

**REPORT OF
COMARCH S.A.'s MANAGEMENT BOARD
REGARDING THE ACTIVITIES OF
THE CAPITAL GROUP
IN 2019**

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**PLN 143.5
million of
operating
profit**

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

**PLN 1,437
million of
sales
revenue**

**Over
6,300
professionals
employed**

**56
companies
worldwide**

**PLN 1.5 billion
of Comarch S.A.
capitalisation
on WSE
(31.12.2019)**

**58.7% share of
foreign sales in
revenue from
sales**

1. Information about the Company and the Basis for preparing the Report of Comarch S.A.'s Management Board

This Report of Comarch S.A.'s Management Board regarding the activities of Capital Group was prepared according to the Act passed on the 29th of September, 1994, on Accounting (unified text - Journal of Laws 2018, pos. 395 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29th of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018, No. 757).

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 31st of December, 2019, shareholders holding at least 5% of votes at the Company's AGM are Janusz Filipiak, Elżbieta Filipiak, Nationale-Nederlanden OFE (open pension fund) + DFE (voluntary pension fund) and MetLife OFE (open pension fund).

AT THE 31ST OF DECEMBER, 2019

Shareholders	Number of shares	% of share capital	Number of votes at the Company's AGM	% of votes at the Company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	1,181,926	14.53	4,565,926	30.18
Other members of the Company's Management Board	84,904	1.05	122,504	0.81
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,181,824	39.12	3,181,824	21.03
Total	8,133,349	100.00	15,126,949	100.00

AT THE 29TH OF APRIL, 2020

Shareholders	Number of shares	% of share capital	Number of votes at the Company's AGM	% of votes at the Company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak*	846,000	10.40	4,230,000	27.96
Other members of the Company's Management Board	84,904	1.05	122,504	0.81
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,517,750	43.25	3,517,750	23.25
Total	8,133,349	100.00	15,126,949	100.00

*) On the 27th of January, 2020, the Management Board of Comarch S.A. received from person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. These transactions concerned a disposal on the 27th of January, 2020, of 335,926 ordinary bearer shares on regulated market at the weighted average price of PLN 198.00 per 1 share (the value of the transaction amounted to PLN 66,513,348.00). The Company announced details in current report no. [RB-2-2020](#) ENG: [RB-2-2020](#), dated the 27th of January, 2020.

In addition, the Management Board of Comarch S.A. received from Mrs. Elżbieta Filipiak a notification referred to Article 19 par. 2 point 1) indent a) Act on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading, and on Public Companies on a change in the share in the total number of votes in Comarch S.A. The current number of votes held by Mrs. Elżbieta Filipiak is 4,230,000, i.e. 27.96% of all votes at the GSM. The company announced details in current report no. [RB-3-2020](#) ENG: [RB-3-2020](#), dated the 27th of January, 2020.

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 31st of December, 2019:

Name and surname	Position	Comarch S.A.	Metrum Capital S.A.
		Number of shares / nominal value in PLN	Number of shares / nominal value in PLN
Elżbieta Filipiak	Chairman of the Supervisory Board	1,181,926/ 1,181,926 PLN	-
Andrzej Pach	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobniak	Member of the Supervisory Board	-	-
Łukasz Kalinowski	Member of the Supervisory Board	-	-
Joanna Krasodomska	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / 50,000 PLN
Tadeusz Włudyka	Member of the Supervisory Board	-	-

At the Annual General Shareholders' Meeting, which took place on 26th of June, 2019, the members of the Supervisory Board were appointed: Ms. Elżbieta Filipiak as the Chairman of the Supervisory Board, Mr. Andrzej Pach as the Vice-Chairman of the Supervisory Board and Mrs. Danuta Drobniak, Mr. Łukasz Kalinowski, Mrs. Joanna Krasodomska, Mrs. Anna Pruska, Mr. Tadeusz Włudyka were appointed to act as members of the Supervisory Board of Comarch S.A.

AT THE 29TH OF APRIL, 2020

Name and surname	Position	Comarch S.A.	Metrum Capital S.A.
		Number of shares / nominal value in PLN	Number of shares / nominal value in PLN
Elżbieta Filipiak*	Chairman of the Supervisory Board	846,000/ 846,000 PLN	-
Andrzej Pach	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobniak	Member of the Supervisory Board	-	-
Łukasz Kalinowski	Member of the Supervisory Board	-	-

Joanna Krasodomska	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / 50,000 PLN
Tadeusz Włudyka	Member of the Supervisory Board	-	-

*) On the 27th of January, 2020, the Management Board of Comarch S.A. received from person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. These transactions concerned a disposal on the 27th of January, 2020, of 335,926 ordinary bearer shares on regulated market at the weighted average price of PLN 198.00 per 1 share (the value of the transaction amounted to PLN 66,513,348.00). The Company announced details in current report no. [RB-2-2020](#) ENG: [RB-2-2020](#), dated the 27th of January, 2020.

