designed to manage multi-stage marketing campaigns, automate their execution, and monitor and analyse the performance of individual marketing campaigns. The solution enables marketers to simplify planning and to run personalized communications with customers through multiple channels, provides control over marketing costs and allows campaign testing. The system also helps to coordinate and track tasks of particular team members.

**Comarch Customer Engagement** - is a solution for the management of commitment and customer loyalty. The system can function either as an adjunct to other solutions, or as a stand-alone model. The solution allows users to define a variety of engaging tasks (educational, social, entertainment) for users, for which they are rewarded with badges or a higher level or position in the ranking.

**Comarch Smart Analytics** - is a Business Intelligence system that allows the simultaneous acquisition and use of information about customers, their behaviour or preferences. For the analysis to be maximally reliable and to most faithfully reflect the behaviour of the market, the tool retrieves data from loyalty systems, CRM, marketing campaign management, as well as from other sources such as accounting systems, revenue registration or controlling systems.

**Comarch Social Mining** - is a system that allows the user to monitor the behaviour of a loyalty or gamification program participant on social media by analysing posts, comments and amount of the provider's shared content, including verification of its popularity. Additionally, the system collects the participants' personal data, which allows for an even more personalized marketing communication in terms of loyalty programs.

Within CRM&Marketing we also offer **Managed Services**:

**Loyalty Consulting** - is a package of services, in which we help our customers to create complete, innovative programs or revamp existing ones, so as to attract customers, increase profits and build a stronger bond between customer and brand. Comarch offers its customers the development of strategies and concepts of the program, helps in reward strategy and fulfilment, marketing communication planning, program organization and the development of detailed procedures and an IT requirements analysis.

**Creative Services** - are professional and comprehensive services, which, thanks to the focus on the visual and conceptual side of implementation, boost participants' engagement and motivation. Characteristic elements of creative services include: designing an involving strategy scheme, setting out the basic principles and mechanisms of an engagement program, developing unique graphic design (mobile, web, TV spots, brochures, posters), managing a program that engages clients.

**Program Management Services** – dedicated and highly experienced program managers will manage and coordinate your loyalty program by executing operational tasks and software application administration, as well as by providing expert guidance for future improvements and further growth. The range of services provided by Comarch includes support in program organization, setup and selection of marketing service providers and fulfilment partners, managing on-going relationships with strategic program partners and subcontractors, ongoing administration of software applications involved in program operations, reporting of program KPIs and service performance, fraud detection and prevention, overall communication management, as well as configuration and administration of the program web portal.

**Customer Analytics** - is a service in which Comarch provides support and assistance in the gathering, analysis and interpretation of data for the construction of customer-focused business strategies. We specialize in building customer segmentation models, analysis of data from loyalty programs, analysis of customer migration and customer activation strategies, development of predictive models and scoring, database marketing and analysis of customer satisfaction.

#### **Management Solutions for motivation of employees**

**Comarch Enterprise Engagement Platform** - a comprehensive solution for the management of motivation, commitment of employees and business partners. The system enables the definition and design of engaging, diverse tasks (education, sales, entertainment and social media) for employees for the execution of which they are rewarded with badges or a higher level or position in the ranking.

#### **Smart City solution for local authorities, transport companies and shopping centers**

**Comarch Smart City** - a professional, multifunctional platform consisting of both back-office as well as mobile application that offers our customers comprehensive services in the areas of transportation, mobility, administration, and a full range of commercial services. Comarch Smart City allows for highlighting and matching capabilities of combining several facilities, depending on the individual needs of each client. In turn, Comarch Smart City Mobile Application combines the functionality typically occurring in many mobile channels, so that the user of application has a direct and quick access to interesting information on transport services or offers of distinguished partners.



## Electronic Data Interchange solutions

**Comarch EDI (Electronic Data Interchange)** is a platform for transaction services based on modern technology that provides electronic communication with every business partner in the world. It ensures process optimization and automation of data processing throughout the supply chain from the exchange Master Data, ordering process, through the implementation of supply, to invoicing and processing of payments.

Comarch EDI was indicated in the 2014 Gartner MQ report. The platform has been selected by more than 50,000 users from 40 countries exchanging more than 500 million documents per year (e.g. Metro, Leroy Merlin, Unilever and BP). EDI ensures:

- Validation of data
- Mapping/translation from/to the appropriate formats
- Integration with IT systems (e.g., ERP, WMS)
- Data routing
- Reporting

### Comarch EDI solutions:

**Comarch EDI e-Invoicing** - solution for servicing electronic invoices in accordance with applicable regulations. As part of the solutions we provide:

- Support for sales and purchase invoices
- Legal and business data validation
- Adjusting the format of invoices for different receivers (e.g., XML, PDF)
- Signing invoices with an electronic signature (also on behalf of the Client)
- Distribution through various channels (e.g., integration, portal, Web- EDI, e-mail, mail)
- Archiving of electronic invoices in accordance with applicable regulations.
- Integration with Comarch ECM - a comprehensive approach to paper and electronic invoices.

**Comarch EDI Financing** - faster receipt of payment or extension of the due date thanks to integration with banks' invoicing financing services (from selection through financing to execution of the payment).

**Comarch EDI e-Market** – is an e-commerce solution that allows mainly manufacturers to effectively cooperate with smaller business partners. It provides:

- Customization of the application's layout
- Definition of individual product catalogues
- Determination and calculation of discounts
- Entering a variety of promotions
- Ordering of products/Shopping cart
- Reporting

**Comarch EDI Master Data Management** – the central product catalogue that streamlines the management of product data in one place. It allows the user to define various attributes of general areas, as well as those dedicated to the business partner.

**Comarch EDI Mobile** – Mobile application for quick and easy ordering of products by scanning barcodes. Another feature is the ability to optimize the reception of deliveries through a combination of EDI documents (DESADV) with a logistic label (SSCC).

## Solutions for document and process management

**Comarch ECM (Enterprise Content Management)** allows for the comprehensive management of documents and business processes to provide faster performance, better control of the data and work, as well as a high level of safety in the company's critical information. Comarch offers a broad portfolio of solutions and services that enable the design, implementation, commissioning and management of the document aspect of business processes, such as the process of accounts payable, purchase processes, HR processes, contract management and master data management.

Comarch ECM has a base of over 600 customers in 35 countries on 4 continents. In the implemented solutions there are stored more than 15 billion documents, and daily launched more than 1 million process instances. Comarch ECM solutions were chosen by such companies as ING, Carrefour, Eurocash Group, Rossmann, Valeo, Valeant, Igepa, T-Mobile and Technicolor.

As part of Comarch ECM the following modules are offered:

**Comarch ECM Accounts Payable** - allows the user to redesign, streamline and automate processing of cost documents. One, unified service process is able to handle multiple business units and ERP systems in many countries and languages. Implementation allows:

- unification and standardization of purchase invoices processing
- input channels of documents can be integrated (paper and scanning, pdf to email, EDI)
- reduction in time-consuming registration of documents from the outside of EDI channel by using an unconventional OCR engine without templates
- a workflow engine to be used, which allows the support of electronic circulation, attribution and confirmation from which data will automatically go to the ERP systems

The solution is aimed at shared services centres of capital groups that support multiple entities in different languages, integrating with various accounting systems and to entities with significant volume and geographical dispersion of decision-makers who accept financial documents.

**Comarch ECM Employee LifeCycle Management** is a solution designed for companies employing several hundred or even several thousand employees, i.e., those in which the optimization of Human Resources services becomes an important element. Replacement of paper personnel files with their electronic equivalent in everyday work provides easy search and a quick preview of documents, resulting in real time savings for employees in the human resources department. The notification and reporting system also allows for efficient management of contract terminations and periodic health examinations or training.

**Comarch ECM Contract Management** allows for the implementation of a secure unified register of commercial agreements, whereby employees in the purchasing or accounting departments will be able to quickly locate and verify the provisions of the agreement. The workflow engine enables the implementation of an electronic contract approval process so that while accelerating the process it increases its safety and reduces the risk to members of the board authorized to sign contracts. Within this module the entire lifecycle of contract is operated, from its creation (possible to create predefined templates), through negotiations, signing up to the execution of the provisions of the agreement, measuring KPI, and at the time of the upcoming expiration reminder of the need to take steps seeking to extend or terminate the contract.

**Comarch ECM Master Data Management (MDM)** – allows the user to organize the process of adding and modifying clients' or products' data, and also eliminates the chaotic email or paper communication that imposes double data entry through integration with target systems (ERP).

**Comarch ECM Quality Management** allows the user to organize all quality documents in the enterprise as a central knowledge base, and thus make it easier to access and quickly retrieve key quality documentation, not only in the quality department but also for staff in other departments.

**Comarch ECM Manufacturing Management** - this implementation provides support for technical and production documentation, whose main advantage is fast and easy access for production department employees.

**Comarch ECM Procure To Pay** – Comarch ECM P2P enables the system implementation of procedures and thereby raises effectiveness of controls of planned expenditure and simplifies the process of approval by the management. At the same time the solution significantly increases the accuracy of the forecasts of financial reserves.

**Comarch ECM Customer Care** – the module allows to improve the quality of customer service through faster and more transparent implementation of the case. The module finds himself wherever many clients report complaints, seek to enable additional services or change the address data. The system allows to

service requests flowing from different channels - phone call, e-mail, chat with a consultant, fax, traditional mail, interactive form, social media.

**Comarch ECM Advanced Document Management** – central repository for documents available from dispersed locations. The module allows to reduce the paper consumption. Designed for companies, which process large volumes of documents, allows to eliminate duplication of work, control over document versioning, expanded authorization system provides the highest level of security of the stored data.

### **Solutions to support sales and distribution**

**Comarch SFA (Sales Force Applications)** are mobile and web solutions dedicated to running and optimizing business processes, including those related to sales, logistics and customer service. Our portfolio includes systems for sales support and sales representatives' work management, integration solutions and communication services with business partners, as well as web-based applications for managing sales and trade marketing, marketing and promotions.

Comarch SFA consist of more than 4.5 thousand users of Mobile Sales Force Apps, 20 million generated delivery orders and more than 15 million transmitted documents. Comarch SFA solutions have been implemented in companies such as Carlsberg, Diageo (producer, e.g. of Johnnie Walker, Smirnoff and Baileys), Red Bull, Nivea, Energizer and BioMed.

Comarch SFA platform include:

**Mobile Sales Force Applications** - is a professional Sales Force Automation-class system that provides full support for point of sale by mobile field workers. Within its offer, Comarch SFA provides users with applications that depend on the role and responsibility they have. Users can use mobile applications (smartphones and tablets) and applications available on-line via a web browser or installed locally on computers. Mobile applications are available on the Google Android platform and iOS. Solution Comarch SFA Mobile Sales Force Applications has been appreciated by Gartner analysts and included in the report „Market Guide for Retail Execution and Monitoring Solutions”.

**Comarch SFA Online Manager, Comarch SFA Online Administrator and Comarch SFA Mobile Manager** - are applications for managers and business administrators who manage sales forces in the organization. Applications provide the functionality associated with the reporting and control of sales and medical representatives who operate out of the offices.

**Comarch SFA Online Sales Support Applications** - is a sophisticated B2B platform that integrates business partners - manufacturers, distributors and shops. It provides comprehensive communication, reporting and support for sales and marketing organizations. As part of the system, Comarch SFA also provides applications for managers and business administrators who manage sales forces in the organization. The platform also includes e-commerce and call centre modules.

**Comarch SFA Trade Promotion Management** - a support module for planning and settlement of trade promotions and promotional budgets. It offers the ability to easily define long- and short-term promotional activities with selected customers, to take stock of the effectiveness of these activities and to use the historical data to analyse and find the best solutions to increase sales. As the only Polish IT solution has been included in the Gartner report "Market Guide for Trade Promotion Management and Optimization".

**Comarch SFA Online Distribution** - a communication and integration service for automatic, daily reporting to manufacturers of key information from traditional sales channels, such as inventory or resale. Online Distribution Service is provided on the basis of international standards for the electronic communication of EDI (Electronic Data Interchange), using the necessary integration of financial and accounting systems with manufacturers' and distributors' (wholesalers) sales departments. It also enables reporting of the producer's sales against the competition.

### **IT Infrastructure Management – Comarch ICT**

Comarch ICT allows for complete control of the enterprise IT infrastructure. The combination of competence with many years' experience in the fields of telecommunications, outsourcing and data centres is a guarantee of the realization of specific implementations based on the best global standards



and technology partnerships with leaders in the IT market. These solutions guarantee data security, promoting the development of IT processes within the organization, as well as internal and external communication. The most important services provided by Comarch in the area of ICT are Data Centre, IT Outsourcing and Integration and IT Networks.

### **Comarch Data Centre**

Comarch has 15 years experience in the provision of data centre services. These are services based on advanced technological data centers with high-availability and architecture TIER III and TIER IV that are an alternative for companies to expanding their IT infrastructure resources. They allow clients to benefit from the use of a specially designed space, without the need to build it and without creating expensive infrastructure. We accompany the client at all stages of the project, starting from preparation of the initial concept, through design solutions, their implementation and migration, to maintenance and management.

Comarch has 3 own Data Centers, dispose 13 Data Centres around the world, with 5 petabytes of data stored for customers in more than 50 countries.

Services in the Comarch Data Center can be provided in one of the following service models:

**IaaS (Infrastructure as a Service)** - it consists of renting IT infrastructure - a specified amount of servers, computing power and storage space. Choosing the IaaS model enables a flexible and scalable selection of IT infrastructure resources based on the current needs of the company. As part of IaaS Comarch provides:

- Co-location systems in secure data centre premises, designed and secured in accordance with the highest industry standards
- Shared network infrastructure and a central backup system
- Redundant access links to the Internet

**PaaS (Platform as a Service)** – in PaaS Comarch delivers a complete hardware platform system with a complete range of Managed Services that support the client's application. As part of PaaS Comarch delivers:

- Equipment (arrays and servers) co-located in the centre(s) of the Comarch Data Centre
- All necessary third-party licenses
- Administration and management of the operational layer (e.g., operating system, database)
- Management of the network layer and the safety systems
- Provision of redundant telecommunications links
- Monitoring of the entire solution, 24/7
- One level SLA for the entire system

**SaaS (Software as a Service)** is the most comprehensive service provided by Comarch Data Centre. It includes the supply of Comarch applications together with the necessary server infrastructure delivered as a service model. As part of the SaaS services we provide:

- Platform as a Service (hosting)
- Comarch applications or, in certain cases, foreign applications
- Application administration services and IT infrastructure
- 24-hour monitoring and supervision of the system components and a very short response/repair time
- A single point of contact for the customer and one SLA for all solutions
- Optional help-desk for end users

**Disaster Recovery Centre (DRC)** Comarch DRC is an optional extra service for all the above-mentioned solutions offered by Comarch Data Centre. It includes providing a backup data centre for critical systems. The service is offered in various models within which Comarch provides:

- The primary data centre facility - emergency facility is located at the customer's location
- Reserve data centre facility - the centre core is located at the customer's location
- Primary and backup data centre facilities - both centres are located in one or two physical locations

This service can be delivered using a PaaS or SaaS model with regard to ensuring the replication of data between the two centres, and booting the backup system after a failure of the primary location.

**Comarch IT Outsourcing & Integration**

Due to the dynamic changes in the market of IT infrastructure, an experienced technology partner is crucial these days for business development. IT Environment of the company in hands of Comarch engineers and analysts is a guarantee of continuity and availability of the required systems. Comarch offers a wide range of IT services, which are always tailored to individual customer needs. The most important services in this area include Comarch IT Outsourcing, Comarch Comarch IT Integration and Comarch Business Continuity.

**Comarch IT Outsourcing** is a group of continuous services, whose task is to provide comprehensive IT support to the customer, ranging from full support to the end user (service desk and station care), through the administration of LAN/WAN, server infrastructure and security, to the management of IT processes in accordance with the best ITIL practices. We implement services based on a team of experienced engineers and Service Managers in accordance with agreed SLA parameters. In addition, we provide customers with continuous services performed remotely or directly at the customer's location, which are related to advanced server systems, database and matrix, and therefore the most critical systems for the client's business and the most demanding in terms of availability and reliability.

**Comarch IT Integration** - this is a group of services whose task is to adjust the customer's IT environment to new business requirements and technical specifications. We support clients from the stage of analysis and design of a new IT platform, through the delivery of appropriate hardware and software, to the implementation phase. Services relate to both the launch of new systems on new platforms, extension of functionality by updating the software version and migration between systems, systems consolidation or virtualization of environments currently used by the client.

**Comarch Business Continuity** - is a group of services designed to provide customers with high-availability systems, minimize the consequences of accidents and disasters, and the possibility to enable a quick return to the pre-failure state. Based on Comarch office space in Krakow and Warsaw, we offer customers a spare office for their key employees. The high-availability solution is a service for those customers for whom even a few minutes' critical system failure is a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the validity of the data stored and processed in IT systems. In addition, within this group of services we also provide audit services for various IT areas.

**Comarch IT Networks**

Solutions offered by Comarch are designed to improve communications within the organization, and also with business partners and customers. Comarch IT Networks is a range of solutions for the integration of solutions to support the exchange of information and efficient communication within the company. This includes any communications technology, applications and data resources such as WAN or LAN, improving not only communications, but also the exchange and access to corporate information. Comarch IT Networks solutions include:

**Comarch Network Managed Services (CNMS)** - is a concept of solutions designed to create and maintain data networks, including WAN/LAN/WLAN. CNMS is a comprehensive solution for the construction or modernization of existing transmission networks, as well as the management and administration of these networks. In addition, we provide solutions for network security.

**Comarch Contact Centre (CCC)** - This is a comprehensive package of solutions that supports customer relationship management, and internal communications of organizations, as well as many other areas of business. The solution proposed by Comarch facilitates efficient management of information in the enterprise and allows the user to optimize the customer service process using customer-owned systems. On request, Comarch Contact Centre can also be provided in a service model, allowing for availability of Comarch Contact Centre customer resources. The customer, under this solution, gains access to the Contact Centre infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer itself provides only CC agents and internet access.

**Comarch NOC (Network Operations Centre)** - Comarch NOC is a comprehensive solution that provides a single point of contact with the client, providing technical support for monitoring and Service Desk in the areas of IT infrastructure and business applications for all types of businesses and institutions. Thanks to the built-in functionality of an automated and reliable system in place to monitor the

IT services offered by Comarch, the service can be helpful both for administrators and IT managers. Comarch Network Operations Center provides customers a current knowledge on the availability and performance of individual elements of their IT infrastructure, operating systems, and operating platform.

## **COMARCH HEALTHCARE**

Comarch Healthcare S.A. is a provider of a wide variety of healthcare solutions including, among other things, IT systems for hospitals, software products for radiology and medical record management in medical institutions, cities, and regions. Comarch Healthcare is also a supplier of innovative Remote Medical Care solutions that use its own software, equipment, and medical infrastructure.

### **Medical Institutions Management Software**

**Optimed NXT** is an innovative IT system designed for managing hospitals, allowing for the organisation of healthcare during the patient's stay in hospital wards and clinics – from the moment of registration till the discharge. The system may also be used on mobile devices such as tablets, which provides doctors with access to information about a patient right at the bedside.

**Optimed24** is an intuitive software for managing health clinics and doctor's offices. Dedicated to all outpatient facilities, regardless of their structure and services provided. The solution supports i.e. keeping electronic medical records, handling patient visits, issuing prescriptions and referrals. Optimed24 is a functional management tool for healthcare facility managers.