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b) Members of Comarch S.A.'s Management Board as at 31st of December, 2019:

Name and surname	Position	Number of Comarch S.A. shares	Nominal value in PLN
Janusz Filipiak	President of the Management Board	1,997,027	1,997,027 PLN
Marcin Dąbrowski	Vice-President of the Management Board	-	- PLN
Paweł Prokop	Vice-President of the Management Board	30,150,	30,150 PLN
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	- PLN
Zbigniew Rymarczyk	Vice-President of the Management Board	33,538	33,538 PLN
Konrad Tarański	Vice-President of the Management Board	10,608	10,608 PLN
Marcin Warwas	Vice-President of the Management Board	10,608	10,608 PLN

AT THE 29TH OF APRIL, 2020

Name and surname	Position	Number of Comarch S.A. shares	Nominal value in PLN
Janusz Filipiak	President of the Management Board	1,997,027	1,997,027 PLN
Marcin Dąbrowski*	Vice-President of the Management Board	n/a	n/a
Paweł Prokop	Vice-President of the Management Board	30,150	30,150 PLN
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	- PLN
Zbigniew Rymarczyk	Vice-President of the Management Board	33,538	33,538 PLN
Konrad Tarański	Vice-President of the Management Board	10,608	10,608 PLN
Marcin Warwas	Vice-President of the Management Board	10,608	10,608 PLN

**) On 29th of January, 2020, Mr. Marcin Dąbrowski, head of the telecommunications sector, resigned from the position of Vice President of the Management Board of Comarch S.A. with effect from 29th of January, 2020.*

Michał Bajcar, Anna Kleszcz, Maria Smolińska, Iwona Kasprzyk, Dorota Klentak-Łyżwa, Jacek Lonc, Andrzej Zasadziński and Paweł Workiewicz 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 [note 3.16.3](#) and [note 3.33](#) of the financial statement.

f) The Liability under the Pensions or similar Benefits for Former Managers, Supervisors or Former Members of Administrative Bodies and the Liabilities that are incurred in relations to such Pensions

None present.

2. Basic Economics and Financial Values

2.1. Selected Financial Data

	2019	2018	2017**	2016	2015
Revenues from sales	1,437,423	1,369,619	1,125,110	1,112,813	1,131,580
Revenues from sales of proprietary IT solutions	1,336,083	1,242,114	1,047,393	1,041,133	994,152
Operating profit	143,383	87,543	58,364	116,893	113,028
EBITDA*	228,312	152,748	122,673	179,901	166,511
Profit before income tax	142,369	62,480	87,149	104,777	108,129
Net profit attributable to the Parent Company's shareholders	104,846	30,616	64,626	73,034	79,651
Profit per share	12,89	3,76	7,95	8,98	9,80
Assets	1,842,711	1,665,945	1,508,452	1,444,875	1,304,828
Equity	970,756	876,108	851,190	862,064	780,581

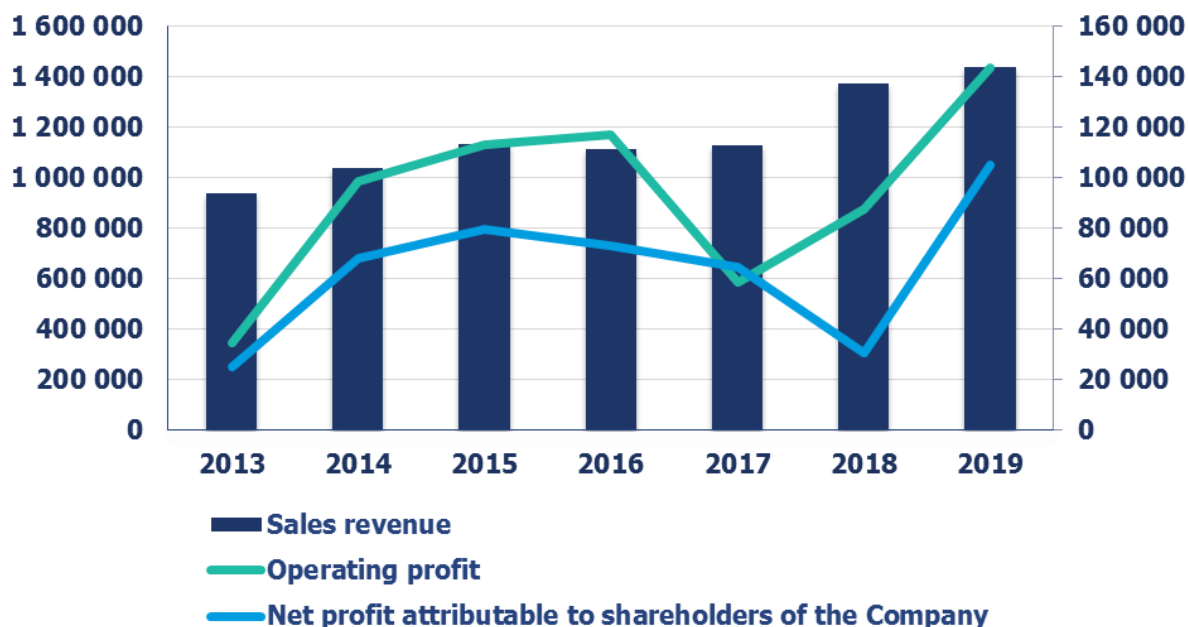
**) Operating profit + Depreciation*

***) From 1st of January, 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the data for the 2017 was also restated in accordance with IFRS 15. Data for 2014-2016 have not been restated in accordance with IFRS 15.*

In 2019, the revenue from Comarch Group sales were higher by PLN 67,804 thousand, i.e. 5.0% compared to the previous year. Operating profit amounted to PLN 143,383 thousand and was higher by PLN 55,840, i.e. 63.8% compared to that achieved in 2018. Net profit attributable to the Parent Company's shareholders in 2019 amounted to PLN 104,846 thousand and was higher by PLN 74,230

thousand, i.e. 242.5%%. Operating margin amounted to 10.0% (in the previous year 6.4%), net margin was 7.3% (2.2% in 2018).

The value of assets of the Comarch Group at the end of 2019 increased by PLN 176,766 thousand compared to the previous year, i.e. by 10.6%. The value of equity increased in 2019 by PLN 94,648 thousand, mainly as a result of the transfer of retained profit for 2018 to supplementary capital and development of net profit in 2019.



2.2. Employment and Production Capacity of the Group

As at 31st of December, 2019, in Comarch S.A. there were 4,979 employees compared to 4,679 persons as at 31st of December, 2018, while in the Comarch Group number of employees increased to 6,348 persons, compared to 6,040 persons as at 31st of December, 2018.

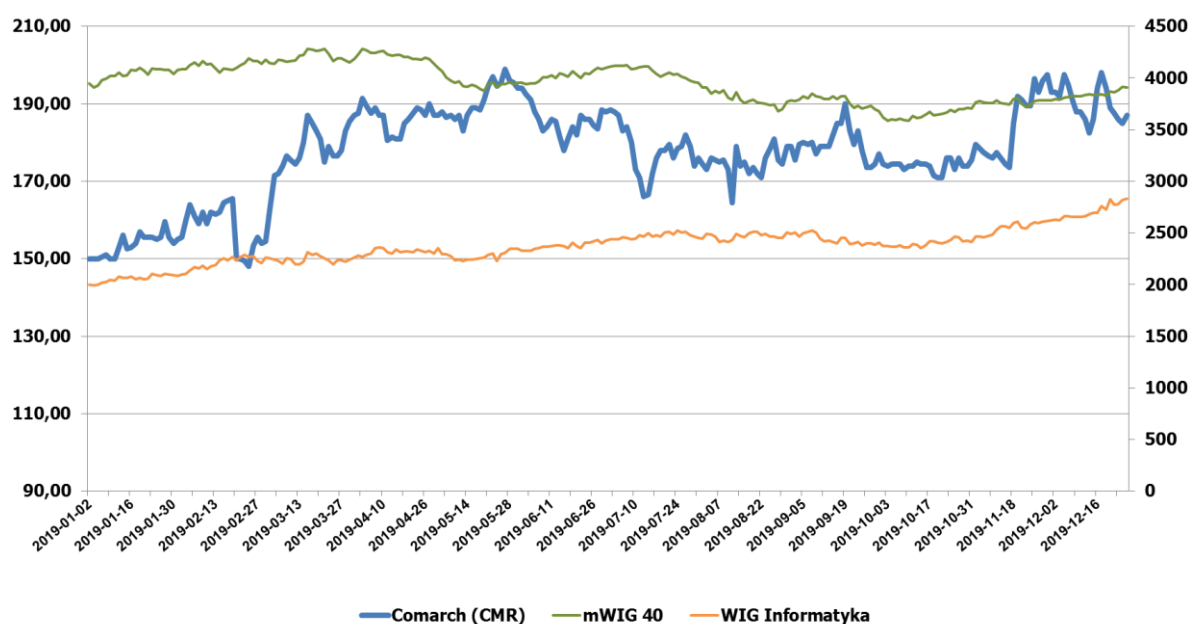
Average employment in the Comarch Group, from 2015 to 2019 is presented in tables below:

Average number of employees	2019	2018	2017	2016	2015
Employment agreement	5,087	4,727	4,393	4,323	4,066
Other form of employment	1,361	1,364	1,245	1,276	1,238
Total	6,448	6,091	5,638	5,599	5,304

Average number of employees	2019	2018	2017	2016	2015
Production employees and technical consultants	5,103	4,797	4,369	4,342	4,104
Marketing and sales	321	298	293	336	339
Management and administrative employees	499	495	458	434	427
Other	525	501	518	487	434
Total	6,448	6,091	5,638	5,599	5,304

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 17 branches located in urban centres in Poland. As at 31st of December, 2019, 3,544 employees were employed in Krakow, 2,184 in other cities in Poland and 620 abroad.