**Comarch ERP** is a system for supporting the management of administrative part of the hospital. It enables control and guidance of the implementation of complex processes connected with supply, management of own assets of the institution, its maintenance and development, as well as with employment, current support and professional development of a wide range of specialists.

**Comarch Business Intelligence** This broad portfolio of tools for analyzing data generated by the medical facility. The solution allows to make multidimensional analyzes of the whole process carried out by the operator. The system offers a number of ready-made desktops of information dedicated to specific groups of employees and management.

### **Software supporting the management of medical records**

**Comarch EDM** (Electronic Medical Records) is a system used to manage e-records in all types of medical entities, as well as at regional level. Central access to documents originating from various systems enables efficient collection and processing of medical data. The solution allows for the exchange of information between the institutions, which accelerates the process of diagnosis and helps to avoid redundant research.

**Comarch Concierge** is a multi-channel communication platform for patients, providing continuity of medical care. The solution facilitates the exchange of information between the medical facility, doctor and patient. It allows the patient to remotely register on a visit to a specialist, ordering prescriptions, access to results of medical examinations and even consult a doctor without leaving home.

**Comarch MEDNOTE** is a modern application for managing doctor's office. It organizes medical records, provides the necessary information concerning the patient and minimizes the time needed for paperwork. The system allows, among others, easy dispensing of prescriptions, referrals and other medical documents.

### **Software tools for radiology**

**Comarch RIS** - radiological information system supporting the activity of diagnostic imaging facility. It optimizes the process of carrying out medical tests, improves communication and allocation of personnel within the facility. It can be an integral part of the HIS system, as well as fully independently manage the department of diagnostic imaging.

**Comarch Teleradiology** - comprehensive environment that enables secure transfer of image data and remotely execute descriptions of radiological examinations. This allows for more efficient use of working

time of radiologists. The solution combines any number of health care units and enables the exchange of data between ordering institution and specialists describing examinations.

**Comarch DICOM VIEWER** - the web browser used to the presentation of medical images stored in the DICOM format on CD/DVD or other storage media. Applied web technologies allow for comfortable use of the browser in various places of work, without need for installation. It can be used as a standalone tool as well as through integration with other hospital systems to provide a quick preview of radiological images from the RIS, HIS and PACS.

**City of Health** - IT-service platform, consisting of a set of mutually interconnected applications and IT systems. Service targeted to regions and cities is an effective tool for implementing regional health policies. The concept of "City of Health" focuses on residents as recipients and clients of provided health care services. Anonymised data from a city or region is processed by the analytical and reporting platform. On this basis, the authorities are able to make optimal decisions concerning the strategy of development of health policy and supervision of its implementation.

**Remote Medical Care** - is the form of the provision of telemedicine services, which allows for constant monitoring of the patient's condition, and performing preventive and control examinations outside the hospital. The following way of providing medical care is possible through the use of portable medical devices recording specified life parameters. Results of the examination are transmitted automatically to the Center for the Remote Medical Care, and analyzed. If any irregularities, medical personnel remotely contact patient's with a doctor or specialist, and in case of danger to life or health - calls an ambulance.

**Remote Cardiac Care** - facilitates detection of cardiological problems, including tachycardia and bradycardia, ventricular tachycardia, ventricular fibrillation, ventricular flagellation, atrial fibrillation, atrial flagellation, and ineffective stimulation by a pacemaker. It is used both for in-patients, and to monitor the health status of patients rehabilitated at home.

**Remote Obstetric Care** - facilitates non-invasive CTG at a patient's home. After the test, results are sent to a Remote Medical Care Center and assessed by a gynaecologist or midwife. CTG provides a comprehensive monitoring of fetal heartbeat and uterine contractions from home in the third trimester.

**Remote Elderly Care** - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

**Comarch e-Care Platform** - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

**e-Care application with Web Interface** - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

**Remote Medical Care Center** - a Remote Medical Care Center with healthcare personnel monitoring patient health status is the key component of the remote medical care system.

- Gathers qualified healthcare personnel, such as paramedics, midwives, various specialist doctors, dieticians, and physiotherapists.
- Monitors a patient's health status all day, including holidays.

- Intervenes if anomalies in terms of individually specified parameters are detected (for example, norm exceeded or alert value reached) and at the patient's request (for example, when the Life Button is used).
- Uses medical procedures that facilitate faster and more adequate intervention.

Comarch Helathcare S.A. has implemented a certified ISO 13485 system for the quality management of medical devices. The Comarch e-Care platform is a class IIa medical device certified for Directive 93/42/EEC.

**iMed24 Healthcare Center** - as Comarch Healthcare S.A.'s healthcare center this is naturally an environment for the development of solutions dedicated to this sector. iMed24 was the first healthcare center in Małopolska to offer Remote Medical Care (more than 1500 patients). The facility has about 100 doctors who work in more than 30 specialist out-patient clinics.

## **SPORTS ACTIVITY**

MKS Cracovia SSA operates sports activity by participating in professional leagues and competitions in several sports, the most important are football and ice hockey. The purpose of the company is to promote Comarch brand. It is a part of the marketing strategy of Comarch Group, the aim of which is to create the image of Comarch as a first-choice integrator for large and medium-sized companies in Poland.

Revenues from sports activity of MKS Cracovia SSA include revenues on account of advertising and other services as well as revenues from the sale of tickets to sports events organized by the company.

## **4. Position of the 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. Since many years, the company's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe and South and North America. Sale in the company is highly diversified, with no dependency on one major client. In 2015, the share of sale to none of the customer exceeded 10% of the Comarch S.A. sales.

Due to the specific nature of the industry, in which 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 2015, share of none of the product provider exceeded 10% of the value of Comarch sales.



## 5. Sales Structure

### 5.1 Revenues from Sales- Geographical Structure (in thousands of PLN)

	2015	%	2014	%	2013	%
Domestic	554,058	49.0%	557,483	53.7%	543,620	57.9%
Export	577,522	51.0%	480,868	46.3%	395,356	42.1%
<b>Total</b>	<b>1,131,580</b>	<b>100.0%</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>

In 2015, the Group's export sales increased by PLN 96.7 million, i.e. 20.1%. A decrease in domestic sales was PLN 3.4 million, i.e. 0.6%.

Geographical sales structure (market structure):

	2015	%	2014	%	2013	%
Poland	554,058	49.0%	557,483	53.7%	543,620	57.9%
DACH	267,097	23.6%	216,336	20.8%	188,877	20.1%
Remaining countries	310,425	27.4%	264,532	25.5%	206,479	22.0%
<b>Total</b>	<b>1,131,580</b>	<b>100.0%</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>

The Group's sales in DACH region increased by PLN 50.8 million, i.e. 23.5% compared to those in the previous year. Sales to other regions increased by PLN 45.9 million, i.e. 17.3%. The share of sales to other countries grew from 25.5% in 2014 to 27.4% in 2015.

### 5.2 Revenues from Sales – Market Structure (PLN'000)

	2015	%	2014	%	2013	%
Telecommunication, Media, IT	313,284	27.7%	263,344	25.4%	218,268	23.2%
Finance and Banking	151,122	13.4%	138,744	13.4%	142,168	15.1%
Trade and Services	159,032	14.0%	117,798	11.3%	102,377	10.9%
Industry & Utilities	112,805	10.0%	94,109	9.1%	94,006	10.0%
Public Sector	114,240	10.1%	171,952	16.5%	157,786	16.8%
Small and Medium Enterprises – Poland	106,600	9.4%	99,463	9.6%	84,294	9.0%
Small and Medium Enterprises – DACH	102,547	9.1%	102,356	9.8%	100,904	10.8%
Medicine	49,940	4.4%	31,049	3.0%	24,026	2.6%
Other	22,010	1.9%	19,536	1.9%	15,147	1.6%
<b>Total</b>	<b>1,131,580</b>	<b>100.0%</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>

In 2015, there was a significant drop in sales to customers in the public sector by PLN 57.7 million, i.e. 33.6%, which is related to a reduction of purchases by customers in this sector in the third and fourth quarter, due to the temporary restriction on the access to EU funding, as well as from the reduced supply of proprietary finished products of the Group. The Public sector was responsible for 10.1% of Group's revenue during analyzed period. Sales to the sector with the highest share in the structure of the Group's customers, i.e. Telecommunications, Media and IT grew by PLN 49.9 million, i.e. 19.0% and its share increased to 27.7% compared to 25.4% last year. Sales to customers in the Finance and Banking sector and SMEs sector remained on stable level and constituted respectively 13.4% and 18.5% of total sales (compared to 13.4% and 19.4% in the previous year). Sales to the Industry and Utilities sector increased by PLN 18.7 million, i.e. 19.9% and its share in total sales increased from 9.1% in 2014 to 10.0% in 2015. There was also a significant increase in sales to the Trade and Services sector (of PLN 41.2 million, i.e. 35.0%) and its share in total sales decreased from 11.3% in 2014 to 14.0% in 2015. The value of sales to customers in the Medical sector in 2015 amounted to PLN 49.9 million. In each quarter of 2015, the structure of sales by customers remained stable.

**5.3 Products Sales Structure (PLN'000)**

	<b>2015</b>	<b>%</b>	<b>2014</b>	<b>%</b>	<b>2013</b>	<b>%</b>
Services	800,062	70.7%	736,227	70.9%	653,939	69.6%
Proprietary software	182,286	16.1%	132,413	12.8%	109,694	11.7%
Third party software	64,989	5.7%	51,979	5.0%	84,107	9.0%
Finished goods	11,804	1.1%	41,576	4.0%	295	0.0%
Hardware	39,723	3.5%	45,080	4.3%	64,733	6.9%
Other	32,716	2.9%	31,076	3.0%	26,208	2.8%
<b>Total</b>	<b>1,131,580</b>	<b>100.0%</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>

In 2015, the structure of sales by products was characterized by a steady increase in sales of services which represents the greatest share of revenues from sales of Comarch Group. It is associated with progressive changes in the business model of selling software solutions. In the 12 months of 2015, there has been a significant increase in total sales of services and proprietary software by PLN 113.7 million, i.e. 13.1%. It is both a result of the increase in value of sales of services (an increase of PLN 63.8 million, i.e. 8.7%), as well as better sales of proprietary software (an increase of PLN 49.9 million, i.e. 37.7%). The share of services and proprietary software in total sales amounted to 86.8%. Total sales of third party software and hardware increased by PLN 7.7 million, i.e. 7.9%, they constituted only 9.3% of total sales of Comarch Group. Sale of proprietary finished products was significantly lower than in 2014 (a decrease of PLN 29.8 million, i.e. 71.6%), mainly due to reduced supplies of proprietary finished products to the Public sector customers. Over the whole 2015, sales structure by products remained at a stable level.

## 6. Factors Essential for Development of the Comarch Group

### 6.1 Internal Factors

- a) 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 work conditions offered for employees of the company;
- f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through marketing campaigns, including sports marketing (MKS Cracovia SSA);
- g) Necessity of continuous investment in human resources to maintain the company's competitive edge in following years;
- h) High levels of investment expenditure designated for research and development activity and development of new products and IT 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).

### 6.2 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 branches 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) Continued pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) Growing competition on the local labour market in IT sector in Krakow and other locations where the company conducts its business;
- 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 rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The political situation in the Eastern Europe, in particular in Ukraine and Russia, which influences the demand for IT products and services on this market, as well as the financial credibility of the customers in this region.
- k) The international political situation, including increasing risk of terrorist attacks in places of project management complicates their implementation.



## **7. Other Significant Factors, including Risks and Threats**

The Group is exposed to the following main types of financial risk:

### **7.1 Credit Risk**

The parent company establishes 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 branch of economy, in different world's regions.

### **7.2 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 Comarch Group has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

### **7.3 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, USD/PLN, GBP/PLN, BRL/PLN and CAD/PLN. At the same time, part of the Comarch Group 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, liabilities due to investment credits as well as cash as at the balance sheet date.

### **7.4 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, 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.

## **8. Perspectives of Development in the Group and Anticipated Financial Situation in 2016**

In 2015, the Group observed significant increase in demand for IT products and services. Thus, its backlog grew and ensures full use of its productive capacity in the following 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 2016. Thanks to consistently executed strategy of positioning itself on the market as a technological and product-based company, Comarch's offer is very well diversified. Customer base is constantly expanding and a considerable part of them are international companies, what allows to continue the development of the Group. Dynamically developing activity of Comarch in international markets additionally increases sales volume and enhance the image of Comarch Group among international corporations, thus strengthening the competitive position of Comarch. It also means the need to make numerous capital investment abroad Poland (principally through the establishment of foreign subsidiaries). Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments by medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. An opportunity for the Group is its high innovativeness and growth in demand for delivery of IT solutions in a service model - Comarch Group thanks to the wide range of its own products, owned infrastructure and human and capital resources can flexibly adapt to business models expected 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) risks related to implementation of long-term contracts;
- c) risks related to failure to meet contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- d) risk of foreign legal and political environment related to execution of export contracts;
- e) the credit risk related to the sale with deferred payment, and frequently with a long period of execution of contracts;
- f) risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees, the risk of increased labor costs;
- g) the risk of fluctuations in exchange rates and interest rates;
- h) risks related to international terrorism, impeding the posting of employees in business travel in some regions of the world.

The company does not expect any significant changes in its financial situation or in terms of the risks associated with its activities.

## 9. Financial Analysis

### Balance Sheet

ASSETS	31 December 2015	%	31 December 2014	%	Change	Change %
<b>Non-current assets</b>						
Property, plant and equipment	422,566	32.4%	390,958	32.1%	31,608	8.1%
Investment real estates	17,063	1.3%	16,119	1.3%	944	5.9%
Goodwill	40,735	3.1%	40,735	3.4%	-	0.0%
Other intangible assets	66,474	5.1%	70,317	5.8%	-3,843	-5.5%
Non-current prepayments	819	0.1%	537	0.0%	282	52.5%
Investment in associates	23,177	1.8%	567	0.1%	22,610	3987.7%
Other assets at fair value	79	0.0%	-	-	79	-
Other investment	106	0.0%	106	0.0%	-	-
Deferred income tax assets	33,432	2.5%	32,134	2.6%	1,298	4.0%
Other receivables	1,548	0.1%	-	0.0%	1,548	-
	<b>605,999</b>	<b>46.4%</b>	<b>551,473</b>	<b>45.3%</b>	<b>54,526</b>	<b>9.9%</b>
<b>Current assets</b>						
Inventories	51,413	4.0%	47,919	3.9%	3,494	7.3%
Trade and other receivables	385,375	29.5%	328,449	27.0%	56,926	17.3%
Current income tax receivables	7,143	0.5%	3,132	0.3%	4,011	128.1%
Long-term contracts receivables	32,440	2.5%	53,105	4.4%	-20,665	-38.9%
Available-for-sale financial assets	-	0.0%	-	0.0%	-	-
Other financial assets at fair value – derivative financial instruments	664	0.1%	13	0.0%	651	5007.7%
Stock or shares	1	0.0%	1	0.0%	-	0.0%
Cash and cash equivalents	221,793	17.0%	232,463	19.1%	-10,670	-4.6%
	<b>698,829</b>	<b>53.6%</b>	<b>665,082</b>	<b>54.7%</b>	<b>33,747</b>	<b>5.1%</b>
<b>Total assets</b>	<b>1,304,828</b>	<b>100.0%</b>	<b>1,216,555</b>	<b>100.0%</b>	<b>88,273</b>	<b>7.3%</b>

As of the end of 2015, the value of Comarch Group's assets increased by PLN 88.3 million, i.e. 7.3%. Non-current assets increased by PLN 54.5 million, i.e. 9.9%, as compared to the previous year, mostly as a consequence of an increase in property, plant and equipment from PLN 391.0 million to PLN 422.6 million (an increase of 8.1% compared to the previous year) and an increase in investments in associates (Thanks Again LLC) of PLN 22.6 million. The share of particular items of non-current assets in the total structure of assets has remained at a similar level to that in 2014. An increase of PLN 33.7 million, i.e. 5.1% in current assets is mostly a result of increases of PLN 56.9 million, i.e. 17.3% in trade and other receivables. At the same time, there was a significant decrease in long-term contracts receivables (a decrease of PLN 20.7 million, i.e. 38.9%) as well as cash and cash equivalents (a decrease of PLN 10.7 million, i.e. 4.6%). The share of particular items of current assets in the total structure of assets has remained at a similar level to that in 2014.

<b>EQUITY</b>	<b>31 December 2015</b>	<b>%</b>	<b>31 December 2014</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Capital attributable to the company's shareholders</b>						
Share capital	8,133	0.6%	8,125	0.7%	8	0.1%
Other capitals	148,226	11.4%	148,226	12.2%	-	0.0%
Exchange differences	6,509	0.5%	6,917	0.5%	-408	-5.9%
Net profit for the current period	79,651	6.1%	67,894	5.6%	11,757	17.3%
Retained earnings	525,040	40.2%	457,146	37.6%	67,894	14.9%
	<b>767,559</b>	<b>58.8%</b>	<b>688,308</b>	<b>56.6%</b>	<b>79,251</b>	<b>11.5%</b>
Minority interest	13,022	1.0%	12,385	1.0%	637	5.1%
<b>Total</b>	<b>780,581</b>	<b>59.8%</b>	<b>700,693</b>	<b>57.6%</b>	<b>79,888</b>	<b>11.4%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	113,540	8.7%	121,593	10.0%	-8,053	-6.6%
Other liabilities	83	0.0%	83	0.0%	-	0.0%
Financial liabilities at fair value – derivative financial instruments	1,411	0.1%	1,404	0.1%	7	0.5%
Other financial liabilities	33	0.0%	138	0.0%	-105	-76.1%
Deferred income tax liabilities	37,619	2.9%	38,298	3.2%	-679	-1.8%
	<b>152,686</b>	<b>11.7%</b>	<b>161,516</b>	<b>13.3%</b>	<b>-8,830</b>	<b>-5.5%</b>
<b>Current liabilities</b>						
Trade and other liabilities	150,898	11.6%	140,217	11.5%	10,681	7.6%
Current income tax liabilities	13,010	1.0%	10,712	0.9%	2,298	21.5%
Long-term contracts liabilities	26,176	2.0%	48,507	4.0%	-22,331	-46.0%
Credit and loans	24,152	1.9%	20,522	1.7%	3,630	17.7%
Financial liabilities at fair value – derivative financial instruments	1,639	0.1%	1,369	0.1%	270	19.7%
Other financial liabilities	7,939	0.6%	380	0.0%	7,559	1989.2%
Provisions for other liabilities and charges	147,747	11.3%	132,639	10.9%	15,108	11.4%
	<b>371,561</b>	<b>28.5%</b>	<b>354,346</b>	<b>29.1%</b>	<b>17,215</b>	<b>4.9%</b>
<b>Total liabilities and charges</b>	<b>524,247</b>	<b>40.2%</b>	<b>515,862</b>	<b>42.4%</b>	<b>8,385</b>	<b>1.6%</b>
<b>Total equity and liabilities</b>	<b>1,304,828</b>	<b>100.0%</b>	<b>1,216,555</b>	<b>100.0%</b>	<b>88,273</b>	<b>7.3%</b>

Over the course of 2015, the share structure of equity and liabilities has not changed significantly. Equity grew in 2015 by 11.4%, mostly as a result of taking into account high net profit generated in 2015. There was a slight increase in the minority interest (PLN 13.0 million compared to PLN 12.4 million in 2014). The share of equity in total equity and liabilities grew slightly (59.8% in 2015 compared to 57.6% in 2014). Total liabilities and charges constituted 40.2% in total equity and liabilities compared to 42.4% in the previous year. Their value increased by PLN 8.4 million, i.e. 1.6%, compared to that in the previous year, mostly as a consequence of a significant increase in provisions for other liabilities and charges (an increase of 11.4%), trade and other liabilities (an increase of 7.6%) and other financial liabilities (an increase of 1989.2%). In turn, the most significant decrease was in long-term contracts liabilities, i.e. a decrease of 46.0% from PLN 48.5 million in 2014 to PLN 26.2 million in 2015. The share of other items of total liabilities and charges has not changed significantly.