2.3. Comarch S.A. Stock Price Performance



Period	The highest	The lowest
I quarter of 2019	187.00	148.00
II quarter of 2019	199.00	178.00
III quarter of 2019	190.00	164.50
IV quarter of 2019	199.00	148.00

Between the 1st of January, 2019, and 31st of December, 2019, the closing rate of Comarch S.A. shares increased from PLN 150.00 to PLN 187.00, i.e. by 24.7%. During the year, the maximum closing rate amounted to PLN 199.00

<i>Data in PLN</i>	12 months ended 31 December 2019 / 31 December 2019	12 months ended 31 December 2018 / 31 December 2018
Closing rate at the balance sheet date	187.00	152.00
Average price during the reporting period	177.36	159.96
MIN price during the reporting period	148.00	129.00
MAX price during the reporting period	199.00	197.00
Average volume during the reporting period	3,123	3,236
Capitalization at the balance sheet date	1,520,936,263	1,236,269,049
Ratios for consolidated data		
P/E at the balance sheet date	14.51	40.39
P/BV at the balance sheet date	1.60	1.44
P/S at the balance sheet date	1.06	0.90

3. Products and Services Offered by Comarch in 2019

Comarch is a producer of innovative IT systems for key sectors of economy: telecommunications, finance and banking, public administration, medical, 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, IT network management and billing systems, Business Intelligence, security and protection of data, electronic devices 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.

3.1. Telecommunications Sector

Since 1993 Comarch has specialist telecoms unit providing IT solutions to some of the biggest telecoms brands in the world, including Telefónica, LG U+, Deutsche Telekom, Vodafone, KPN and Orange. Comarch's OSS and BSS solutions help operators in transformations that are aimed at: increase revenue, grow business efficiency, simplify systems, cut costs, enhance the customer experience and build new services and shorten their time to market. Comarch's OSS and BSS solutions have been consistently listed on Gartner's Magic Quadrant report. The Group has also been recognised for its work in the telecoms industry by other analysts, including Forrester, Informa and Frost & Sullivan.

IOT ECOSYSTEM

Comarch IoT Connectivity Management enables mobile operators to provide managed connectivity in multi-national, multi-level and multi-operator environments. The system is an M2M/IoT connectivity management platform that helps launch IoT offers for vertical industries such as automotive, consumer electronics, retail, energy and utilities, finance and banking, healthcare, manufacturing, public services, security, and transport and logistics.

Comarch IoT Analytics Platform is a module that focuses on delivering measurable business value, using intelligent big data processing and real-time data analytics for M2M/IoT business purposes. It provides thorough information about the way in which customers are using your IoT products. Additionally, it handles some issues related to quality of service (QoS) within operations, by helping discover which devices (or types of device) generate issues, revealing data patterns and trends, and providing reports and analysis of anomalies.

Comarch IoT Billing is tailored to the needs of your IoT operations. It enables you to charge not only for connectivity, but also for IoT devices, vertical applications and bundled services. IoT customers are looking for solutions in this field that best meet their businesses in the most appropriate way. The system supports all kinds of multi-level business relations (B2B, B2B2C and B2B2B).

Comarch IoT Solution Management helps businesses function in today's IT world. It includes comprehensive support for selling, storing and managing IoT connectivity services, devices and applications.

ENHANCING DIGITAL CUSTOMER JOURNEYS

Comarch Digital Sales and Customer Care enables you to introduce, recommend, sell and maintain traditional telco and advanced digital services with the pace and simplicity required by today's market. Customers are guided through the digital shopping and buying process, which includes offer browsing and comparison, online availability checks, customer onboarding, omnichannel shopping cart support and the check-out process.

Comarch Real-time Data Control and Presentation calculates service charges, controlling buckets, balances, and limits in real time. The module improves customers' digital experience by providing readable and easily digestible visual cues, giving a clear view of current bundle consumption, data usage, balances and limits. It is also a source of data for multidimensional reporting, 360-degree customer views, analytical actions, recommendations and personalization engines – all of which greatly impact the entirety of the customer journey.

DIGITIZING ENTERPRISE CUSTOMERS

Comarch Enterprise Billing, Charging & Revenue Management is a software for invoicing telecommunications services that meets the needs of even the most complex corporate environments. It provides options such as: support for many branches and many departments in the organizational structure, shared settlement with flexible definition of rules based on connection time or type of service, ad hoc data reporting taking into account the current use of baskets consumption, charging based on thresholds, shared packages at the company or branch level, closed user groups, availability of usage and financial data in the middle of the cycle.

Comarch B2B Self-enablement platform is a system for managing telecommunications services for business clients. The portal provides a uniform, comprehensive view of information, so that the customer can check data and statistics related to orders, company data and financial information. In this way, business clients can easily manage even the most complex hierarchies representing their own organizational structure, have access to detailed personalized reports, as well as configure the rules for the distribution of service costs between different company departments, based on usage.

Comarch B2B Sales & Ordering enables to cash potential sales opportunities by providing accurate, automatic and almost immediate valuations. Since the valuation mechanism is completely based on the definition of the offer from the joint Product Catalogue solution, after the negotiation process based on the offer, a contract and order are easily generated.

SUPPORT OF TELECOMMUNICATIONS SERVICES FOR LARGE COMPANIES OPERATING GLOBALLY

Comarch Enterprise Product Catalogue enables simple and flexible storage of the entire CSP product portfolio in one place. The system sets up several slave catalogues per domain or business line. These are used for selling offers to end customers and driving appropriate charging and billing systems.

Comarch Digital Billing and Revenue Management delivers multi-currency and multi-taxation handling as well as generating financial documents not only for customers, but also for partners involved in the entire process of service delivery. This product responds to the needs of corporate clients, enabling free development of rules regarding the costs of individual services, based on configurations managed using the product catalogue.

Comarch Partner Management provides flexibility in liaising between enterprises and various third parties by allowing the modelling of any type of service from SLAs and offers up to central Product Catalogue. The system is secure and easy to deploy, with multi-currency, multi-tenancy and multi-national support.

Comarch Wholesale Billing allows service and content providers to exchange billing data and invoices, and to share revenue or cost information with partners. The product facilitates the

management of relations with domestic and international business partners, and supports various business models which include revenue sharing, wholesale and roaming services. The easily scalable product is fully prepared to support the newest services, and is open to business evolution. Comarch Wholesale Billing processes high volumes of any kind of services (voice, data, messaging, content and others) within any kind of agreement, including bilateral, hubbing, revenue sharing, roaming, MVNO and content-based.

5G NETWORK OPERATIONS

Comarch Zero-touch Network Provisioning is a product to meet IoT and 5G demands for rapid, automatic implementation of telecom network elements. The system allows devices to be connected, pre-configured and updated.

Comarch Real-Time OSS for SDN/NFV Orchestration is a platform for provisioning and managing services over VNFs, PNFs and SDN-controlled networks, facilitating comprehensive orchestration of complex multi-domain topologies.

Comarch Self-organizing Network (SON) responds to the challenges associated with the automation of services and synchronization of this process with the business objectives of operators. The concept of self-organizing networks accompanies the implementation of LTE technology and migration to 4G network. The Comarch SON tool enables increasing customer satisfaction by introducing "plug & play", "self-optimization" and "self-healing" network paradigms.

Comarch Intelligent Assurance & Analytics is a system that was created as a result of extending the Integrated Assurance product with the functions of OSS/BSS data analysis, the ability to process large data sets, an artificial intelligence module using machine learning algorithms to enable predictive maintenance, as well as automatic knowledge-gathering in the field of good practices in preventing and counteracting network problems and incidents. Comarch IA&A is part of the Comarch OSS product range, which supports comprehensive orchestration of hybrid networks (consisting of physical and virtualized elements) and is one of the pillars of Comarch's broad strategy for embedding artificial intelligence in all products.

INTELLIGENT ASSURANCE & ANALYTICS

Comarch AI Control Desk is a dedicated part of Intelligent Service Desk, focused on the supervision of results of machine learning use cases realized by the AI module in different Comarch products. AI Control Desk supports the following use cases: automated situation detection, automated problem detection, automated baseline generation and anomaly detection, and knowledge accumulation.

Comarch Customer Experience Management (CEM) plays an overarching role in service monitoring and service quality management, transforming service management by providing an insight into customers' perceptions of services provided by telecoms operators. It helps network providers make the leap from network/resource-centric operations to customer-focused ones, delivering effective telecom customer experience management tools.

Comarch Service Quality Management (SQM) transforms traditional network-centric telecom monitoring into customer-centric telecom service quality management. Telecom service quality management delivers insight into customers' perceptions of service quality.

Comarch Service Monitoring lets you monitor services implemented over various network technologies and management domains. Events originating from different sources are correlated and processed in Comarch Service Monitoring to perform impact analysis for the service. The results are presented graphically on a service tree to give the operator rapid insight into the prevailing situation at any time.

RESOURCE MANAGEMENT

Comarch Real-time Network Inventory Management stores complete information about physical, logical and virtual network resources. It is a shared, central fixed-access inventory to capture all details of a very complex IT/telecom environment with advanced micro-services technology underneath.

Comarch Network Planning & Design enables CSPs to manage telecom network planning, design and optimization processes comprehensively and efficiently. Process-orchestrated planning is a future-proof way of making network investments, where the business value of the investment becomes ever more important in response to developing telecom opportunities.

Comarch Network Auto-discovery & Reconciliation provides a comprehensive and up to date insight into the multi-vendor, multi-domain network, enabling effective network management. The system supports reconciliation of RAN, transport, core, access and IT domains. Thanks to integration with Network Inventory, it also provides a single, comprehensive and integrated view of the live state of the network.

Comarch Configuration Management enables service providers to automate network provisioning for all network domains. It is a product that manages configuration in a manner that goes beyond the traditional radio access network (RAN) approach, implementing network provisioning in the transmission, core and access domains too.

Comarch Network Consolidation for M&A helps telecoms efficiently organize and streamline network planning and consolidation processes in merger and acquisition (M&A) projects.