<b>Debt analysis</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Debt ratio	10.6%	11.7%	11.5%	11.4%	11.4%
Debt/equity ratio	17.9%	20.7%	21.0%	21.1%	19.4%

Debt/equity ratio decreased markedly from 20.65% to 17.94% as well as debt ratio decreased from 11.68% to 10.55%. The Group is financed with internal means in 59.8% and with external means in 40.2%.

	2015	%	2014	%	Change	Change %
<b>Revenue</b>	<b>1,131,580</b>	<b>100.0%</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>93,229</b>	<b>9.0%</b>
Cost of sales	-791,442	-69.9%	-730,975	-70.4%	-60,467	8.3%
<b>Gross profit</b>	<b>340,138</b>	<b>30.1%</b>	<b>307,376</b>	<b>29.6%</b>	<b>32,762</b>	<b>10.7%</b>
Other operating income	20,849	1.8%	8,774	0.9%	12,075	137.6%
Sales and marketing costs	-129,520	-11.5%	-111,386	-10.7%	-18,134	16.3%
Administrative expenses	-93,246	-8.2%	-75,519	-7.3%	-17,727	23.5%
Other operating expenses	-25,193	-2.2%	-30,716	-3.0%	5,523	-18.0%
<b>Operating profit</b>	<b>113,028</b>	<b>10.0%</b>	<b>98,529</b>	<b>9.5%</b>	<b>14,499</b>	<b>14.7%</b>
Finance revenue -net	-1,650	-0.1%	-4,959	-0.5%	3,309	-66.7%
Share of profit / (loss) of associates	-3,249	-0.3%	-993	-0.1%	-2,256	227.2%
<b>Profit before income tax</b>	<b>108,129</b>	<b>9.6%</b>	<b>92,577</b>	<b>8.9%</b>	<b>15,552</b>	<b>16.8%</b>
Income tax expense	-27,859	-2.5%	-23,681	-2.3%	-4,178	17.6%
<b>Net profit for the period</b>	<b>80,270</b>	<b>7.1%</b>	<b>68,896</b>	<b>6.6%</b>	<b>11,374</b>	<b>16.5%</b>
<b>Attributable to:</b>						
<b>Shareholders of the parent company</b>	<b>79,651</b>	<b>7.0%</b>	<b>67,894</b>	<b>6.5%</b>	<b>11,757</b>	<b>17.3%</b>
<i>Interests not entitled to control</i>	<i>619</i>	<i>0.1%</i>	<i>1,002</i>	<i>0.1%</i>	<i>-383</i>	<i>-38.2%</i>

In 2015, the Comarch Group's sales revenue climbed by 9.0%, i.e. PLN 93.2 million year on year. Operating profit reached PLN 113.0 million (an increase of 14.7% compared to 2014). Net profit attributable to the parent company's shareholders increased by 17.3% and amounted to PLN 79.7 million in 2015.

<b>Profitability analysis</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Margin on sales	30.1%	29.6%	22.4%	22.1%	24.5%
EBIT margin	10.0%	9.5%	3.7%	3.5%	4.9%
Gross margin	9.6%	8.9%	3.9%	4.5%	5.1%
Net margin	7.0%	6.5%	2.7%	4.6%	4.6%

In 2015, Comarch Group's activity was profitable. Margin on sales and EBIT margin significantly grew, successively to the levels of 30.1% and 10.0%. Also gross margin and net margin significantly increased and reached the best results in the past five years, respectively 9.6% and 7.0%.

The following factors had a major impact on the financial results:

- high full-year revenue growth from sales of proprietary services, especially in the telecommunications and the retail and service sectors,
- significant increase in sales of proprietary software in Q4 2015 (an increase of PLN 36.9 million, i.e. 56.4%), which was associated with the acquisition of new contracts in the telecommunications sector on the South American market and in the retail and services sector on Western Europe market, which resulted in sales of licenses on Comarch products,
- significant decrease of revenue from sales to customers in the public sector in the second half of 2015, especially in the area of finished products,
- increase in costs of operations, especially payroll costs - an increase in the number of people employed in 2015 was very noticeable (+826 people), resulting in wage fund in this period was approx. 15% higher than in 2014,
- improved financial results in the DACH segment - the net result of this segment amounted to PLN 38.5 million, what is the effect of improving operating profitability of Comarch AG, Comarch Software und Beratung AG and Comarch Swiss AG, related to, among others, the acquisition of new contracts in the sectors of telecommunications, trade and services and finance and banking,

- f) significant increase in revenues from sales to customers in the medical sector (PLN 18.9 million, i.e. 60.8%). The impact of this sector on the financial results of the Comarch Group was still negative, but high revenue growth means that the share of sales to the medical sector currently accounts for 4.4% of total Group sales,
- g) inclusion of an affiliated company Thanks Again, LLC in the financial results of 2015 under the equity method, resulted in a decrease in the net result of the Comarch Group of PLN 9,060 thousand. Of this amount, PLN 3476 thousand is associated with the current activity of Thanks Again, LLC and the amount of PLN 5,584 thousand with the update of value of the acquired shares.

The costs associated with software development in the field of e-Health, devices for telemedicine and conducting a modern medical-diagnostic center in Krakow will have in subsequent periods a significant impact on the increase in operating costs and a deterioration of the Comarch Group's financial result, but they will contribute to an increase in revenue achieved in this segment in future.

<b>Liquidity analysis</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Current ratio	1.9	1.9	1.8	1.6	2.0
Quick ratio	1.7	1.6	1.5	1.4	1.8
Cash to current liabilities ratio	0.6	0.7	0.5	0.4	0.7

In 2015, Comarch Group maintained very good financial liquidity. In the Management Board's opinion, Comarch Group has no problems with meeting contracted financial liabilities on-time. Temporarily free funds are invested by the Group in safe financial instruments like bank deposits and shares in financial investment funds.

<b>Turnover analysis</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
Current assets turnover ratio	1.6	1.6	1.5	1.4	1.4
Receivable turnover ratio (days)	125	115	140	163	135
Inventories turnover ratio (days)	140	131	109	107	140
Liabilities turnover ratio (days)	173	177	185	209	189
Liabilities turnover excluding liabilities due to investment credit ratio (days)	134	142	147	162	139

Turnover ratios confirm the effective use of Comarch Group's funds. In 2015, the current assets turnover ratio slightly increased. Inventories turnover and receivables turnover ratios also increased, while liabilities turnover ratios were shortened compared to the previous year.

### **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**

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

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

EBIT Margin	= $\frac{\text{Operating profit}}{\text{Revenue}}$
Gross Margin	= $\frac{\text{Profit before Income Tax}}{\text{Revenue}}$
Return on Sales (profit attributable to shareholders)	= $\frac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$

### Liquidity Ratios

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

### Turnover Analysis

Current Assets Turnover Ratio	= $\frac{\text{Revenue}}{\text{Current Assets}}$
Receivables Turnover Ratio	= $\frac{(\text{Trade and Other Receivables})*360}{\text{Revenue}}$
Inventories Turnover Ratio (days)	= $\frac{\text{Inventories}*360}{\text{Costs of Sold Goods and Materials}}$
Liabilities Turnover Ratio(days)	= $\frac{(\text{Liabilities}-\text{Liabilities due to Long-term Contracts})*360}{\text{Sales and Marketing Costs}++\text{Administrative Expenses}++\text{Other Operating Expenses}++\text{Costs of Sold Products, Services, Goods and Materials}}$
Liabilities Turnover Ratio excluding Liabilities due to Bonds and Investment Credit (days)	= $\frac{(\text{Liabilities}-\text{Credits and Loans})*360}{\text{Sales and Marketing Costs}++\text{Administrative Expenses}++\text{Other Operating Expenses}++\text{Costs of Sold Products, Services, Goods and Materials}}$



## 10. Credits, Loans, Suretyships, Guarantees and Significant Off-Balance Sheet Items

### 10.1 Investment Credits

Credits acquired by Comarch S.A.:

- a) An investment credit from BGŻ BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20,000 thousand, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate amounted to EURIBOR1M+margin. On the 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of March, 2015, the credit was fully repaid.
- b) 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 to 85% of the investment value up to a maximum of PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate amounted to EURIBOR1M+margin. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 5,422 thousand, i.e. PLN 23,104 thousand (EUR 6,042 thousand, i.e. PLN 25,750 thousand as of the 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of July, 2024.
- c) 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. on the 28<sup>th</sup> of April, 2010, 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 amounted to EURIBOR1M+margin. 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 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 2,966 thousand, i.e. PLN 12,638 thousand (EUR 3,482 thousand, i.e. PLN 14,838 thousand as of the 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 31<sup>st</sup> of October, 2018.
- d) 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 credit was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+margin. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at the 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 218 thousand, i.e. PLN 930 thousand (EUR 873 thousand, i.e. PLN 3,720 thousand as of the 31<sup>st</sup> of December, 2014).
- e) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 4,774 thousand, i.e. PLN 20,345 thousand (EUR 5,729 thousand, i.e. PLN 24,419 thousand as of 31<sup>st</sup> of December, 2014). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 28<sup>th</sup> of June, 2019.



- f) 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 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+margin. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million, 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. It was taken out by the 30<sup>th</sup> of September, 2015. Repayment of the credit started in December 2015. As at the 31<sup>st</sup> of December, 2015, the value of outstanding capital amounted to EUR 13,184 thousand, i.e. PLN 56,185 thousand. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of November, 2023.

#### Credits acquired by subsidiaries of Comarch S.A.:

- a) In the third quarter of 2011, Comarch Healthcare S.A. acquired 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 NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31<sup>st</sup> of December, 2011, it was used in total. The crediting period may last 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 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to PLN 6,809 thousand (PLN 9,079 thousand as of the 31<sup>st</sup> of December, 2014).
- b) 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 25<sup>th</sup> 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 31<sup>st</sup> of December, 2015, the value of the credit to be repaid amounted to EUR 3,103 thousand, i.e. PLN 13,225 thousand (EUR 4,345 thousand, i.e. PLN 18,519 thousand as of the 31<sup>st</sup> of December, 2014).
- c) In the second quarter of 2015, Bonus Development Sp. z o.o. SKA acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing and refinancing no more than 90% of net costs of an investment related to redevelopment of postindustrial building and construction of an adjacent office building in Łódź. The loan was granted in Euro to the amount of PLN 38,800 thousand which on the date of signing the agreement was equivalent of EUR 9,261,690.50. The crediting period may last 15 years, the final maturity date is the 28<sup>th</sup> of June, 2030. This credit has a variable interest rate. Contractual mortgage to the amount of PLN 58,200 thousand on the property, upon which the investment is being implemented, power of attorney to current accounts of Bonus Development Sp. o.o. SKA led by Bank Pekao S.A., the statement of Bonus Development Sp. o.o. SKA of execution, assignment of rights from property insurance agreement, cession of rights in the bank guarantee for contract good performance and for warranty obligations, assignment of rights under the lease agreement of financed real estate concluded with Comarch S.A., the surety granted by Comarch SA with power of attorney to accounts Comarch S.A. led by Bank Pekao S.A. and a statement of submission to enforcement are security of this credit. Launch date of the loan expires on the 28<sup>th</sup> of June, 2017. As at the 31<sup>st</sup> of December, 2015, the loan was used in the amount of EUR 1,161 thousand, i.e. PLN 4,946 thousand.

As at the 31<sup>st</sup> of December, 2015, the Group had liabilities due to credits and loans in the amount of PLN 137,692 thousand.

In 2015, all covenants under the loan agreements concluded by companies in the Comarch Group were met. The parent company's Management Board expects no problems in meeting them in the future.

## 10.2 Current Credit Lines (Variable Interest)

As at 31<sup>st</sup> of December, 2015, a parent company – Comarch S.A. has the credit limits in current account in the amount of PLN 44,033 thousand.

- 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 13<sup>th</sup> 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 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.
- 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 31<sup>st</sup> of October, 2016. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24,033 thousand. It can be used by the 31<sup>st</sup> of May, 2016. 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 31<sup>st</sup> of December, 2015, the credit was not used, as well as at the 31<sup>st</sup> of December, 2014.

## 10.3 Loans

### 10.3.1. Loans Taken by Companies in the Comarch Group

On the 27<sup>th</sup> of December, 2012, 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 amounted to PLN 343 thousand and drawdown was made in the first quarter of 2013. The loan reached its maturity date in December, 2015. It had a fixed interest rate (approx. 5.63%). The loan was not secured and was fully repaid on the 1<sup>st</sup> of December 2015.

On the 28<sup>th</sup> 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 6,265,681.96 and drawdown was made in the first quarter of 2016. Loan will reach its maturity date in September, 2016. It has a fixed interest rate. The loan is not secured.

### 10.3.2. Loans Granted to Companies in Comarch Group

As at 31<sup>st</sup> of December, 2015, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company	Due date	Value	Currency	Interest	Value in PLN
Comarch Chile SpA	2017-12-31	50,000	USD	2.33%	195,055
	2017-12-31	100,000	USD	2.33%	390,110
	2017-12-31	100,000	USD	2.33%	390,110
	2018-06-30	100,000	USD	2.45%	390,110
	2017-12-31	100,000	USD	2.45%	390,110
	2017-12-31	80,000	USD	2.52%	312,088
	2017-12-31	100,000	USD	2.53%	390,110
	2017-12-31	100,000	USD	2.60%	390,110
Comarch R&D S.à r.l.	2017-12-31	250,000	EUR	2.05%	1,065,375
	2017-12-31	300,000	EUR	2.05%	1,278,450

Comarch Healthcare S.A.	2017-12-31	5,120,000	PLN	3.79%	5,120,000
	2017-12-31	1,750,000	PLN	3.79%	1,750,000
	2017-12-31	2,000,000	PLN	3.79%	2,000,000
	2017-12-31	1,400,000	PLN	3.79%	1,400,000
	2017-12-31	1,000,000	PLN	3.79%	1,000,000
	2017-12-31	1,000,000	PLN	3.80%	1,000,000
	2017-12-31	1,300,000	PLN	3.80%	1,300,000
	2017-12-31	400,000	PLN	3.81%	400,000
SolInteractive S.A.	2019-09-30	440,000	PLN	3.79%	440,000
Bonus Development Sp. z o.o. SK-A	2028-12-31	3,858,729	PLN	2.93%	3,858,729
Comarch Software Spain S.L.U.	2017-12-31	80,000	EUR	2.04%	340,920
Comarch SRL	2018-06-30	100,000	EUR	2.06%	426,150
	2017-12-31	50,000	EUR	1.96%	213,075
Comarch Yazilim A.S.	2018-06-30	250,000	EUR	2.05%	1,065,375
<b>Razem</b>					<b>25,505,877</b>

Both loans granted to Comarch R&D S.à r.l. for the total amount of PLN 2,343,825 are covered by the revaluation write-offs.

#### 10.3.3. Loans Granted to Members of the Management Board and Members of the Supervisory Board

Within the reporting period, Bonus Management sp. o.o. SK-A granted a loan in the amount of PLN 3,700 thousand to the Chairman of the Supervisory Board of Comarch S.A. At the balance sheet date, this loan was fully repaid. As at the 31<sup>st</sup> of December, 2015, there are no unpaid loans as well as granted by companies of Comarch Group guarantees and sureties to members of the management and supervisory bodies and their related parties.

#### 10.3.4. Loans Granted to Employees of Comarch Group

As at the 31<sup>st</sup> of December, 2015, there are no unpaid housing loans granted to employees in the Comarch Group.

### 10.4 Suretyships

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 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.

- 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 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- d) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A (formerly iMed24 S.A.), a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31<sup>st</sup> of December, 2021.
- 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 Sachsischse 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 30<sup>th</sup> 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 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15<sup>th</sup> of May, 2020.
- 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., on the 20<sup>th</sup> of December, 2013, 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 31<sup>st</sup> of May, 2016.

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 31<sup>st</sup> of May, 2016.

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 till the moment when all obligations resulting from the agreement will be made.

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 28<sup>th</sup> 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 30<sup>th</sup> 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 15<sup>th</sup> 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 purchase of a license from one of the clients by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for this purchase. The surety was granted up to the amount of EUR 225 thousand and is valid till the 31<sup>st</sup> of December, 2015.

z) 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.

## 10.5 Bank Guarantees and Significant Off- Balance Sheet Items

On the 31<sup>st</sup> of December, 2015, 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 48,740 thousand, whereas it was PLN 60,327 thousand on 31<sup>st</sup> of December, 2014.

On the 31<sup>st</sup> of December, 2015, 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 PLN 19 thousand on the 31<sup>st</sup> of December, 2014.

On the 31<sup>st</sup> of December, 2015, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 815 thousand (PLN 3,474 thousand), whereas it was EUR 470 thousand (PLN 2,003 thousand) on the 31<sup>st</sup> of December, 2014.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA (valid till the 30<sup>th</sup> of June, 2017) and Comarch Healthcare S.A. (valid till the 30<sup>th</sup> of June, 2017).

## 11. The Most Important Events in 2015 and after the Balance-Sheet Date

### 11.1 Contracts the Most Significant for the Comarch Group's Activities

The most important contracts signed by the Comarch Group in 2015 are:

#### 11.1.1. Contract with the consortium Łęgprzem sp. z o.o., ZSK sp. z o.o., Graphbud sp. z o.o.

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o., for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract was the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure, with the total space of the building being 11,708.87 m<sup>2</sup>. Initially, the value of this agreement amounted to PLN 62,268 thou. As a result of signing amendments to the aforementioned agreement, the total value of the agreement increased from PLN 62,268 thou. to PLN 64,907 thou. Due to the extension of the scope of work provided by the Consortium, the planned completion date of the investment was changed to the 31<sup>st</sup> of August, 2015. The above mentioned changes were announced by the company in current reports RB-5-2015 dated the 16<sup>th</sup> of January, 2015, RB-9-2015 dated the 30<sup>th</sup> of March, 2015, RB-15-2015 dated the 28<sup>th</sup> of May, 2015, RB-27-2015 dated the 16<sup>th</sup> July, 2015 and RB-31-2015 dated the 14<sup>th</sup> of August, 2015.

#### 11.1.2. Contract for the implementation of the building investment in Łódź

On the 16<sup>th</sup> 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 m<sup>2</sup>. 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. Comarch S.A.

announced concluding of above mentioned contract in current report RB-18-2015 dated the 16<sup>th</sup> of June, 2015.

#### **11.1.3. Construction and investment credit agreement**

On the 29<sup>th</sup> of June, 2015, Bonus Development SK-A with its registered office in Krakow, a subsidiary of Comarch S.A. signed a construction and investment credit agreement with 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, at ul. Stefana Jaracza 78 and ul. Stefana Jaracza 76. The credit amounts to PLN 38,800 thousand PLN and is granted in EUR. The crediting period lasts until the 28<sup>th</sup> of June, 2030. The interest rate of the credit is based on a variable rate. The credit should be taken out by the 28<sup>th</sup> of June, 2017. The loan is secured by the conventional mortgage 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. Comarch S.A. announced concluding of above mentioned agreement in current report RB-23-2015 dated the 29<sup>th</sup> of June, 2015.

#### **11.1.4. Conditional Acquisition of Shares in Thanks Again LLC**

On the 17<sup>th</sup> of July, 2015 Comarch Pointshub Inc., a subsidiary of Comarch SA, has signed a conditional agreement concerning acquisition of 4,250,000 shares in Thanks Again LLC for total acquisition price amounted to USD 8,000 thousand. Acquired shares will represent 42,5% of total shares and will entitle to 42,5% of total number of votes at Thanks Again LLC general meeting. Acquisition of shares shall take place within 5 working days from the date of fulfillment of the conditions specified in the agreement and the conditions should be met within 30 days from the date of the agreement. Thanks Again LLC is an operator of loyalty systems for airports in North America. Comarch S.A. announced concluding of above mentioned agreement in current report RB-28-2015 dated the 17<sup>th</sup> of June, 2015. Conditions set out in the agreement have been fulfilled and on the 24<sup>th</sup> of August, 2015, shares of Thanks Again LLC have been acquired. Comarch S.A. announced details in current report RB-32-2015 dated the 24<sup>th</sup> of August, 2015.

### **AFTER THE BALANCE SHEET DATE**

#### **11.1.5. Contracts 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 18<sup>th</sup> 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 27,736.07 m<sup>2</sup>. 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.

Comarch S.A. announced details in current report RB-3-2016 dated the 18<sup>th</sup> of March, 2016.

#### **11.1.6. Investment Credit Agreement**

On the 18<sup>th</sup> 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. RB-2-2016 dated the 15<sup>th</sup> 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. 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), the current value of the mortgage established on the first place on the SSEIV building in favor of bank BGZ BNP Paribas S.A. is PLN 53,815,386.00, the current market value of the SSEIV building is PLN 78,880 thousand.
- 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.

Comarch S.A. announced details in current report RB-4-2016 dated the 18th of March, 2016.

## 11.2 Other

### 11.2.1. Claim Filed by Agency for Restructuring and Modernisation of Agriculture

The Management Board of Comarch S.A. has announced that on 14<sup>th</sup> of January, 2015, it received from Regional Court in Warsaw, the Third Civil Division, a claim filed by ARMA against Comarch S.A., for payment of PLN 34,493,717.28 by way of contractual penalties. According to the court's notice, Comarch S.A. will answer to the claim within 60 days from receiving the claim. At the same time, the Management Board of Comarch S.A. sustains its position that calculation of these penalties has neither justification nor grounds in the provisions of the Contract. Comarch S.A. announces also that, despite the dispute concerning the charged contractual penalties, the Contract is still executed in accordance with the requirements of the SLA. The company announced details in current report no. RB-4-2015 dated the 15<sup>th</sup> of January, 2015.

### 11.2.2. Resignation of Managing Persons

On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015. On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

Marcin Dąbrowski, a manager for many years in the telecommunication sector, will be performing duties of the head of the telecommunication sector. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector, will be performing duties of the head of the finance, banking and insurance sector. The company announced details in current report no. RB-10-2015 dated the 9<sup>th</sup> of April, 2015.

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

The Supervisory Board gave positive opinion of Comarch S.A. with the resolution no. 1/05/2015 dated the 15<sup>th</sup> of May, 2015. The Management Board of Comarch S.A. recommended to the company's General Shareholders' Meeting pass the net profit achieved by Comarch S.A. in financial year from 1<sup>st</sup> of January, 2014 to 31<sup>st</sup> of December, 2014 in the amount of PLN 41,048,275.65 in whole to supplementary capital. The company announced details in current report no. RB-12-2015 dated the 18<sup>th</sup> of May, 2015.

## AFTER THE BALANCE SHEET DATE

### 11.2.4. 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 15<sup>th</sup> of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A., signed an agreement with SNC-LAVALIN S.A.S. for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building 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.



**11.2.5. Meeting the criterion of a significant contract**

Due to conclusion by Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower) on the 18<sup>th</sup> of March, 2016, a loan agreement with a bank BGZ BNP Paribas SA (Comarch SA announced it in the current report RB-4-2016 dated the 18<sup>th</sup> 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 SA as at the 31<sup>st</sup> 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 28<sup>th</sup> 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 30<sup>th</sup> of May, 2016. Financial conditions of the concluded Contract do not differ from those commonly used in the market for such contracts. The Contract does not provide any contractual penalties.

Legal protection of the limit granted by the bank BGZ BNP Paribas SA includes:

- blank promissory note with promissory note declaration,
- statement on submission to enforcement in favor of the bank BGZ BNP Paribas SA.

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 RB-5-2016 dated the 18<sup>th</sup> of March, 2016.

## **12. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside the Group of Related Parties, as well as 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 will consistently aim at increase in international sales, especially in Western Europe. The sales will be 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, but also with bank credits.

**12.1. Capital Investment**

On the 8<sup>th</sup> of January, 2015, the District Court for Kraków – Śródmieście in Kraków, the Eleventh Economic Division of the National Court Register issued a decision on the appointment of an expert to examine the merger plan for ESAPROJEKT sp. z o.o. and iMed24 SA, which was subsequently rectified by decision of the 20<sup>th</sup> of January, 2015. On the 1<sup>st</sup> of April, 2015, the Court issued a decision that an expert's opinion from the audit of the merger plan will be attached to the registration files. On the 1<sup>st</sup> of July, 2015, the general meeting of iMed24 S.A. and the general meeting of ESAProjekt sp. z o.o. passed the resolutions on merger of these companies and changes in the articles of association of iMed24 S.A. As a consequence of these resolutions, after the merger, there will be a name change of iMed24 S.A., acting as the acquiring company, to Comarch Healthcare S.A. The acquiring company will comprise most of assets of the Comarch Group's e-Health sector and Piotr Piątosa was appointed its president of the management board. (current report no. 16/2015 dated the 2<sup>nd</sup> of June, 2015). On the 1<sup>st</sup> of July, 2015, the merger was registered. Simultaneously with the merger, there was an increase in share capital of Comarch Healthcare S.A. to PLN 5,328,806.00. Comarch S.A. announced details in current report no. RB-26-2015 dated the 7<sup>th</sup> of July, 2015. On the 26<sup>th</sup> of October, 2015, Extraordinary Shareholders' Meeting of Comarch Healthcare S.A. passed a resolution on an increase in the company's share capital from PLN 5,328,806 up to the amount of PLN 6,014,806 as a result of an emission of 686,000 series M shares, worth PLN 1 per share. The capital increase was registered on the 31<sup>st</sup> of December, 2015.

On the 5<sup>th</sup> of February, 2015, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Kuala Lumpur in Malaysia with a share capital of RM 2.00 (PLN 2.05 according to the exchange rate dated the 2<sup>nd</sup> of April, 2015), of which 50% was held by Comarch S.A. On the 7<sup>th</sup> of May, 2015, Comarch S.A. acquired a share in Comarch Malaysia SDN. BHD. from a current shareholder and holds 100% of the company's shares. On the 8<sup>th</sup> of June, 2015, an increase in share capital was registered up to RM 500,000 (PLN 500,050 according to the exchange rate dated the 8<sup>th</sup> of June, 2015), i.e. increase of 499,998 shares, shared on 500,000 ordinary shares with a value of RM 1.00 each.

On the 16<sup>th</sup> of April, 2015, Comarch Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

On the 8<sup>th</sup> of May, 2015, the AGM of Comarch Yazilim A.S. passed a resolution on an increase in the company's share capital from TL 100,000 (PLN 134,300 according to the exchange rate dated the 8<sup>th</sup> of May, 2015) to TL 600,000 (PLN 806,580 according to the exchange rate dated the 8<sup>th</sup> of May, 2015). The share capital was fully paid. On the 5<sup>th</sup> of June, 2015, the capital increase was registered.

On the 7<sup>th</sup> of July, 2015, conditional agreement concerning acquisition of shares of Goldcup 111447 AB company in Sweden by Comarch S.A. was signed. 100% of shares were acquired on the 18<sup>th</sup> of August, 2015, for total acquisition price SEK 50,000 (PLN 22,080 at the exchange rate on the 18<sup>th</sup> of August, 2015). On the 28<sup>th</sup> of August, 2015, a name change was registered to Comarch AB.

On the 13<sup>th</sup> of July, 2015, Comarch Pointshub, Inc. was registered in Rosemont, IL. On the 17<sup>th</sup> of July, 2015, Comarch Pointshub Inc. a subsidiary of Comarch SA, has signed a conditional agreement concerning acquisition of 4,250,000 shares in Thanks Again LLC for total acquisition price amounted to USD 8,000 thousand (PLN 30,140,800 at the exchange rate on the 17<sup>th</sup> of July, 2015). Acquired shares will represent 42,5% of total shares and will entitle to 42,5% of total number of votes at Thanks Again LLC general meeting. The conditions set out in the agreement have been fulfilled and on the 24<sup>th</sup> of August, 2015, the shares of Thanks Again LLC have been acquired. Thanks Again LLC is an operator of loyalty systems for airports in North America.

On the 16<sup>th</sup> of July, 2015, the share capital of Comarch Software Spain S.L.U. was increased by EUR 250 thousand – from EUR 250 thousand (PLN 1,027,775 at the exchange rate on the 16<sup>th</sup> of July, 2015) to EUR 500 thousand (PLN 2,055,550 at the exchange rate on the 16<sup>th</sup> of July, 2015).

On the 29<sup>th</sup> of July, 2015, the resolution was passed on an increase in the share capital of Comarch SRL from EUR 50 thousand (PLN 207,260 at the exchange rate on the 29<sup>th</sup> of July, 2015) to EUR 200 thousand (PLN 829,040 at the exchange rate on the 29<sup>th</sup> of July, 2015).

On the 17<sup>th</sup> of August, 2015, Extraordinary Shareholders' Meeting of Comarch Management sp. z o.o. SKA passed a resolution on an increase in the company's share capital from PLN 140,110 up to the amount of PLN 170,110 as a result of an emission of 30,000 series D shares, worth PLN 1 per share.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA signed a purchase agreement for 1,315 shares with CCF FIZ.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA concluded an agreement with CCF FIZ to acquire 1,315 shares for redemption.

On the 16<sup>th</sup> of October, 2015, an increase in share capital of Comarch Management sp. z o.o. SKA up to the amount of PLN 170,110 was registered in the proper register.

On the 26<sup>th</sup> of October, 2015, Comarch Management sp. z o.o. SKA concluded a purchase agreement for 26,000 shares with CCF FIZ in order to redeem the shares.

On the 11<sup>th</sup> of November, 2015, Comarch S.A. concluded an agreement for the acquisition of 100,000 shares of Comarch Argentina S.A. based in Buenos Aires (100% of the share capital, each share having a nominal value of ARS 1), for a nominal amount of ARS 100,000 (i.e. PLN 41,280 at the exchange rate on the 10<sup>th</sup> of November, 2015).

On the basis of resolutions of the sole shareholder dated the 10<sup>th</sup> of December, 2015, changes were made in the share capital of Comarch SAS. First of all the share capital was reduced from EUR 2,500,000 to EUR 308,429 (PLN 1,339,816 at the exchange rate of the 10<sup>th</sup> of December, 2015), i.e. a reduction of EUR 2,191,571 (PLN 9,520,184 at the exchange rate of the 10<sup>th</sup> of December, 2015) and then increased by EUR 3,000,000 (PLN 13,032,000 at the exchange rate of the 10<sup>th</sup> of December, 2015). The current

share capital of Comarch SAS is EUR 3,308,429. The change of share capital is effective from the 17<sup>th</sup> of December, 2015.

On the 10<sup>th</sup> of December, 2015, Comarch SAS and Comarch SA (existing shareholders of Comarch R&D SARL) entered into a share purchase agreement, which resulted in purchase of 525 shares of Comarch R&D SARL (70% of the share capital) by Comarch SA from Comarch SAS for a total amount of EUR 70,000 (PLN 304,080 at the exchange rate of the 10<sup>th</sup> of December, 2015), ie. EUR 133.33 (PLN 579.19 at the exchange rate of the 10<sup>th</sup> of December, 2015) per share. From the 10<sup>th</sup> of December, 2015, Comarch SA is the sole shareholder of Comarch R&D SARL.

On the 21<sup>st</sup> of December, 2015, the Extraordinary General Meeting of Comarch Management sp. z o.o. passed a resolution to increase the share capital from PLN 250 thousand to PLN 300 thousand through the issuance of 500 new shares with a nominal value of PLN 100 each. The shares were acquired by the existing sole shareholder, Comarch S.A. based in Krakow.

## 12.2. Real Estates

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o., for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract was the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure, with the total space of the building being 11,708.87 m<sup>2</sup>. Initially, the value of this agreement amounted to PLN 62,268 thou. As a result of signing amendments to the aforementioned agreement, the total value of the agreement increased from PLN 62,268 thou. to PLN 64,907 thou. Due to the extension of the scope of work provided by the Consortium, the planned completion date of the investment was changed to the 31<sup>st</sup> of August, 2015. The above mentioned changes were announced by the company in current reports RB-5-2015 dated the 16<sup>th</sup> of January, 2015, RB-9-2015 dated the 30<sup>th</sup> of March, 2015, RB-15-2015 dated the 28<sup>th</sup> of May, 2015, RB-27-2015 dated the 16<sup>th</sup> July, 2015 and RB-31-2015 dated the 14<sup>th</sup> of August, 2015. On the 31<sup>st</sup> of August, 2015, the SSE6 building was finally accepted. The total expenditure on the investment was PLN 68,747 thou. In September 2015 the building was entered into fixed assets register and since October 2015 its depreciation has started.

On the 16<sup>th</sup> 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 m<sup>2</sup>. 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 31<sup>st</sup> of December, 2015, amounted to PLN 5,968 thousand. Comarch S.A. announced concluding of above mentioned contract in current report RB-18-2015 dated the 16<sup>th</sup> of June, 2015.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. On the 15<sup>th</sup> of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. signed an agreement with SNC-LAVALIN S.A.S., for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building 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 2<sup>nd</sup> 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 15<sup>th</sup> of March, 2016.

On the 18<sup>th</sup> 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 27,736.07 m<sup>2</sup>. 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. Comarch S.A. announced details in current report RB-3-2016 dated the 18<sup>th</sup> of March, 2016.

### 13. Activities in Special Economic Zone

On the 22<sup>nd</sup> of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow ("SEZ"). According to the regulation of the Council of Ministers of the 14<sup>th</sup> 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 EUR 2 million, 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 2<sup>nd</sup> 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 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until the 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1<sup>st</sup> 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 cannot exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. from the 22<sup>nd</sup> of March, 1999, to the 31<sup>st</sup> of December, 2006.

The costs of investments and the amount of aid are subject to discount pursuant to Par. 9 of the Regulation of the Ministry from the 14<sup>th</sup> 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 8<sup>th</sup> 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 1<sup>st</sup> of July, 2004, it received a decision from the Minister of the Economy dated the 24<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> of December, 2017. In 2013, the company obtained another permit 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 23<sup>rd</sup> 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 31<sup>st</sup> of December, 2013, constitutes a deferred income tax asset. Limit of the unused investment relief in respect of the authorization obtained in 1999 as at the 31<sup>st</sup> of December, 2015, (discounted as at the permit date), is PLN 245 thousand. Limit of the unused investment relief in respect of the authorization obtained in 2007 as at the 31<sup>st</sup> of December, 2015, (discounted as at the permit date), is PLN 23,787 thousand. Limit of the unused investment relief in respect of the authorization obtained in 2013 as at the 31<sup>st</sup> of December, 2015, (discounted as at the permit date), is PLN 29,987 thousand. Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary



differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

## **14. Resolutions of the AGM and the Board of Supervisors**

### **14.1. Corporate Governance Principles**

Pursuant to the rule number 3) included in the third part, point 1 of the "Corporate Governance Principles", which is attached to the Resolution no. 19/1307/2012 of the Board of WSE dated 21<sup>st</sup> of November, 2012, Comarch S.A.'s Management Board announced in EBI current report no. 2/2015 that on the 18<sup>th</sup> of May, 2015, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2015 in which projects of the resolutions at the AGM, to be held on the 24<sup>th</sup> of June, 2015, are given positive opinions.

Pursuant to the rule number 1) included in the third part, point 1 of the "Corporate Governance Principles", which is attached to the Resolution no. 19/1307/2012 of the Board of WSE dated 21<sup>st</sup> of November, 2012, Comarch S.A.'s Management Board conveyed in EBI current report no. 1/2015 the report on the activities of the Supervisory Board of Comarch S.A. and assessment of the company's situation in 2014 including assessment of the company's internal system control and risk management in the company.

### **14.2. Annual General Meeting – 24.06.2015**

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

On the 18<sup>th</sup> of May, 2015, pursuant to article 395, 399 § 1, article 402<sup>1</sup> and 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, and pursuant to article 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 o'clock on the 24<sup>th</sup> of June, 2015, at ul. Prof. Michała Życzkowskiego 23 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. 402<sup>2</sup> 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: 8<sup>th</sup> of June, 2015,
- 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. RB-11-2015 dated the 18<sup>th</sup> of May, 2015.

- b) Content of the Resolutions Passed at the AGM

On the 24<sup>th</sup> of June, 2015, 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 1.01.2014 - 31.12.2014;
- approving the report of the Management Board regarding the activities of the company in 2014;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2014 - 31.12.2014;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2014;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2014, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2014 - 31.12.2014;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2014 - 31.12.2014;
- appointment of Mr. Andrzej Przewięźlikowski as the new Vice-President of the Management Board;
- appointment of Mr. Marcin Dąbrowski as the new Vice-President of the Management Board.

The full content of the resolutions was published on 24<sup>th</sup> of June, 2015, in the current report no. RB-20-2015.

c) Resolution of the AGM Regarding Dividend for 2014

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2014 - 31 December 2014 net profit in the amount of PLN 41,048,275.65 will be passed in total to supplementary capital.

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

Accordingly to the list of shareholders participating the Annual General Meeting of Comarch S.A. on the 24<sup>th</sup> of June, 2015, Elżbieta Filipiak, Janusz Filipiak and ING 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 45.92% 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 43.5% of the all votes at this AGM and which constituted 27.96% of the total number of votes.
3. ING Otwarty Fundusz Emerytalny – 500,000 shares which gave 500,000 votes at the AGM, which constituted 5.14% of the all votes at this AGM and which constituted 3.31% 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 24<sup>th</sup> of June, 2015 held shares giving 9,724,132 votes.

The company announced details in current report no. RB-25-2015 dated the 1<sup>st</sup> of July, 2015.

## 15. Operations on Comarch S.A Shares

### 15.1. Purchase/Disposal Transactions on Comarch S.A. Shares

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearer Comarch S.A shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. The company announced details in current report no. RB-7-2015 dated the 2<sup>nd</sup> of March, 2015.

On the 11<sup>th</sup> of June, 2015, in Skala, a person who has access to the confidential information about Comarch S.A. disposed 20,950 ordinary bearer Comarch S.A. shares, based on the marital property agreement concluded in the form of notarial deed on the 11<sup>th</sup> of June, 2015. The disposal was gratuitous, estimated value of the comprised shares amounted to PLN 2,775,875.00 with a unit price of PLN 132.50 per each share. The company announced details in current report no. RB-17-2015 dated the 15<sup>th</sup> of June, 2015.

#### AFTER THE BALANCE SHEET DATE

None present.