SERVICE DESIGN & FULFILLMENT

Comarch Service Catalogue acts as a placeholder for defining service rules and enables the centralization of service specification management, which aims to increase automation of the end to end service fulfilment and service assurance processes. The system is compliant with the TMF SID standard and enables the management of customer-facing service (CFS) specifications, as well as their decomposition and mapping into resource-facing service specifications. In this way, the product enables customer services to be translated into supporting technical services.

Comarch Service Inventory facilitates the end to end management of your network and all related products from the service perspective. It is a product that can be pre-integrated with the Comarch Service Catalogue system, in a manner that enables you to fully describe the services and products offered via your network. In this way, Comarch Telecom Service Inventory acts in accordance not only with the TMF SID (addressing customer facing services (CFS)) model, but also with the resource-facing services (RFS) one.

Comarch Service Fulfilment & Orchestration is a product designed to reduce time to market and automate the telecom service fulfilment process for customer service delivery on top of a hybrid network. The system employs the model-driven (catalogue-driven) concept, which enables the orchestration of hybrid networks where virtual network functions and network services are modelled consistently, with physical network functions and legacy network services employing the TMF SID model. SFO (using ETSI NFV ISG terminology) can implement end to end service and MANO orchestration, and manage the VNF instantiation process.

Comarch Field Service Management (FSM) is a comprehensive workforce management system for scheduling, staffing, managing, and supporting the workforce in the field, which results in significantly increased efficiency of operations. Thanks to this tool, customer and network operations can utilize the available resources more efficiently and improve the team's coordination. The system selects the most suitable resources for each task, considering all aspects and bearing in mind KPIs according to the company's business model. Comarch FSM addresses the needs of field workforce managers, allowing them to manage resources, tasks, time and knowledge effortlessly. Full mobility support for all on-site activities allows the time needed for task execution to be shortened, work quality to be improved, and changes to be performed in real time.

PROFESSIONAL SERVICES FOR TELEKOMUNICATION

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

Managed Services is a set of services in the field of modernization of the BSS/OSS environment, which translates into improving the efficiency of business processes, reducing costs and maintaining high quality of services. Comarch offers to telecom operators the opportunity to outsource system and/or process management, enabling them to optimize the delivery of services to customers and increase their availability, while decreasing the workload and business costs without compromising process quality or business/technology independence.

BSS/OSS Transformations - services that enable personalization and improvement of the quality of services provided by the operator, as well as directing them to a specific group of recipients. BSS/OSS Transformations support a comprehensive, multi-level transformation of the IT environment based on Comarch products and infrastructure, as well as an open cooperation model. The services enable the creation of a unified, standardized system architecture consistent with the operator's KPIs.

BSS/OSS Cloud Transformation - is one of the foundations of digital reinvention that telecoms are going through. It is designed in the spirit of agile, microservice-based architecture that ensures full automation of platform integration and delivery, rapid deployment, and cloud-readiness from the start.

End to End Project Delivery is a set of Comarch services providing the operator with software that effectively integrates with the existing IT environment, including both systems and components from external suppliers, as well as Comarch proprietary solutions. The package provides for the design of some business processes from scratch and ensures complete, secure data migration and uninterrupted efficient operation of systems, and at later stages also support in solving maintenance problems, training for selected employees and systems updates.

3.2. Finance, Banking and Insurance Sector

Comarch Financial Services specializes in developing sophisticated software and IT systems for major financial institutions in banking, insurance and capital markets our clients include Polish and international financial institutions: ING Bank Śląski S.A., Alior Bank S.A., Bank Pekao S.A., BNP Paribas Bank Polska S.A., Santander Bank Polska S.A., Siam Commercial Bank PCL, TMB Bank, Swiss Life (Luxembourg), AXA, Crelan.

PRODUCTS

Comarch SME and Corporate Banking is an omnichannel platform designed for the specific needs of large and medium-sized companies, and offered to banks providing services to such companies. It's a transactional banking system, a financial management tool, and a solution to facilitate handling of bulk payments – all rolled up into one. It also supports corporates in managing accounts of different types, buying currencies, making local and international payments, or consolidating balances across the world.

Comarch Small Business Mobile Banking is an application for small business owners to facilitate their daily tasks. It is based on cash management, invoicing and financing possibilities. Comarch Small Business Mobile Banking is a comprehensive solution that helps banks to reach micro and small enterprises with digital services.

Comarch Factoring is a cloud platform that allows factors and their customers to manage the whole life cycle of receivables. Comarch Factoring is a customer service tool which has an advanced billing engine and multi-channel access to factoring services.

Comarch Trade Finance is an application that allows entrepreneurs to manage the life cycle of such products as guarantees, collections and letters of credit. The solution helps to automate and digitalize the whole process of trade finance.

Comarch Wealth Management is an integrated, multi-module platform dedicated to retail, affluent and private banking client segments. The system supports different recipients: relationship managers - in advisory and financial planning processes, end-clients – in self-driven robo-advisory processes and bank-client communication with the use of newest technologies, wealth managers - in discretionary portfolio management in line with regulations and investment mandates, and analysts - in running performance and risk calculations to assess client portfolio efficiency.