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

### a) for 2014-2016

On the 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme was to additionally motivate members of the company's Management Board by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's Management Board. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the programme was limited for 2014.

The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013, where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

The Management Board of Comarch S.A. announced that acting in execution of the Resolution no. 36 of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, regarding the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 (in writing: one zloty) and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. Shares will be offered to the entitled persons according to the provisions of the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, passed with Resolution no. 36 of the Annual General Meeting of the 26<sup>th</sup> of June, 2013 (current report no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015).

The Management Board of Comarch S.A. announced that pursuant to Art. 430-433, 444, 446 and 447 of the Code of Commercial Companies and Partnerships, and article 9 sec. 3-7 of the company's articles of association, in execution of the Resolution no. 36 of the Annual General Meeting dated 26<sup>th</sup> of June, 2013, passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 each and issue price of PLN 1, excluding a stock right of the current company's shareholders, in addition to changes in the company's articles of association within the scope. The company announced details in current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015.

On the 14<sup>th</sup> of May, 2015, the increase in the company's share capital of Comarch S.A. to the amount of PLN 8,133,349.00 was registered by the District Court for Kraków-Śródmieście in Kraków, XI Economic Division of the National Court Register. After this increase the company's share capital is divided into 8,133,349 shares. It corresponds to 15,126,949 votes at the company's AGM (RB-13-2015 dated the 21<sup>st</sup> of May, 2015).

As a consequence of the aforementioned increase in the company's share capital, on the 14<sup>th</sup> of May, 2015, changes in Comarch S.A. Articles of Association were registered by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register (RB-14-2015 dated the 21<sup>st</sup> of May, 2015).

On the 23<sup>rd</sup> of June, 2015, the Management Board of the National Deposit for Securities passed a resolution no. 400/15 in relation to the conditional registration of 7,759 ordinary bearer series L1 Comarch S.A. shares of a nominal value of PLN 1.00 (one zloty) each. Series L1 shares were registered by the

National Deposit for Securities on condition that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares with the code PLCOMAR00012 had been introduced by the company managing the regulated market (RB-19-2015 dated the 23<sup>rd</sup> of June, 2015).

On the 21<sup>st</sup> of July, 2015, with the resolution no. 700/2015 the Management Board of the Warsaw Stock Exchange decided that 7,759 ordinary bearer series L1 Comarch S.A. shares of nominal value of 1 PLN each are admitted to trading (RB-29-2015 dated the 21<sup>st</sup> of July, 2015).

On the 22<sup>nd</sup> of July, 2015, the Management Board of Comarch S.A. received an announcement of the Operating Department of the National Deposit for Securities informing that pursuant to the NDS Management Board's resolution no. 400/15 dated the 23<sup>rd</sup> of June, 2015, on the 23<sup>rd</sup> of July, 2015, 7,759 Comarch S.A. shares will be registered in the National Deposit for Securities under the ISIN code: PLCOMAR00012. The total number of shares after the following registration will amount to 6,384,949 (RB-30-2015 dated the 22<sup>nd</sup> of July, 2015).

## **16. Transactions on Shares of Subsidiaries and Associates of Comarch S.A.**

None present except for those mentioned in point 20.2 of the statement.

### **AFTER THE BALANCE SHEET DATE**

None present except for those mentioned in point 20.3 of the statement.

## **17. Other Events in 2015 and after the Balance Sheet Date**

### **17.1. Dates of Periodical Financial Reports in 2015**

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> 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. RB-1-2015 dated the 7<sup>th</sup> of January, 2015, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2015.

### **AFTER THE BALANCE SHEET DATE**

### **17.2. Dates of Periodical Financial Reports in 2016**

In the current report no. RB-1-2016 dated the 18<sup>th</sup> of January, 2016, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2016:

- 1) Q4 2015 - on 29<sup>th</sup> of February, 2016
- 2) Q1 2016 - on 16<sup>th</sup> of May, 2016
- 3) Q3 2016 - on 14<sup>th</sup> of November, 2016
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2016 - on 31<sup>th</sup> of August, 2016
- 5) Annual report for 2015 - on 29<sup>th</sup> of April, 2016
- 6) Consolidated annual report for 2015 - on 29<sup>th</sup> of April, 2016

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

Between the 1<sup>st</sup> of January, 2016 and the 28<sup>th</sup> of April, 2016, Comarch S.A. concluded forward contracts for the sales of EUR 13,475 thousand, USD 6,700 thousand, GBP 2,500 thousand. The total net value of open forward contracts as of the 28<sup>th</sup> of April, 2016, amounted to EUR 27,775 thousand, USD 12,100 thousand, GBP 3,400 thousand and CAD 500 thousand. The open forward contracts as of the 28<sup>th</sup> of April, 2016, were valued at plus PLN 1,697 thousand. The contracts will be settled within 27 months



from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, as well as to secure cash flows from an investment loan granted in euro, but run in PLN.

## 18. Characteristic of Policy of the Development Direction in the Comarch Group

The strategic development directions in the Comarch Group are:

- development of international sales, especially focusing on mature markets in Western Europe (in particular in the DACH region) and both Americas,
- constant development of its own technologically advanced products, high expenses for R&D,
- development of products and IT services for medicine,
- development of sales of IT products and services as 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.

## 19. 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.

### Comarch S.A.

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 may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to PLN 138.2 million, thus reached over 12% of Group's revenue in 2015. Comarch allocated there internal funds as well as acquired actively European funds.

In 2015, Comarch S.A. continued "Efficient, Ergonomic and Secure Systems of Browsing and Transmission of Medical Images" in the e-Health field (contracts for financing signed in 2012) within the Operational Programme Innovative Economy 1.4.



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## Fundusze Europejskie – dla rozwoju innowacyjnej gospodarki

In 2015, Comarch finished the project: "Innovative Platform for Market Research Analysis" funded through the **IniTech initiative**. The project is implemented on the basis of the agreement for financing with the National Centre for Research and Development (NCBiR). There was also completion of a project: „Social Business Intelligence Module” within the **Demonstrator Plus**, pilot undertaking „Support of Research and Development in Demonstrative Scale” and contract implementing within **7<sup>th</sup> Framework Programme** of the European Union for financing of the “Shaping the Future of Electronic Identity” (FutureID) project, with Comarch S.A. as a partner.

However implementation of the grant agreement is for financing of a project „Situation AWARE Security Operations Centre” (SAWSOC) within **7<sup>th</sup> Framework Programme** of the European Union was continued.

In 2015, an agreement was signed for financing the project "City of health" under the Operational Programme Intelligent Development 1.1.

**Comarch Healthcare S.A.**

Within the Operational Programme Innovative Economy 1.4 Comarch Healthcare S.A. continued the implementation of the project financing agreement on the Comprehensive e-Medicine Platform project. Within the 7<sup>th</sup> Framework Programme of the European Union, Comarch Healthcare S.A. continued the project SAWSOC (Situation AWARE Security Operations Centre). The agreement for its financing was signed in the second half of 2013.

Furthermore, in 2015, an agreement was signed within the framework of the Program of Applied Research for the project "Research on spatial navigation methods in endoscopic diagnosis of peripheral lung nodule", in which Comarch Healthcare S.A. is a partner.

**20. Capital Affiliations****20.1. Organisational Structure of the Comarch Group**

On the 31<sup>st</sup> of December, 2015, 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,
- 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 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 (100%),
- 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% votes held by CCF FIZ; 75% 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. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - “Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA (66.67% votes held by Bonus Management sp. z o.o. SKA, 33.33% votes held by MKS Cracovia SSA),
  - Bonus Development sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Management sp. z o.o. II Activia SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. II Koncept SKA 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 31<sup>st</sup> of December, 2015, an associate of the parent company is:

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

## 20.2. Changes in Ownership and Organisational Structure in 2015

On the 8<sup>th</sup> of January, 2015, the District Court for Kraków – Śródmieście in Kraków, the Eleventh Economic Division of the National Court Register issued a decision on the appointment of an expert to examine the merger plan for ESAPROJEKT sp. z o.o. and iMed24 SA, which was subsequently rectified

by decision of the 20<sup>th</sup> of January, 2015. On the 1<sup>st</sup> of April, 2015, the Court issued a decision that an expert's opinion from the audit of the merger plan will be attached to the registration files. On the 1<sup>st</sup> of July, 2015, the general meeting of iMed24 S.A. and the general meeting of ESAProjekt sp. z o.o. passed the resolutions on merger of these companies and changes in the articles of association of iMed24 S.A. As a consequence of these resolutions, after the merger, there will be a name change of iMed24 S.A., acting as the acquiring company, to Comarch Healthcare S.A. The acquiring company will comprise most of assets of the Comarch Group's e-Health sector and Piotr Piątosza was appointed its president of the management board. (current report no. 16/2015 dated the 2<sup>nd</sup> of June, 2015). On the 1<sup>st</sup> of July, 2015, the merger was registered. Simultaneously with the merger, there was an increase in share capital of Comarch Healthcare S.A. to PLN 5,328,806.00. Comarch S.A. announced details in current report no. RB-26-2015 dated the 7<sup>th</sup> of July, 2015. On the 26<sup>th</sup> of October, 2015, Extraordinary Shareholders' Meeting of Comarch Healthcare S.A. passed a resolution on an increase in the company's share capital from PLN 5,328,806 up to the amount of PLN 6,014,806 as a result of an emission of 686,000 series M shares, worth PLN 1 per share. The capital increase was registered on the 31<sup>st</sup> of December, 2015.

On the 19<sup>th</sup> of January, 2015, a name change was registered from Volatech Capital Advisors S.A. to Metrum Capital S.A.

On the 20<sup>th</sup> of January, 2015, a name change was registered from Comarch Oy to Comarch Technologies Oy.

On the 5<sup>th</sup> of February, 2015, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Kuala Lumpur in Malaysia with a share capital of RM 2.00 (PLN 2.05 according to the exchange rate dated the 2<sup>nd</sup> of April, 2015), of which 50% was held by Comarch S.A. On the 7<sup>th</sup> of May, 2015, Comarch S.A. acquired a share in Comarch Malaysia SDN. BHD. from a current shareholder and holds 100% of the company's shares. On the 8<sup>th</sup> of June, 2015, an increase in share capital was registered up to RM 500,000 (PLN 500,050 according to the exchange rate dated the 8<sup>th</sup> of June, 2015), i.e. increase of 499,998 shares, shared on 500,000 ordinary shares with a value of RM 1.00 each.

On the 16<sup>th</sup> of April, 2015, Comarch Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

On the 8<sup>th</sup> of May, 2015, the AGM of Comarch Yazilim A.S. passed a resolution on an increase in the company's share capital from TL 100,000 (PLN 134,300 according to the exchange rate dated the 8<sup>th</sup> of May, 2015) to TL 600,000 (PLN 806,580 according to the exchange rate dated the 8<sup>th</sup> of May, 2015). The share capital was fully paid. On the 5<sup>th</sup> of June, 2015, the capital increase was registered.

On the 25<sup>th</sup> of June, 2015, a resolution was passed to change the name of the company from Infrastruktura24 S.A. to Comarch Infrastruktura S.A.

On the 7<sup>th</sup> of July, 2015, conditional agreement concerning acquisition of shares of Goldcup 111447 AB company in Sweden by Comarch S.A. was signed. 100% of shares were acquired on the 18<sup>th</sup> of August, 2015, for total acquisition price SEK 50,000 (PLN 22,080 at the exchange rate on the 18<sup>th</sup> of August, 2015). On the 28<sup>th</sup> of August, 2015, a name change was registered to Comarch AB.

On the 13<sup>th</sup> of July, 2015, Comarch Pointshub, Inc. was registered in Rosemont, IL. On the 17<sup>th</sup> of July, 2015, Comarch Pointshub Inc. a subsidiary of Comarch SA, has signed a conditional agreement concerning acquisition of 4,250,000 shares in Thanks Again LLC for total acquisition price amounted to USD 8,000 thousand (PLN 30,140,800 at the exchange rate on the 17<sup>th</sup> of July, 2015). Acquired shares will represent 42,5% of total shares and will entitle to 42,5% of total number of votes at Thanks Again LLC general meeting. The conditions set out in the agreement have been fulfilled and on the 24<sup>th</sup> of August, 2015, the shares of Thanks Again LLC have been acquired. Thanks Again LLC is an operator of loyalty systems for airports in North America.

On the 16<sup>th</sup> of July, 2015, the share capital of Comarch Software Spain S.L.U. was increased by EUR 250 thousand – from EUR 250 thousand (PLN 1,027,775 at the exchange rate on the 16<sup>th</sup> of July, 2015) to EUR 500 thousand (PLN 2,055,550 at the exchange rate on the 16<sup>th</sup> of July, 2015).

On the 29<sup>th</sup> of July, 2015, the resolution was passed on an increase in the share capital of Comarch SRL from EUR 50 thousand (PLN 207,260 at the exchange rate on the 29<sup>th</sup> of July, 2015) to EUR 200 thousand (PLN 829,040 at the exchange rate on the 29<sup>th</sup> of July, 2015).

On the 17<sup>th</sup> of August, 2015, Extraordinary Shareholders' Meeting of Comarch Management sp. z o.o. SKA passed a resolution on an increase in the company's share capital from PLN 140,110 up to the amount of PLN 170,110 as a result of an emission of 30,000 series D shares, worth PLN 1 per share.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA signed a purchase agreement for 1,315 shares with CCF FIZ.

On the 18<sup>th</sup> of August, 2015, Comarch Management sp. z o.o. SKA concluded an agreement with CCF FIZ to acquire 1,315 shares for redemption.

On the 16<sup>th</sup> of October, 2015, an increase in share capital of Comarch Management sp. z o.o. SKA up to the amount of PLN 170,110 was registered in the proper register.

On the 26<sup>th</sup> of October, 2015, Comarch Management sp. z o.o. SKA concluded a purchase agreement for 26,000 shares with CCF FIZ in order to redeem the shares.

On the 20<sup>th</sup> of August, 2015, a name change was registered from Infrastruktura24 S.A. to Comarch Infrastruktura S.A. in the National Court Register.

On the 3<sup>rd</sup> of September, 2015, a resolution was passed on a company's name change from iReward24 S.A. to Comarch Pointshub S.A.

On the 11<sup>th</sup> of November, 2015, Comarch S.A. concluded an agreement for the acquisition of 100,000 shares of Comarch Argentina S.A. based in Buenos Aires (100% of the share capital, each share having a nominal value of ARS 1), for a nominal amount of ARS 100,000 (i.e. PLN 41,280 at the exchange rate on the 10<sup>th</sup> of November, 2015).

On the basis of resolutions of the sole shareholder dated the 10<sup>th</sup> of December, 2015, changes were made in the share capital of Comarch SAS. First of all the share capital was reduced from EUR 2,500,000 to EUR 308,429 (PLN 1,339,816 at the exchange rate of the 10<sup>th</sup> of December, 2015), i.e. a reduction of EUR 2,191,571 (PLN 9,520,184 at the exchange rate of the 10<sup>th</sup> of December, 2015) and then increased by EUR 3,000,000 (PLN 13,032,000 at the exchange rate of the 10<sup>th</sup> of December, 2015). The current share capital of Comarch SAS is EUR 3,308,429. The change of share capital is effective from the 17<sup>th</sup> of December, 2015.

On the 10<sup>th</sup> of December, 2015, Comarch SAS and Comarch SA (existing shareholders of Comarch R&D SARL) entered into a share purchase agreement, which resulted in purchase of 525 shares of Comarch R&D SARL (70% of the share capital) by Comarch SA from Comarch SAS for a total amount of EUR 70,000 (PLN 304,080 at the exchange rate of the 10<sup>th</sup> of December, 2015), i.e. EUR 133.33 (PLN 579.19 at the exchange rate of the 10<sup>th</sup> of December, 2015) per share. From the 10<sup>th</sup> of December, 2015, Comarch SA is the sole shareholder of Comarch R&D SARL.

On the 21<sup>st</sup> of December, 2015, the Extraordinary General Meeting of Comarch Management sp. z o.o. passed a resolution to increase the share capital from PLN 250 thousand to PLN 300 thousand through the issuance of 500 new shares with a nominal value of PLN 100 each. The shares were acquired by the existing sole shareholder, Comarch S.A. based in Krakow.

### **20.3. Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date**

On the 15<sup>th</sup> 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 15<sup>th</sup> of January, 2016).

On the 22<sup>th</sup> 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 4<sup>th</sup> 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 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 14<sup>th</sup> of April, 2016.

## 20.4. Characteristics of Companies in the Comarch Group

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, XI 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.

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 Smart City), Comarch Malaysia SDN. BHD., Comarch AB and Comarch Argentina S.A. 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. acquire IT contracts in domestic markets, mostly in Public sector, and execute them in their entirety or in part;
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software;
- CA Consulting S.A. specialises in data communications relating to the provision of 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 contractors;
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A oraz Bonus Management sp. z o.o. II Activia SK-A, Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SKA and Bonus Development sp. z o.o. II Koncept SKA are activities related to real estates;
- Comarch Healthcare S.A. (the company was established on the 1<sup>st</sup> of July, 2015, by merger of iMed24 S.A. and ESAProjekt sp. o.o.) produces and sells IT software related to medicine, provides medical and diagnostic devices and services as well as manufactures and delivers comprehensive solutions for the medical sector;
- Comarch Pointshub S.A. (formerly iReward24 S.A.) produces and implements loyalty software for the customers in small and medium sized enterprises;
- Comarch Infrastruktura S.A. (formerly Infrastruktura24 S.A.) offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- MKS Cracovia SSA is a sport joint stock company;
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sports;
- Opso sp. z o.o. provides catering services;
- Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

**PARENT COMPANY**

Company: **Comarch Spółka Akcyjna COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 350527377  
 NIP (Polish Identification Tax Number): 677-00-65-406

The parent company - shares of the company are admitted to trading in the Warsaw Stock Exchange and are held, according to the knowledge of the company as at the date of preparation of this report, by Janusz Filipiak (32.88% of shares), Elżbieta Filipiak (10.40% of shares), members of the Management Board (1.13%).

The company has branches in Krakow, Warsaw, Poznań, Gdańsk, Wrocław, Katowice, Gliwice, Rzeszów, Bielsko-Biała, Białystok, Łódź, Lublin, Tarnów, Kielce and Tirana (Albania).

**SUBSIDIARIES**

Company: **Comarch AG COMARCH**  
 Address: Chemnitzer Str. 59b, 01187 Dresden, Germany  
 VAT ID: DE 206 522075

The company's share capital is EUR 15,000,000.00. It consists of 15,000,000 ordinary bearers' shares of nominal value of EUR 1 each, held by Comarch S.A. Total number of votes resulting from Comarch AG shares amounts to 15,000,000. Comarch S.A. holds 100% shares and votes at the company's general annual meeting. The company's business is the sale and implementation of IT solutions Comarch on the DACH market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch AG is Comarch S.A.'s subsidiary.

Company: **Comarch Software und Beratung AG (Comarch SuB) COMARCH**  
 Address: Messerschmittstr. 4,  
 80992 Munich, Germany  
 VAT ID: DE129457436

Comarch AG holds 6,213,072 shares of Comarch SuB, which constitute 100% of the company's share capital. This gives 6,213,072, i.e. 100% share of the total votes at the company's annual general meeting. The company is active on the IT market, mostly in Germany and Austria, offering its products and services to three business segments: ERP, finance and integration of systems for medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SuB is Comarch S.A.'s subsidiary (through Comarch AG).