Comarch Digital Insurance is, on one hand, a system dedicated to insurance agents, brokers or intermediaries. It helps them not only advise on and sell insurance products but also provide post-sales support, manage their tasks and monitor own business performance. On the other hand, Comarch Digital Insurance allows individual customers to smoothly purchase a policy online and manage their insurance product portfolio.

Comarch Anti-Money Laundering allows banks to significantly decrease the time and increase the precision of transaction monitoring – a routine task requiring much knowledge and experience. The system takes the burden of performing routine tasks off bankers' shoulders, reduces the total time it takes to analyse alerts, and lets the bankers to focus on more demanding and complex challenges.

Comarch Identity and Access Management (IAM) is a solution that allows full control over the access to company's applications, VPNs and workstations. It comes with world-class methods for identity lifecycle, authentication, authorization and accountability. Its modular architecture makes it easy to adapt to specific types of organizations across hierarchies and geographies.

Designed mainly for banks, the **Transaction Protection** - tPro Suite package consists of two solutions for client authentication and transaction authorization: tPro ECC and tPro Mobile. Comarch tPro ECC is a USB token for making digital signatures. Comarch tPro Mobile is a variant of this solution based on what the user has - a phone with the application, and what the user knows - a PIN code or pattern.

3.3. ERP Sector

The ERP sector provides solutions supporting the management of an enterprise and its resources for many clients on the Polish market, in the DACH region and in France. The offered products are:

Comarch ERP Enterprise – a new generation ERP system for active enterprises operating on international markets using the Internet. It operates an ergonomic user interface, an in-built WorkFlow module and it is optimised to best reflect business processes and the organisation's structure. The system is also available in the service model (SaaS).

Comarch ERP XL – for years the most frequently selected ERP class system in Poland, used by over 5,500 companies from various sectors; annually, 400 companies decide to implement it to manage their core business processes. The solution meets specific requirements of manufacturing companies as well as trading companies and those involved in services. The system is also available in the service model (SaaS).

Comarch ERP Optima – a program for micro, small and medium-sized enterprises supporting sales, management, accounting, and HR and payroll. Along with the additional Accountancy Office module and the portal of Accounting Office Communities iKsięgowość24, Comarch ERP Optima is a tool to operate and promote accountancy offices and tax advisory firms. The program is available in the service model (SaaS).

Comarch ERP XT – an innovative application for online invoicing, warehouse operating and keeping simplified and full accounting made available over a web browser or mobile applications for Android and iOS. The solution is dedicated to micro and small businesses in Poland and Germany. The core advantages are the following: simplicity of use, full process automation, a possibility of integration with an accountancy office, Comarch e-Store, and Comarch BI Point. The application is provided with a POS module for fast support of retail sales. The program is available solely in the service model (SaaS).

Comarch OCR – a device for Optical Character Recognition from scanned invoices, and then for transferring recognised data to accounting software, e.g. VAT records.

Comarch Retail – this is a standalone system to carry on retail sales in a full omnichannel model. It supports effective and comprehensive management of retail networks, starting from the head office through store's back office to points of sale (POS).

Comarch Mobile – is a solution dedicated to management teams and mobile staff, e.g. trade representatives, maintenance technicians, or sales assistants, who perform their tasks outside offices, using their smartphones or tablets. The packet is composed of: **Comarch Mobile Management, Comarch Mobile Sales, Comarch Mobile Service, and Comarch Mobile Procurement**. The individual applications in the Comarch Mobile packet provide for management of mobile staff and their sales, for monitoring of results of their performance and current location of staff on a map and the routes registered by them. They provide for effective vanselling and preselling directly during visits paid to customers, as well as registration of offers and purchase orders with suppliers, e.g. at specialised fairs. Additionally, Comarch Mobile provides for execution of maintenance orders, e.g. during inspections, assembly, or repair of devices.

Comarch WMS – a solution providing for comprehensive handling of high-storage warehouses. The packet is composed of: **Comarch WMS Management** and **Comarch WMS Warehouse Manager**. Comarch WMS Management is a tool addressed to warehouse managers to control storage operations and manage flows of goods within warehouses. Comarch WMS Warehouse enhances the performance of staff operations directly in warehouses by applying data collectors operating online.

Comarch Warehouse Manager – application used for mobile support of simple warehouse processes. With it the user may execute tasks of goods acceptance and release from the warehouse, record movements of goods among warehouses and perform stock-taking.

Comarch Business Intelligence – a system based on data warehouse technology, addressed to large and medium-sized enterprises and international corporations. The solution supports decision processes and reporting tasks. It is destined for the following industries: financial and insurance institutions, trade, services, and manufacturing.