Company: **Comarch Solutions GmbH COMARCH**  
 Address: Innsbruck - Müllerstr. 1, 6020 Innsbruck, Austria  
 VAT ID: ATU46234800

The company's share capital is EUR 50,000.00. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SuB is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch SAS COMARCH**  
 Address: 17 rue Paul Langevin  
 59260 Lezennes, France  
 VAT ID: FR 20500252606

Comarch S.A. holds 100% of Comarch SAS shares, that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch SAS amounts to EUR 3,308,429. On the 10<sup>th</sup> of December, 2015 the share capital was lowered to cover losses from previous years and at the same time share capital was increased to the amount of EUR 3,308,429. On the 10<sup>th</sup> of December, 2015, the company sold its shares of Comarch R&D SARL to Comarch S.A. The company's business is the sale and implementation of Comarch IT solutions in the French-speaking market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SAS is a subsidiary of Comarch S.A.

Company: **Comarch R&D S.à r.l COMARCH**  
 Address: 100A, allée Saint Exupéry  
 38330 Montbonnot-Saint Martin, France  
 VAT ID: FR 69507984557

From the 10<sup>th</sup> of December, 2015, Comarch S.A. holds 100% of shares in Comarch R&D SARL, representing 100% of the share capital and 100% votes at the shareholders meeting. The share capital of Comarch R&D S.à r.l. amounts to EUR 7,500 and consists of 750 shares of nominal value of EUR 10 each. The business of Comarch R&D S.à r.l. is sales and implementation of Comarch IT solutions in the French-speaking market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch R&D S.à r.l. is a subsidiary of Comarch S.A.

Company: **Comarch Luxembourg S.à r.l COMARCH**  
 Address: Route d'Arlon 23,  
 L-8008 Strassen,  
 Grand Duchy of Luxembourg  
 VAT ID: LU24700126

Comarch S.A. holds 100% shares of Comarch Luxembourg S.à r.l., that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch Luxembourg S.à r.l. amounts to EUR 500,000 and consists of 500,000 shares of nominal value of EUR 1 each. Total number of votes at the company's general meeting amounts to 500,000. The subject matter of activities of Comarch Luxembourg S.à r.l. is sales and implementation of IT systems in Benelux countries. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Luxembourg S.à r.l. is Comarch S.A.'s subsidiary.

Company: **Comarch, Inc. COMARCH**  
 Address: 10 W. 35<sup>th</sup> St.  
 9450 W. Bryn Mawr Ave  
 Suite 325  
 Rosemont, IL 60018  
 VAT ID: 52-2207301

The company sells Comarch software and services in the markets of both Americas. The company's share capital is USD 40,000. Comarch S.A. holds 100% of interest in the company's share capital and 100% shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch, Inc. is Comarch S.A.'s subsidiary.

Company: **Comarch Panama, Inc. COMARCH**  
 Address: Calle 52 Este, Obarrio  
 Edificio P.H. Plaza Ejecutiva  
 Piso 3, Oficina 307  
 Panama City, Panamá  
 Telephone/fax: +507 263 25 69  
 VAT ID: RUC 698712-1-468218 DV95

The company's share capital is USD 360,000 and is divided into 360,000 shares of nominal value of USD 1 each. The company sells and implements Comarch IT systems in the Central and Southern America



market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Panama, Inc. is Comarch S.A.'s subsidiary (through Comarch, Inc.).

Company: **Comarch Sistemas LTDA COMARCH**  
 Address: Avenida Roque Petroni Junior n° 1.089  
 Vila Gertrudes, Sao Paulo, Brasil  
 VAT ID: 20.035.102/0001-50

The company's share capital is BRL 1,000 and is divided into 1,000 shares of nominal value of BRL 1 each. Comarch AG holds 80% of Comarch Sistemas LTDA shares that constitute 80% of the share capital and 80% of votes at the meeting of shareholders and Comarch Software und Beratung AG holds remaining 20% of Comarch Sistemas LTDA shares. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Sistemas LTDA is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch Canada, Corp. COMARCH**  
 Address: 1155 blvd Rene-Levesque Ouest  
 Suite 2500, Montreal  
 QC H3B 2K4 Canada  
 VAT ID: GST/HST 81055 8403 RT0001

The company's share capital is CAD 50,000 and is divided into 50,000 shares of nominal value of CAD 1 each. Comarch S.A. holds 100% of shares and votes of the company. The company sells and implements Comarch IT systems in Canada. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Canada, Corp. is Comarch S.A.'s subsidiary.

Company: **Comarch Espace Connecté, Inc.**  
 Address: 1155 blvd Rene-Levesque Ouest  
 Suite 2500, Montreal  
 QC H3B 2K4 Canada  
 VAT ID: 1222643674 IC 0001

The company's share capital is CAD 400,000 and is divided into 400,000 registered shares of nominal value of CAD 1 each. The sole shareholder of Comarch Espace Connecté Inc. is Comarch S.A. The company's business is sales of the Comarch Group products in the Canadian market.

Company: **Comarch Middle East FZ-LLC COMARCH**  
 Address: PO. Box 500398 Dubai, United Arab Emirates  
 Register no.: 19879

The company's share capital is AED 200,000 and is divided into 200 shares of AED 1,000 each (as at the 31<sup>st</sup> of December, 2015, AED 1 is worth PLN 1.0561). Comarch S.A. acquired all the shares for cash at nominal value. The company sells and implements Comarch products in the Middle East and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Middle-East FZ-LLC is Comarch S.A.'s subsidiary.

Company: **Comarch Malaysia SDN. BHD. COMARCH**  
 Address: B-3A-06 Block B West, PJ8 Service Suites  
 No 23 Jalan Barat, Seksyen 8  
 46050 Petaling Jaya  
 Register no.: 1138689-D

The company's share capital is MYR 500,000. Comarch S.A. acquired a share of MYR 1. Comarch S.A. owns 100% share in the share capital, which entitle to 100% votes at the AGM. The company's business

is the sale and implementation of Comarch IT solutions in the Asian market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Malaysia SDN.BHD. is Comarch S.A.'s subsidiary.

Company: **Comarch Software Spain S.L.U. COMARCH**  
 Address: Calle Caléndula, 93, Miniparc III Edificio E, Alcobendas 28109, Madrid,  
 VAT ID: B87128849

The company's share capital is EUR 500,000 and is divided into 50,000 shares of nominal value of EUR 10 each. Comarch S.A. holds 100% of shares in the company's share capital and 100% votes at the AGM of the company. The company's business is the sale and implementation of Comarch IT solutions in the Spanish-speaking markets. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software Spain S.L.U. is Comarch S.A.'s subsidiary.

Company: **Comarch Yazilim A.S. COMARCH**  
 Address: Matbuat Sok. Durukan Apt. No:17/6 Esentepe, Şişli/ Stambul, Turkey  
 VAT ID: 2110683747

The company's share capital is TRY 600,000 (1 TRY amounts to PLN 1.3330 as of the 31<sup>st</sup> of December, 2015) and is divided into 600,000 shares of nominal value of TRY 1 each. The sole shareholder of the company is Comarch S.A. The company's business is the sale and implementation of Comarch IT solutions in the Turkish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Yazilim A.S. is Comarch S.A.'s subsidiary.

Company: **Comarch S.R.L. COMARCH**  
 Address: Piazza Quattro Novembre 7, 20124 - Milan (MI), Italy  
 VAT ID: 08967390967

The company's share capital is EUR 700,000. Comarch S.A. holds 100% of the company's shares. The company's business is the sale and implementation of Comarch IT solutions in the Italian market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch S.R.L. is Comarch S.A.'s subsidiary.

Company: **Comarch LLC COMARCH**  
 Address: 18/7 Kutuzova Str., 01133 Kiev, Ukraine  
 VAT ID: 329182826556

The company's share capital is UAH 20,500 (as at the 31<sup>st</sup> of December, 2015, UAH 1 amounts to PLN 0.1622). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The registered company is a one-person limited liability company. It sells and implements Comarch products in Ukraine and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch LLC is Comarch S.A.'s subsidiary.

Company: **OOO Comarch COMARCH**  
 Address: Prechistensky Pereulok 14 building 1, 119034 Moscow, Russia  
 VAT ID: INN/KPP 7704545099/770401001

The company's share capital is worth RUB 1,200,000 and it corresponds to 1 share at nominal value of RUB 1,200,000 (as at the 31<sup>st</sup> of December, 2015, RUB 1 amounts to PLN 0.0528). The company's share capital was paid in total in cash. The company sells and implements Comarch products in Russia and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, OOO Comarch is Comarch S.A.'s subsidiary.

Company: **Comarch Software (Shanghai) Co. Ltd. COMARCH**  
 Address: Room 3610-2, Block 11, No.3855 Shangnan Road Pudong New Area, Shanghai, China  
 VAT ID: 310115690128967

The company's share capital is worth USD 200,000 and Comarch S.A. holds it in total. The company is currently not operating. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software (Shanghai) Co. Ltd. is Comarch S.A.'s subsidiary.

Company: **Comarch Technologies Oy (formerly Comarch Oy) COMARCH**  
 Address: Tekniikantie 14  
 02150 Espoo, Finland  
 VAT ID: FI23730145

The company's share capital is worth EUR 50,000 and is divided into 50,000 shares of nominal value of EUR 1. Total number of votes resulting from all company's shares amounts to 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the Finnish market. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Comarch Technologies Oy is Comarch S.A.'s subsidiary.

Company: **Comarch UK Ltd. COMARCH**  
 Address: 201 Great Portland Street, London, W1W 5AB, Great Britain  
 VAT ID: GB 133 0821 52

The company's share capital is GBP 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the British market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch UK is Comarch S.A.'s subsidiary.

Company: **Comarch Chile SpA COMARCH**  
 Address: Apoquindo N° 3650, piso 12 Santiago, Chile  
 VAT ID:

The company's share capital is CLP 161 million (as at the 31<sup>st</sup> of December, 2015, CLP 1 amounts to PLN 0.5504). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the South American market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Chile SpA is Comarch S.A.'s subsidiary.

Company: **Comarch AB COMARCH**  
 Address: Setterwalls Advokatbyrå, att:Tobis Od Box 1050  
 101 39 Stockholm, Sweden  
 VAT ID: SE559018956801

The company's share capital is SEK 50,000 (as at the 31<sup>st</sup> of December, 2015, SEK 1 amounts to PLN 0.4646). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the Swedish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch AB is Comarch S.A.'s subsidiary.

Company: **Comarch Argentina S.A. COMARCH**  
 Address: Suipacha 1380, 2° Floor, Buenos Aires, Argentina  
 CUIT: 30-71425465-7

The company's share capital is ARS 100,000 (as at the 31<sup>st</sup> of December, 2015, ARS 1 amounts to PLN 0.2982). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's

business is the sale and implementation of Comarch IT solutions in the Argentinean market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Argentina S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch s.r.o. COMARCH**  
Address: Sumbalova 1a 841 04 Bratislava, Slovakia

The company's share capital is EUR 149,372.63. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch s.r.o. is Comarch S.A.'s subsidiary. Currently, the company does not operate.

Company: **Comarch Technologies sp. z o.o. COMARCH**  
(Polish law limited liability company) Technologies  
Address: 31-864 Kraków,  
Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 300075359  
NIP (Polish Identification Tax Number): 2090000305

The company's share capital is PLN 50,000 and is divided into 500 shares of PLN 100 each. They entitle to 500 votes at the company's annual general meeting. Comarch S.A. holds 100% shares which entitle to 100% votes at the company's annual general meeting. Comarch Technologies sp. o.o. is engaged in the development of secure solutions for end-to-end hardware and software for B2B customers. The basis for development is the experience gained in the field of prototyping, production and quality control of solutions in the area of consumer electronics and industries like automotive, medical and finance & banking. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Technologies sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **CA Consulting S.A. CA CONSULTING**  
(joint stock company)  
Address: Al. Jerozolimskie 81, 02-001 Warsaw  
Regon (Polish National Official Register of Business Entities): 356846563  
NIP (Polish Identification Tax Number): 678-29-24-039

The company's share capital is PLN 1,050,000 and is divided into 5,250 shares at nominal value of PLN 200 each that give 5,250 votes. Comarch S.A. holds 100% of CA Consulting S.A. shares entitling to 100% votes at the AGM of the company. 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 Comarch's contractor. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, CA Consulting S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch Management spółka z o. o. COMARCH**  
(Polish law limited liability company)  
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120560832  
NIP (Polish Identification Tax Number): 675-13-76-192

The share capital of Comarch Management sp. z o.o. amounts to PLN 300,000 and consists of 3,000 shares of nominal value of PLN 100 each. They entitle to 3,000 votes. Comarch S.A. holds 100% of Comarch Management sp. z o.o. shares entitling to 100% of votes at the shareholders' meeting of the company. The subject matter of activities of Comarch Management sp. z o.o. are investment activities on capital and IT market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty**  
(CCF FIZ) (closed investment fund)  
Address: 31-038 Kraków, ul. Księcia Józefa 186  
Regon (Polish National Official Register of Business Entities): 120576141

NIP (Polish Identification Tax Number): 106-00-01-334

Comarch S.A. holds four investment certificates of the fund, acquired within the frame of issuance of series A certificates for the issue price of PLN 250,000 each. The total purchase price of the acquired investment certificates amounted to PLN 1,000,000. They constitute 100% of investment certificates issued by the fund and entitle to 100% of votes at meeting of the fund's investors. Comarch S.A. purchased the above-mentioned investment certificates from its own resources. CCF FIZ conducts an investment activity in the scope of new technologies and Internet services that are not Comarch S.A.'s basic activities.

Company: **Comarch Management spółka z o. o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)** **COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120578542  
 NIP (Polish Identification Tax Number): 675-13-76-542

The share capital of Comarch Management sp. z o. o. SKA amounts to PLN 170,110. CCF FIZ holds 8.82% of shares entitling to 25% of votes, Comarch S.A. holds 26.45% of shares entitling to 75% of votes and 64.73% of shares were purchased by Comarch Management sp. z o.o. SKA for redemption. Shares purchased by Comarch Management spółka z o.o. SKA for redemption doesn't give any votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny 15  
 Regon (Polish National Official Register of Business Entities): 120641766  
 NIP (Polish Identification Tax Number): 676-23-69-528

The company's share capital is PLN 2,879,400 and is divided into 2,876,400 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. II Activia Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny 15  
 Regon (Polish National Official Register of Business Entities): 121358009  
 NIP (Polish Identification Tax Number): 6762430883

The company's share capital is PLN 1,555,200 and is divided into 1,555,200 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. II Activia SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. Cracovia Park Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny 15

With the notarial deed of the 25<sup>th</sup> of March, 2014, Bonus Management sp. z o.o. Cracovia Park spółka komandytowo-akcyjna was established. Its share capital amounts to PLN 800,000 and is divided into 800,000 shares with nominal value of PLN 1 each. Bonus Management spółka z ograniczoną odpowiedzialnością SKA holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). Bonus




Management sp. z o. o. Cracovia Park SKA conducts investment activities in real estates and related to sports and recreation. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. II Activia SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny 15  
 Regon (Polish National Official Register of Business Entities): 120637434  
 NIP (Polish Identification Tax Number): 676-23-68-121

The company's share capital is PLN 5,640,000 and is divided into 5,640,000 shares of nominal value of PLN 1. 50,000 preference series A shares entitle to 100,000 votes and 5,590,000 ordinary shares give 5,590,000 votes. CCF FIZ holds 100% of the company's shares entitling to 100% votes. Bonus Development sp. z o. o. SKA conducts real estate development activities and real estate management in Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. II Koncept Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny 15  
 Regon (Polish National Official Register of Business Entities): 121376250  
 NIP (Polish Identification Tax Number): 6762432161

The company's share capital is PLN 101,263 and is divided into 101,263 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares entitling to 100% votes. Bonus Development sp. z o. o. II Koncept SK-A ucts real estate development activities and real estate management in Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Healthcare S.A.  (joint stock company)**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120652221  
 NIP (Polish Identification Tax Number): 675-13-82-502

Comarch Healthcare S.A. was created from the merger of iMed24 S.A. and ESAProjekt sp. o.o. (registration in the National Court on the 1st of July, 2015). The company's share capital is PLN 6,014,806 and is divided into 6,014,806 shares of nominal value of PLN 1. These shares entitles to a total of 6,014,806 votes at the general meeting of shareholders. CCF FIZ holds 77.08% of the company's shares (77.08% of votes) and CASA Management and Consulting sp. z o.o. SKA holds 22.92% of shares (22.92% of votes). The company is one of the leading Polish manufacturers and suppliers of comprehensive solutions for the health sector, conducts IT projects related to telemedicine, as well as owns the Medical Center iMed24. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Healthcare S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Polska S.A. (joint stock company) **  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120705696  
 NIP (Polish Identification Tax Number): 675-13-87-586

The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100, entitling to 5,000 votes at the AGM. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Polska S.A. sells IT systems for public sector customers. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Polska S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Pointshub S.A. (joint stock company)**

Address: 31-864 Kraków, Aleja Jana Pawła II 39 a

Regon (Polish National Official Register of Business Entities): 120792583

NIP (Polish Identification Tax Number): 675-14-02-274

The company's share capital is PLN 750,000 and is divided into 7,500 shares of nominal value of PLN 100, entitling to 7,500 votes at the AGM. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Pointshub S.A. produces and implements new generation loyalty. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Pointshub S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Infrastruktura S.A. (joint stock company)**

Address: 31-864 Kraków, Aleja Jana Pawła II 39 a

Regon (Polish National Official Register of Business Entities): 120807830

NIP (Polish Identification Tax Number): 675-14-03-084

The company's share capital is PLN 575,000 and is divided into 5,750 shares of nominal value of PLN 100, entitling to 5,750 votes. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Infrastruktura S.A. offers outsourcing of IT services. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Infrastruktura S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **iComarch24 S.A. (joint stock company) iCOMARCH24.PL**

Address: 31-864 Kraków, Aleja Jana Pawła II 39 a

Regon (Polish National Official Register of Business Entities): 120871348

NIP (Polish Identification Tax Number): 6751410687

The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100, entitling to 5,000 votes. CCF FIZ holds 100% of the company's shares (100% of votes). The company provides accounting services for domestic subsidiaries of Comarch Group as well as manufactures and sells financial and accounting software in the Cloud model for small and medium-sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iComarch24 S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **CASA Management and Consulting sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**

Address: ul. Szarskiego 18, 30-698 Kraków

Regon (Polish National Official Register of Business Entities): 121040023

NIP (Polish Identification Tax Number): 6793020643

The company's share capital is PLN 3,114,000 and is divided into 31,140 shares of nominal value of PLN 100, entitling to 31,140 votes. CCF FIZ holds 100% of the company's shares (100% of votes). CASA Management and Consulting sp. z o.o. SKA conducts investment activity on capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CASA Management and Consulting sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Swiss AG (joint stock company)**

Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland

VAT ID: 472274

The company's share capital is CHF 300,000 and is divided into 300 registered shares of nominal value of CHF 1,000 each. They entitle to 300 votes at the general meeting. 100% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. The company sells the Comarch Group's products in Switzerland. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Swiss AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **CAMS AG (joint stock company)**  
 Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland  
 VAT ID: CHE-273.360.056

The company's share capital is CHF 100,000 and is divided into 1,000 registered shares of nominal value of CHF 100 each. They entitle to 1,000 votes at the general meeting. 51% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CAMS AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **Opso sp. z o.o. (Polish law limited liability company)**  
 Address: 31-864 Kraków, ul. prof. Michała Życzkowskiego 23  
 Regon (Polish National Official Register of Business Entities): 122485307  
 NIP (Polish Identification Tax Number): 675-147-11-92


The share capital of Opso sp. z o.o. amounts to PLN 205,000 and consists of 100 shares at nominal value of PLN 2,050 each, entitling to 100 votes. Comarch S.A. holds 100% Opso sp. z o.o. shares entitling to 100% votes at the AGM of the company. Opso sp. z o.o. provides catering services. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Opso sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Miejski Klub Sportowy Cracovia Sportowa Spółka Akcyjna (Polish city sports club)**  
 Address: 30-111 Kraków, ul. Kałuży 1  
 Regon (Polish National Official Register of Business Entities): 351553230  
 NIP (Polish Identification Tax Number): 677-20-79-476



The share capital of MKS Cracovia SSA is 21,840,100 PLN and is divided into 218,401 shares. Comarch S.A. holds 144,381 shares and 144,381 votes at the AGM of MKS Cracovia SSA that constitute 66.11% of the company's share capital. The company conducts sports activities. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, MKS Cracovia SSA is Comarch S.A.'s subsidiary.

## **ASSOCIATES**

Company: **SolInteractive S.A. (joint stock company)**  
 **sointeractive**  
 Address: 31-864 Kraków, ul. Prof. Michała Życzkowskiego 29 a  
 Regon (Polish National Official Register of Business Entities): 120629191  
 NIP (Polish Identification Tax Number): 676-23-66-843

The company's share capital is PLN 791,000 and is divided into 7,910 shares of nominal value of PLN 100, entitling to 12,420 votes. CCF FIZ holds 25.28% of the company's shares, which give 16.1% of votes. Bonus Management sp. z o.o. II Activia SKA holds 17.7% of the company's shares, which give 11.27% of votes. The Company's business is to create gamification solutions B2C, B2B and B2E and mechanisms of games and the Internet of Things. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, SolInteractive S.A. is Comarch S.A.'s associate.

Company: **Metrum Capital S.A. (Volatech Capital Advisors S.A.) (joint stock company)**  
 Address: ul. Kałuży 1, 30-111 Kraków  
 Regon (Polish National Official Register of Business Entities): 0000502255  
 NIP (Polish Identification Tax Number): 6772380164

The company's share capital is PLN 700,000. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The Company's business is the production IT software that supports investments in the



capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Metrum Capital S.A. is Comarch S.A.'s associate (directly and through CCF FIZ).

Firma Spółki:

**Thanks Again LLC**



Adres Spółki:

1015 Tyrone Road, Suite 820, Tyrone, GA 30290

Regon:

120629191

NIP:

676-23-66-843

Comarch S.A. holds 42,5% of Thanks Again LLC shares (42,5% of votes). Thanks Again LLC is an operator of loyalty systems for airports in North America. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Thanks Again LLC is Comarch S.A.'s associate (through Comarch Pointshub Inc.).

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

None present.

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

The Group has not published the results forecast for 2015.

## **23. Factors and Events of Unusual Nature that Affect the Group Activities and the Achieved Results, as well as Their Appraisal**

### **23.1. Deferred Income Tax Asset**

Over 2015, the parent company dissolved in part an asset due to activities in the SEZ that was worth PLN 9,916 thousand and established as at the 31<sup>st</sup> of December, 2014. At the same time, the parent company recognised an asset in the amount of PLN 10,441 thousand. This asset will be gradually resolved over 2016 in proportion to achieved income, due to activities in SEZ in this period of time.

During 2015, Group settled in part a deferred tax asset related to temporary differences, that was presented on the 31<sup>st</sup> of December, 2014, and worth PLN 5,207 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 4,990 thousand. An asset due to tax loss was dissolved in the amount of PLN 240 thousand and recognised in the amount of PLN 1,230 thousand. The total effect of the above-mentioned operations on the net result of 2015 was + PLN 1,298 thousand.

### **23.2. Valuation of Currency Translation Differences**

The influence of currency exchange rates on revenue and results of the Comarch Group in 2015 was moderate. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of December, 2015, increased revenue and operating result of the Comarch Group by PLN 1,590 thousand (while for 2014 increased by PLN 1,950 thousand). Other exchange differences increased by PLN 418 thousand Comarch's result (while for 2014 decreased by PLN 851 thousand). Total currency translation differences resulted in an increase of PLN 2,008 in the Comarch Group's net result for 2015 (while for 2014 increased by PLN 791 thousand).

### **23.3. Write-off Revaluating Receivables**

As at the 31<sup>st</sup> of December, 2015, the Group recognized an impairment loss of trade receivables in the amount of PLN 13,855 thousand and reversed previously created write-offs in the amount of PLN 13,367

thousand due to the settlement of debts (mainly by one of the clients of the Russian market). These operations were included respectively in other operating income and expenses in the profit and loss account.

## 24. Changes in Methods of Company Management and Its Capital Group Management

None present.

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

They were described in point 12.

## 26. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements

With resolution no. 1/06/2015, dated the 26<sup>th</sup> of June, 2015, the Supervisory Board of Comarch S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. to audit and review the financial statements of Comarch S.A. Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k., with its registered seat in Warsaw at ul. Jana Pawła II 19, is registered at no. 73 in the list of entities entitled to audit financial statements. Comarch S.A. has used the services of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. within the scope of reviewing the financial statements for the first 6 months of 2006-2009 and 2011-2014, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A. for 2006- 2009 and 2011-2014.

A two-year agreement was concluded within the scope of:

- a) Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2015 and the first 6 months of 2016;
- b) Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A. for 2015 and 2016.

The company announced details in current report no. RB-24-2015.

The total net remuneration due on account of reviewing the above-mentioned financial statements was as follows:

Types of services	Remuneration (net value)- paid	Remuneration (net value)- due
<b>2015</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.</b>		
1. Obligatory audit of annual financial statements for 2015	-	PLN 135,000.00
2. Review of half-year financial statement for H1 2015 and agreed additional costs related to consolidation process	PLN 80,000.00	-
3. Tax advisory services for Comarch S.A.	PLN 32,052.65	-
4. Other services for other entities of Comarch Group	PLN 36,050.00	-
<b>2014</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.</b>		
1. Obligatory audit of annual financial statements for 2014 and agreed additional costs associated with the consolidation process	PLN 112,000.00	-

2. Review of half-year financial statement for H1 2014 and agreed additional costs related to consolidation process	PLN 110,000.00	-
3. Tax advisory services for Comarch S.A.	PLN 48,712.77	-
4. Other services for Comarch S.A.	PLN 53,230.00	-
5. Other services for other entities of Comarch Group	PLN 104,712.77	-

## 27. Systems that Control Employees Shares Programmes

None present.

## 28. Significant Legal, Arbitration or Administrative Proceedings

### 28.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities

None present.

### 28.2. 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.

Krakow, 28<sup>th</sup> of April, 2016

<b>Janusz Filipiak</b> President of the Management Board	<b>Marcin Dąbrowski</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Andrzej Przewięźlikowski</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> 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, that audited the annual consolidated financial statement for the year 2015 was selected compliant with the law and that the entity and expert auditors who audited this statement perform under conditions to provide an unbiased and independent opinion on the audited annual consolidated financial statement, compliant with the national law.

Krakow, 28<sup>th</sup> of April, 2016

<b>Janusz Filipiak</b> President of the Management Board	<b>Marcin Dąbrowski</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Andrzej Przewięźlikowski</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		

### **The Management Board's statement regarding the reliability of the financial statement**

The Management Board of Comarch S.A. states that to the best of our knowledge, the annual consolidated financial statement for the year 2015 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the Group and its financial results. Furthermore, the annual report regarding the Group's activities truly describes the development image and achievements as well as the Group's situation including basic threats and risk.

Krakow, 28<sup>th</sup> of April, 2016

<b>Janusz Filipiak</b> President of the Management Board	<b>Marcin Dąbrowski</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Andrzej Przewięźlikowski</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		

**REPORT REGARDING THE ACCEPTANCE  
OF CORPORATE GOVERNANCE PRINCIPLES  
IN COMARCH SA IN 2015**

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Statement of the Management Board of Comarch SA on the application in the company of corporate governance rules in accordance with § 91.5 Section 4 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> 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.

## **1. Corporate Governance Principles that Apply to an Issuer**

Comarch SA, a company listed on the Warsaw Stock Exchange, was in 2015 a subject to the corporate governance principles set out in the document "Best Practices of WSE Listed Companies" (Annex to Resolution of the WSE Council No. 19/1307/2012 of the 21<sup>st</sup> of November, 2012). The rules are available on the website [www.gpw.pl/dobre\\_praktyki\\_spolek\\_regulacje](http://www.gpw.pl/dobre_praktyki_spolek_regulacje), which is the official website of the Warsaw Stock Exchange devoted to these issues.

The Best Practices include four sections:

- I. Recommendations for Best Practices of Listed Companies;
- II. Best Practices of Management Boards of Listed Companies;
- III. Best Practices of Supervisory Board Members;
- IV. Best Practices of Shareholders.

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the Company in 2013 as attachment to the annual statement published on 30<sup>th</sup> of April, 2014.

Since 2016, the Company subject to the rules adopted on the 13<sup>th</sup> of October, 2015 by the WSE Council of the Resolution No. 26/1413/2015 on the adoption of a new set of corporate governance principles entitled "Good Practices of WSE Listed Companies 2016". The rules are available on the website [www.gpw.pl/dobre\\_praktyki\\_spolek\\_regulacje](http://www.gpw.pl/dobre_praktyki_spolek_regulacje), which is the official website of the Warsaw Stock Exchange devoted to these issues.

## **2. Recommendations for Corporate Governance Principles not Implemented by the Issuer along with an Explanation of the Circumstances and Reasons surrounding the Decision not to Implement a Particular Principle**

### **a) Recommendations for Best Practices of Listed Companies**

*5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.*

Comarch S.A. has a remuneration policy which specifies form, structure and level of employees' remuneration, including members of management and supervisory boards. Management board's compensation scheme ensures linkage between remuneration, company's financial results and performed services of salaried persons.

A significant part of the rules resulting from the Recommendation of 14<sup>th</sup> of December, 2004, fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30<sup>th</sup> of April, 2009, complementing that Recommendation (2009/385/EC) has been included in the compensation scheme applied at Comarch S.A. They are:

- a) The total remuneration and other benefits for members of the company's management and supervising staff are presented in annual financial statements,



- b) Option programmes are approved at the company's general meeting and detailed information related to the managerial option programme is presented in financial statements,
- c) The compensation scheme specifies variable and non-variable components of the management's remuneration, and a variable component is linked to specified in-advance performance criteria,
- d) The value of termination payments does not exceed the equivalent of two-years of the non-variable component of the remuneration,
- e) Shares do not constitute the remuneration form for non-executive directors nor members of the supervisory board,

However, the company's remuneration policy does not include some recommendations of the European Commission, such as:

- a) Compensation scheme is not a subject to the prior approval of the annual general shareholders' meeting,
- b) The company does not disclose „the remuneration statement” on its website (detailed information in relation with that subject are included in the financial statement),
- c) Share-based property rights, when executing share options, may be effective before 3 years from the date of their receiving, and it is not mandatory to hold a specific number of shares during the time of fulfilling the function of a managing person,
- d) There is no Remuneration Committee in the company,

Managing persons may be also employed on a labour contract, under provisions specified in regulations binding in the company and Work Code. Values of remuneration for employment contracts of the members of the management board and the amount of the lump sum for the meeting of the management board shall be determined by the Supervisory Board according to an adopted resolution.

Remuneration of the supervisory board are established by a resolution at the company's general shareholders' meeting.

In time to come, the company does not anticipate any changes in applied remuneration policy.

*9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.*

The company makes every effort to ensure balanced share of women and men in performing functions of management and supervisory boards' members in companies. Compliant with Working Rules for employees in Comarch SA, employer is obliged to: „counteract discrimination in employment, in particular in relation to gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation.” Moreover, employees in Comarch S.A. „should be treated equally within the scope of beginning and terminating work, employment conditions, promotion and trainings availability in order to improve professional qualification, in particular regardless of gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation, and regardless whether employed definite or indefinite time, full-time or part-time.” Comarch S.A. policy does not create any barriers in relation to gender, views, sexual orientation, ethnic or race origin within the scope of employing and personal policy. It does not contribute to direct or indirect discrimination due to gender, age, disability, race, religion, nationality, politic beliefs, union affiliation, ethnic origin, creed and sexual orientation.

There are four women within a 7-person membership of the Comarch S.A. Supervisory Board. All seven members of the Comarch S.A. Management Board are men, which is mostly the result of the nature of the activities conducted by the company and the specification of the IT branch, where men constitute a significant majority. It is noteworthy that current members of the Management Board in Comarch S.A. are persons related to the

company for many years (over 5 years as management board members) with broad IT technology knowledge and with high qualifications necessary to their held posts. Having that in mind one should assume that in the nearest future there will be no change in women's membership in this management body.

In Comarch S.A. there is a bias towards increasing the number of employed women, qualifications are considered the most important, not gender, as men have equal chances to be employed for the post. Women constitute approximately 28% of Comarch S.A. employees, and 21% of executive posts, which is a high share in total employment, especially considering the technical nature of the IT company.

*12. A company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a plenipotentiary, outside the venue of the General Meeting, using electronic communication means*

A shareholder may participate in a General Meeting and exercise voting right personally or by proxy. Power of attorney to participate in the General Meeting and to exercise a voting right should be granted in writing or in electronic form. Power of attorney in electronic form does not require safe electronic signature verified with the valid classified certificate. The company does not provide the possibility of voting by correspondence, voting using means of electronic communication or participating in the General Meeting using means of electronic communication, however enables on-line broadcasts of General Meetings over the Internet real-time bilateral communication. Due to the current shareholding structure (relatively little dispersed ownership), in the company's opinion, currently there is no reason to implement voting by correspondence using means of electronic communication.

### **3. Shareholders Holding Directly or Indirectly Significant Shares in Votes at the General Shareholders Meeting as at 28<sup>th</sup> of April, 2016**

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of share capital</b>	<b>Number of votes at the company's AGM</b>	<b>% of votes at the company's AGM</b>
Janusz Filipiak	2,674,488	32.88	6,246,488	41.30
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96
Other members of the Board	91,622	1.13	129,222	0.85
Other shareholders	4,521,239	55.59	4,521,239	29.89
<b>Total</b>	<b>8,133,349</b>	<b>100.00</b>	<b>15,126,949</b>	<b>100.00</b>

### **4. Owners of Securities Entitling them to Special Control Rights as well as a Description of these Rights**

Janusz Filipiak, President of the Management Board, holds 893,000 registered share preference votes (1:5). These entitle him to 4,465,000 votes at the company's general shareholders' meeting. Elżbieta Filipiak, Chairman of the Supervisory Board, holds 846,000 registered share preference votes (1:5). These entitle her to 4,230,000 votes at the company's general shareholders' meeting. Paweł Prokop, Vice-President of the Management Board, holds 9,400 registered share preference votes (1:5). These entitle him to 47,000 votes at the company's general shareholders' meeting.

### **5. All Restrictions Relating to Execution of Voting Rights, i.e. Restriction of Voting Rights through Holding a Particular Share or Number of Votes, Time Restrictions regarding Voting Rights or Records according to which, in Collaboration with the Company, Capital Rights Related to Securities are Separated from Securities Holdings**

None present.

### **6. All Restrictions Regarding Transferring the Holding Rights of an Issuer's Securities**

According to art. 8 point 5 of Comarch S.A.'s Articles of Association

*„5. Disposing registered shares requires consent of the Management Board provided in writing. In case of refusal of disposing, the Management, within 2 months of filing with the Company of the intention of assigning shares, appoints the purchaser and price of shares. Price of shares may not be lower than average stock exchange price from the three recent months preceding the month of filing, provided that shares of the Company are in stock exchange trading. Otherwise, price of shares may not be lower than the book value per share as of the last balance sheet date. Price is due within one month of the date of resolution of the Management indicating the purchaser of shares.”*

## **7. Principles for the Appointing and Dismissing of Management and their Rights, notably the Right for Decision Making on Shares Issue or Buyout**

### **A) Principles for Appointing and Dismissing**

According to the Articles of Association of the company, the Management Board of the company consists of 2 to 8 persons appointed and dismissed by the Annual General Meeting. Members of the Management Board are appointed for the common term of office of three years. The AGM defines salaries for the Management Board, provided that this competency may be passed on in part or in entirety to the Supervisory Board. The Supervisory Board suspends on important reasons, selected or all members of the Management Board in their duties and delegating members of the Supervisory Board for the period not longer than 3 months for temporary execution of activities of those members of the Management Board who have been dismissed, who resigned or who cannot execute their duties on other reasons.

### **B) Rights according to art. 9, 20 - 22 of the Comarch S.A.'s Articles of Association and the Commercial Companies Code**

- The Management Board may appoint proxies.
- President of the Management Board single-handedly or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised for making statements on behalf of the company and representing the company in Court and off Court.
- In agreements between the company and members of the Management Board and in disputes with them, the company is represented by the Supervisory Board or by a proxy appointed with a resolution of the General Meeting. The Supervisory Board may authorise, by way of a resolution, one or more members of the Supervisory Board to perform such legal actions.
- The Management Board defines internal organisation of the company.
- According to art. 445 and 446 of the Commercial Companies Code, the General Meeting passes a resolution on amendments to the statutes, providing for the authorisation for the management board to increase the share capital within the limits of the authorised capital. According to art. 9 sec. point 5 of the Comarch S.A.'s Articles of Association, within the target capital, the Management Board of the Company may issue shares only in conversion for cash contributions and may not issue preferential shares or allocate personal rights for the shareholder, referred to in Article 354 of the Code of Trade Companies. In the scope of all the issues related to increasing the share capital within the target capital, in particular on excluding or limiting collection right and determining the issue price, obtaining consent of the Supervisory Board is required.

## **8. Description of Principles for Changes in Articles of Association**

A General shareholders' Meeting may pass a resolution regarding changes in articles of association, including an increase or a decrease in share capital, and a resolution on a significant change in the company's subject matter.

## **9. Description of Operating Principles for General Meetings and Their Essential Rights and Shareholders' Rights as well as Modality, in particular Principles resulting from Rules for General Shareholders' Meeting if such Rules were passed, unless these Information Results from Law**

1. Annual General Shareholders' Meetings may be ordinary or extraordinary.

2. An ordinary General Meeting of the Management Board shall be called no later than the end of June each year.
3. General meetings shall be called in accordance with the Polish Commercial Companies Code, the company's Articles of Association and with the Rules for General Shareholders' Meeting dated the 28<sup>th</sup> of June, 2010.
4. Meetings shall take place at the company's headquarters.
5. At least two members of the company's Management Board and at least two members of its Supervisory Board should take part in the Annual General Shareholders' Meeting.
6. If the subject of debate is to concern the financial affairs of the company an auditor shall be present.
7. Representatives of the media may attend the General Shareholders' Meeting as observers.
8. Only persons who are company shareholders 16 (sixteen) days prior the date of the General Meeting are entitled to participate in the General Meeting.
9. Shareholders who are physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote themselves or via a proxy.
10. Shareholders who are not physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote via a person empowered to submit a declaration of intent in their name, or via a proxy.
11. The chairman of the Annual General Shareholders' Meeting conducts debates, takes decisions in matters of the agenda and procedure, and is authorized to interpret the present rules.
12. The duties of the chairman of the Annual General Shareholders' Meeting include:
  - a) Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - b) Directing the debate: deciding who shall speak and in what order,
  - c) Receiving proposed and draft resolutions and opening them to debate and,
  - d) Organizing and conducting the voting.
13. The Annual General Shareholders' Meeting shall choose a three-person returns committee from the candidates notified by the chairman. The returns committee shall ensure that each vote is correctly conducted, supervise the practical aspects of the vote and check, confirm and declare the results. Where the Annual General Shareholders' Meeting is attended by a small number of shareholders a returns committee shall not be selected unless a shareholder or proxy submits a request for a returns committee to be selected. Where a returns committee is not selected its functions shall be performed by the chairman of the Annual General Shareholders' Meeting.
14. The Annual General Shareholders' Meeting shall take decisions in the form of resolutions adopted by open voting except:
  - a) Voting on an issue of selecting or deselecting members of bodies of the company, or liquidators,
  - b) Motions to prosecute members of bodies of the company or liquidators,
  - c) In personal matters,
  - d) At the request of at least one shareholder,
  - e) In other circumstances stipulated in the regulations currently binding.
15. Shareholders shall notify the chairman of the Annual General Shareholders' Meeting of their candidates for membership of the Supervisory Board in writing or verbally.
16. Proposals for Supervisory Board candidates should be supported in detail with particular emphasis placed on the candidate's education, qualifications and professional experience.
18. The Company may organise the General Meeting in such a way as to enable shareholders to participate at the General Meeting using means of electronic communication.

#### **10. Membership, Changes in Membership during Last Financial Year and Rules of Operations of the Company's Managing and Supervising Persons as well as Their Committees**

##### **A) Members of the Comarch S.A.'s Supervisory Board as at 31<sup>st</sup> of December, 2015:**

<b>Name and Surname</b>	<b>Position</b>
Elżbieta Filipiak	Chairman of the Supervisory Board
Maciej Brzeziński	Vice-Chairman of the Supervisory Board
Robert Bednarski	Member of the Supervisory Board
Danuta Drobniak	Member of the Supervisory Board

Wojciech Kucharzyk	Member of the Supervisory Board
Anna Ławrynowicz	Member of the Supervisory Board
Anna Pruska	Member of the Supervisory Board

The Supervisory Board shall undertake constant supervision of all areas of the company's operations. The Supervisory Board shall operate according to the regulations of the Polish Commercial Companies Code, the company's Articles of Association, the Corporate Governance Principles in force at the company and the Rules for the Supervisory Board dated 30 June 2003 approved at the Annual General Shareholders' Meeting (and amendments). The detailed operations of the Supervisory Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Supervisory Board are:**

1. The Supervisory Board shall contain three to seven people chosen by the Annual General Shareholders' Meeting. The Meeting shall, by a resolution, specify the number of members of the Supervisory Board before voting commences to select candidates for that Board.
2. Supervisory Board members shall be appointed for a common term of office lasting three years.
3. Members of the Supervisory Board shall perform their rights and duties directly and in person. Any member of the Supervisory Board may be dismissed before their term of office has been completed. Members of the Supervisory Board may be re-elected.
4. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.
5. The chairman of the Supervisory Board:
  - a) convenes meetings of the Supervisory Board,
  - b) conducts meetings of the Supervisory Board,
  - c) opens debates at the Annual General Shareholders' Meeting.
6. When the chairman is absent his place shall be taken by the vice-chairman of the Supervisory Board.
7. The Supervisory Board may select supervisory committees from amongst its members for specific sectors of the company's operations. In particular, this shall concern an auditing committee.
8. These committees may sit separately and may vote on resolutions. These may concern the findings of inspections and audits concerning the way the company operates.
9. Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board. The Management Board or another member of the Supervisory Board may demand that the chairman convene a meeting of the Supervisory Board. This demand should be accompanied by a proposed agenda. The chairman of the Supervisory Board shall convene a meeting within two weeks of receiving the demand. If the meeting is not convened in accordance with the procedure stipulated above, the petitioner may himself call the meeting.
10. The agenda of meetings of the Supervisory Board shall be stipulated by the convener and, along with any relevant materials, be sent to members of the Supervisory Board three (3) days before the planned date of the meeting unless circumstances arise to justify shortening this period.
11. The agenda of meetings of the Supervisory Board may only be changed or supplemented.
12. Meetings of the Supervisory Board should be convened at least four times in each financial year.
13. Resolutions of the Supervisory Board shall be adopted by a majority of the votes present. Where there is a tie the chairman shall have the deciding vote.
14. A resolution of the Supervisory Board shall be valid where all its members have been invited and where more than half the members of the Supervisory Board, including the chairman or vice-chairman of the Supervisory Board, are present.
15. Provided all members of the Supervisory Board express their written agreement to this, resolutions of the Supervisory Board may be adopted by written ballot without a meeting being convened.
16. Meetings of the Supervisory Board may also be conducted using resources for remote communication, such as the telephone, facsimile machines, electronic mail and

teleconferencing, by using the Internet in another manner and by the use of other telecommunications resources.

17. Members of the Supervisory Board may take part in voting on resolutions of the Supervisory Board by voting in writing via another member of the Supervisory Board.

18. The mode of voting on resolutions by the Supervisory Board specified above is not acceptable in the matters set out in art. 388 paragraph 4 of the Polish Commercial Companies Code. These are:

- a) The selection of the chairman and vice-chairman of the Supervisory Board,
- b) The appointment and dismissal of a member of the Management Board,
- c) The suspension of a member of the Management Board

19. Members of the Management Board may take part in meetings of the Supervisory Board. The Management Board shall be informed of all dates and agendas of meetings of the Supervisory Board.

20. The Supervisory Board may invite members of the Management Board to take part in a meeting.

21. At each of its meetings the Supervisory Board shall be informed by the company of the current individual and consolidated financial results of the company and of significant matters concerning the company's operations. Where this is justified by the company's situation, this shall include the risk associated with operations and ways to manage this risk.

22. Members of the Management Board shall not take part in those sections of meetings of the Supervisory Board which concern the dismissal, scope of responsibility, or pay and conditions of Management Board members.

23. Meetings of the Supervisory Board shall be minuted. The minutes should include the agenda for debate, the name and surname of all the Supervisory Board members present and the results of the votes on resolutions.

24. The Supervisory Board conducts the overall supervision of the company's operations.

25. The specific competences of the Supervisory Board are as follows:

- a) Assessing the company's annual financial statement and the consolidated financial statement of the Comarch capital group;
- b) Assessing the Management Board's reports on the company's operations and on the Comarch capital group and, in addition, assessing the Management Board's conclusions on distributing profits and covering losses;
- c) Submitting a written report containing the information required by points a) and b) of the present section;
- d) Scrutinizing the work of the Management Board in effecting resolutions adopted at the Annual General Shareholders' Meeting;
- e) Selecting statutory auditors for the financial statements of the company and of the Comarch capital group. The Supervisory Board may adopt a resolution to apply stricter criteria for the statutory auditor's independence than are demanded by the legal regulations;
- f) Appointing and dismissing members of the Management Board, stipulating the compensation attracted by performing the function of member of the Management Board, suspending – for substantial reasons – individual members, or all members, of the Management Board, designating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, or suspending the Management Board itself;
- g) Giving consent to increase share capital within the context of authorized capital;
- h) Giving consent to acquire and dispose of real estate or shares in real estate;
- i) Giving consent to conclude an agreement with an issue underwriter in accordance with the provisions set out in art. 433 paragraph 3 of the Polish Commercial Companies Code;
- j) Exercising, in respect of members of the Management Board and on behalf of the company, rights and privileges arising from an employment relationship;
- k) Approving the company's growth strategy;
- l) Expressing its opinion on draft resolutions for the Annual General Shareholders' Meeting sent to it by the Management Board and shareholders.

26. Once every year the Supervisory Board must adopt a resolution in the matter of its assessment of the company's situation. This document shall be passed on to the Annual General Shareholders' Meeting.

27. To aid it in performing its function, the Supervisory Board has the right to see all the company's documents and may demand reports and explanations from the Executive Board and from company employees. The Supervisory Board may also conduct a review of the state of the company's assets.

28. The Supervisory Board operates as a collective body but may, however, delegate its individual members to particular supervisory activities.

29. Members of the Supervisory Board should hold the interests of the company as their highest priority.

30. Members of the Supervisory Board shall be bound to inform other members of the Supervisory Board of any conflict of interest arising and, following this, not take place in the debate concerning the matter that is subject to a conflict of interest. Where it is uncertain whether a conflict of interest has arisen, the Supervisory Board shall vote on a resolution to resolve this uncertainty.

31. Members of the Supervisory Board shall keep secret all information they acquire in the course of their duties concerning the company's activities and the activities of companies within the Comarch capital group.

32. Within fourteen days of their selection a member of the Supervisory Board shall make a written submission of any economical, familial or other involvements with a shareholder holding five per cent or more of the votes at the Annual General Shareholders' Meeting. The Management Board shall inform the Supervisory Board in writing at that board's next meeting of any case where any entity acquires five per cent or more of the votes at the Annual General Shareholders' Meeting. Where information of this nature is passed to them, the members of the Supervisory Board shall submit – within fourteen days of the sitting of the Supervisory Board at which they were informed – written information concerning any conflict of interest arising. Should the involvements referred to in the present section change, members of the Supervisory Board are obliged – without summoning the company to meet – to provide details of these changes within fourteen days.

33. Members of the Supervisory Board delegated to long-term, individual supervisory duties may not, unless the company gives permission, involve themselves in competing business interests or participate in the business of a competitor company as a partner or associate, or as a member of a body of a joint-stock company. Further, they may not participate in the business of a competitor company in a different legal personality as a member of a company body. Additionally, members of the Supervisory Board are forbidden to participate in a competitor capital group where they hold ten per cent or more of the shares or participation rights, or where they enjoy the right to appoint at least one member of the Management Board.

34. Permission for members of the Supervisory Board delegated to long-term, individual supervisory duties to pursue competing commercial interests shall be granted according to a decision of the Supervisory Board.

35. Duties and Responsibilities of members of the Supervisory Board:

a) Members of the Supervisory Board shall inform the company and Financial Supervision Authority when they or related persons, on their own account, acquire or dispose of shares in the company or when they acquire or dispose of shares in a company, derivatives related to the company's shares and other financial instruments related to these securities, admitted to regulated stock exchange or being in the process of seeking admission to such trading, where this exceeds EUR 5000 in one year or a transaction exceeds EUR 5000. Members of the Supervisory Board shall submit this information within five working days of the date of transaction. Whenever the sum of transactions, mentioned in the section 1, do not exceed EUR 5000 in one year, providing the information mentioned in the section 1 shall be done by 31<sup>st</sup> of January of the year following the year of the transaction.

b) Members of the Supervisory Board delegated to long-term supervisory tasks shall submit a monthly, written report detailing their activities to the Supervisory Board.

c) Members of the Supervisory Board should not resign their positions in mid-term where this would make it impossible for the Supervisory Board to function or where, especially, this would delay the adoption of vital resolutions.

d) Members of the Supervisory Board shall receive compensation according to terms stipulated by the Annual General Shareholders' Meeting.

e) Two members of the Supervisory Board shall participate in the debates at the Annual General Shareholders' Meeting. Members of the Supervisory Board shall themselves select these delegates to represent the Board at the Annual General Shareholders' Meeting.

f) Members of the Supervisory Board should make all efforts to participate in Supervisory Board meetings.

g) Members delegated to long-term, individual supervisory tasks have the right to participate in meetings of the Management Board.

36. The compensation for members of the Supervisory Board delegated to long-term, individual supervisory tasks shall be stipulated by the Supervisory Board.

37. The company shall cover the costs of the Supervisory Board's operation.  
 38. The Supervisory Board shall use the company's office space, equipment and material.  
 39. The company's Management Board shall provide the Supervisory Board with administrative and technical support.

## Committees

In 2015, the Audit Committee (equivalent of the Audit Committee within the meaning of Annex I to the European Commission Recommendation of the 15th of February, 2005 concerning executive directors (...)), consisted of Elżbieta Filipiak - Chairman of the Audit Committee, Danuta Drobniak - Member of the Audit Committee and Anna Pruska - Member of the Audit Committee. According to the information available to the Company, one member of the Audit Committee fulfilled the conditions for independence and at least one of them had qualifications in accounting or auditing.

On the 15th of April, 2016, Supervisory Board appointed a new Audit Committee, which consists of: Danuta Drobniak as Chairman of the Audit Committee, Elżbieta Filipiak as a Member of the Audit Committee and Robert Bednarski as a Member of the Audit Committee. According to the information possessed by the Company two members of the Audit Committee meets conditions of independence, including the Chairman and at least one of them has qualifications in accounting or auditing.

Tasks of the Audit Committee are, in particular:

- 1) Monitoring the process of financial reporting;
- 2) Monitoring the effectiveness of internal control systems, internal audits and risk management;
- 3) Monitoring financial reviews;
- 4) Monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- 5) The Audit Committee make recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

Comarch S.A. provides the Audit Committee with information related to the accountancy policy, finance, company's operating activity and information on settlement methods of significant one-off events. On the Audit Committee's request, the Finance Director participates in its meetings. As at the 31<sup>st</sup> of December, 2015, the Supervisory Board of Comarch S.A. did not call any nomination committee or remuneration committee.

## B) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> December, 2015:

Name and surname	Position
Janusz Filipiak	Prezes Zarządu
Marcin Dąbrowski	Wiceprezes Zarządu
Paweł Prokop	Wiceprezes Zarządu
Andrzej Przewięźlikowski	Wiceprezes Zarządu
Zbigniew Rymarczyk	Wiceprezes Zarządu
Konrad Tarański	Wiceprezes Zarządu
Marcin Warwas	Wiceprezes Zarządu

*On the 8th of April, 2015, Mr. Piotr Piątosa, head of telecommunication sector and Mr. Piotr Reichert, head of finance, banking and insurance sector resigned from the post of Vice-President of the Comarch S.A.'s Management Board, effective as at the 30th of April, 2015.*

*Duties of the head of the telecommunications sector were taken over by Mr. Marcin Dąbrowski, a manager for many years in the telecommunication sector. Duties of the head of the finance, banking and insurance sector were taken over by Mr. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector. The company announced details in current report no. 10/2015 dated the 8th of April, 2015. On the 24th of June, 2015, at the Annual General Meeting of Shareholders Mr. Andrzej Przewięźlikowski and Marcin Dąbrowski were appointed to the position of Vice-Presidents of the Management Board of Comarch S.A.*

The Management Board leads the affairs of the company and operates according to the provisions of the Polish Commercial Companies Code, the company's Articles of Association, resolutions of the Supervisory Board, resolutions of the Annual General Shareholders' Meeting, the Rules for the Management Board dated the 15<sup>th</sup> of February, 2010 (update of document



dated the 30<sup>th</sup> of June, 2003) and to the generally binding legal regulations. The detailed operations of the Management Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Management Board are:**

1. The Management Board performs its functions jointly and takes resolutions at meetings of the Management Board and in the manner stipulated below.
2. Meetings of the Management Board shall be held at least once every month. In 2015, all meetings of the Management Board were held on the company's premises at the Special Economic Zone in Krakow, at the address ul. Prof. Michała Życzkowskiego 23.
3. A meeting of the Management Board shall be called by the President of the Management Board or, in his absence, a member of the Management Board acting as the President of the Management Board.
4. Where all members of the Management Board are present at a meeting of the Management Board, a meeting of the Management Board may be called informally.
5. The President of the Management Board or, in his absence, the person acting as President of the Management Board, may call a meeting of the Management Board at the request of any member of that Board and with the agenda specified by the member making the request. Meetings of the Management Board called in this way shall, however, not be restricted exclusively to this agenda and may consider other items placed on the agenda.
6. Meetings of the Management Board shall be chaired by the President of the Management Board, a person acting as the President of the Management Board or a person nominated by the President of the Management Board.
7. The Management Board shall take decisions in the form of resolutions adopted by open vote.
8. The chairman shall order a secret vote where even one member of the Management Board taking part in the meeting requests this.
9. Resolutions shall be adopted by an absolute majority of votes.
10. A resolution adopted at a meeting of the Management Board is valid only where at least four members of the Management Board, including the President of the Management Board or the person acting as the President of the Management Board, are present.
11. The Management Board may adopt a resolution outside meetings of the Management Board in the following ways:
  - a) By written vote – in this case each member of the Management Board votes in writing and gives this to the President of the Management Board or to the person acting as President of the Management Board;
  - b) By written vote – each member of the Management Board signs the contents of the resolution and gives this to the President of the Management Board or to the person acting as the President of the Management Board;
  - c) Voting by facsimile or Internet.
  - d) Votes cast in the manner set forth in a-c) shall be recorded in the book of resolutions and appended to the minutes of the meeting of the Management Board.
  - e) Where adopted in the manner set out in point c), a resolution shall require the votes of all members of the Management Board to be valid.
12. Non-members of the Management Board may be invited to attend its meetings.
13. All meetings of the Management Board require that minutes be taken. These should include at least:
  - a) The date and place of the meeting.
  - b) The agenda of the meeting.
  - c) The names and surnames of the members of the Management Board present at the meeting.
  - d) The names and surnames of people invited to the meeting of the Management Board and present at the meeting.
  - e) The exact content of resolutions.
  - f) The number of votes cast for and against resolutions including the number of abstentions.
  - g) The subjects discussed.
  - h) A written record of dissenting opinions expressed.
  - i) The signatures of the members of the Management Board present at the meeting.
14. The minutes of Management Board meetings shall be kept in the Minutes Book. The Minutes Book shall be maintained by the CEO secretariat.
15. The minutes of Management Board meetings shall be drawn up immediately by CEO secretariat.

16. Where there is a direct or indirect conflict between the interests of a member of the Management Board and those of the company, that member shall inform the company's Supervisory Board that this is the case.

17. Two members of the Management Board shall participate in the debates of the Annual General Shareholders' Meeting. Members of the Management Board shall themselves decide on which of their number should represent them at the Annual General Shareholders' Meeting.

#### **11. A Description of the Basic Features of the Internal Control and Risk Management Systems the Issuer Uses and How These Relate to the Process of Preparing the Financial Statements**

The company's Management Board is responsible for the company's accounting in accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994 (Journal of Laws, no. 121, pos. 591 with subsequent changes) and compliant with the requirements specified in the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones (Journal of Laws, no. 209, pos. 174 and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded 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, no. 33, pos. 259).

The audited consolidated financial statements are prepared in all significant aspects compliant with the International Financial Reporting Standards, as approved by the European Union. When specifying the scope and methods of consolidation, as well as the relations of dependency, IFRS principles were applied. Consolidation of the Capital Group's financial statement in relation to the subsidiaries was conducted using the full method by summing all the appropriate items from the dominant unit and the consolidated subsidiaries' financial statements in the full amount. In relation to the associates the equity method was applied. The value of the share of the dominant unit in the associate was adjusted in the interest of the dominant unit by the increase in the associate's equity occurring within the consolidating period.

When preparing financial statements and consolidated financial statements internal control and risk management at Comarch S.A. are effected in accordance with the company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994, the company maintains documents describing the accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and sets of data. The accounting for all economic events is computerized and uses a computer systems for accounting. This systems are protected against unauthorized access and access limitations set according to the function a person performs or the post a person occupies.

Both financial statements and consolidated financial statements are prepared jointly by people working in the accountancy, the capital market, the control and the finance departments under the supervision of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited by an expert auditor and half-year financial statements are reviewed by an independent auditor selected by the company's Supervisory Board. Financial statements of some subsidiaries are also audited by independent auditors.