Comarch BI Point – a web Business Intelligence reporting tool that supports generation, exploration, and provision of comprehensive reports and interactive managerial cockpits. An integrated repository and an embedded rights management mechanism allows supporting management of users' access to the selected reports and individual data models. As a result of its responsiveness, the application can also be used on mobile devices. With its intuitive interface and many interesting forms of data visualisation, even less experienced users can develop attractive dashboards with this application. The tool is used by all types of enterprises or varying size. It is addressed primarily to analysts, controllers, and managers.

Comarch MyPoint – an analytical tool offering quick and transparent verification of users' work who use Comarch ERP systems. It allows monitoring working time in the system, effectiveness at specific times and average productivity of operators.

Comarch mPOS – Comarch Mobile mPOS is an application for sellers and sales assistants in brick-and-mortar stores and in pop-up stores, too. It offers support for the store's back office allowing recording receipts and issues on a mobile device, and also execution of sales directly on a store's floor without sending a customer back to the check-out.

Comarch IBARD – is an easy to use, multi-functional tool that can be used for instance to perform and schedule back-ups of file, directories, and databases from PCs, laptops, and servers, to perform backups of mobile devices, to transfer and safely store data in cloud. The service ensures uninterrupted 24h access to data from any device and place. Comarch IBARD is available in five languages (Polish, English, German, French, and Spanish). The service is universal and may be used by both small and medium-sized enterprises, as well as service providers like telecoms that offer services to their customers under their own brands (White Label model).

Comarch TNA (Time and Attendance) – is a modern system to record and manage working time, business trips, annual leaves, and other processes focused on company employees. It is a tool that facilitates manual recording of hours of remote working both on a web and mobile application. With it the employer knows what time an employee has started and ended their work, and also has an option

of controlling an employee's availability in real time. In turn, an employee has a statement and evidence of hours of work that have been agreed with a superior.

Comarch CSM Comarch Cloud Service Management – a complex platform to sell and manage cloud services that supports providers in offering services, applications, infrastructure, and other cloud products. Comarch CSM collects all information on orders, prices, service validity, and provides for contact with customers. It can be integrated with any service via third-party API.

Comarch SSO (Single Sign-On) – a secure single sign-on system – logging into one service, other services can be used without repeating access data. Comarch SSO provides full user security when logging to a multi-service environment.

Comarch Hosting – an integrated comprehensive solution tailored to customers' individual needs which consists in renting a hardware platform located in the Comarch Data Centre along with the required licences of external providers (e.g. Microsoft). Additionally, the offer covers a number of services relating to management and administration of the hardware platform and software. The solution is characterised by flexible management of resources that are scaled up along with the customer's growing needs.

iKsięgowość24 – accounting and booking services for enterprises, used by over 2,600 accountancy offices operating Comarch ERP Optima.

Comarch B2B – a B2B platform that among others provides for ordering of products online. A logged-in business partner has access to a history of their orders, payments, or submitted complaints. Selected customers will use a web browser to have a preview of our always updated commercial offer that may be individually tailored.

Comarch e-Store – online store software for small and medium-sized enterprises fully integrated with Comarch ERP management systems, price comparison and Allegro and eBay auction platforms, as well online payment platforms. It facilitates shopping using a web browser and mobile applications running on iOS and Android.

Wszystko.pl – is a trading platform supporting e-sales directly from invoicing and warehousing systems operated by enterprises. Products may be offered by any company operating Comarch ERP management software.

Comarch HRM – an application to be used by staff themselves, operated in a web browser or as a mobile application for employees and their superiors. The key task of the application is to provide ongoing access to data on daily activities relating to a formal aspect of work in an enterprise – working time and a work plan and holidays/leaves, business trips/secondments, or other absences. In addition, the tool also provides support for such aspects of the employee's functioning in a company as training records, or an appraisal system.

Comarch e-Reports – a program to generate electronic financial statements, which, among others, are compliant with the Accounting Act, characterised by abundant functionalities (with electronic signature in the application), easy to handle and that can be integrated with ERP systems. The program may be used in a desktop version installed on a computer and in cloud – in a subscription model from any computer with Internet access. The application generates structures of financial statements compliant with the requirements of the Ministry of Finance.

Comarch ESEF – is an application facilitating generation of annual financial reports in an ESEF tool for generation of financial reports/statements compliant with the European Single Electronic Format (ESEF) that defines a form in which annual financial statements of companies listed on the EU regulated markets will be created.

Comarch Software and Beratung AG systems are a line of ERP and financial and accounting systems for small and medium-sized enterprises in the German language 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. The system is also available in a service model (SaaS),
- **Comarch Financials Enterprise** – a new generation financial and accounting system, developed as a supplement to Comarch ERP Enterprise, supporting comprehensive financial management in modern enterprises. The system is also available in the service model (SaaS),
- **Comarch ERP Suite** – a classic ERP system, offering tested and sector-specific functional solutions for a broad range of users,
- **Comarch Financials Suite** – an expanded, certified financial and accounting system, containing modules for controlling and electronic document archiving, providing for operation in an international environment, also covering various accounting standards (US GAAP, IFRS),
- **Comarch Financials Schilling** - a classic financial and accounting system,
- **Comarch Financials DKS** – a financial and accounting system developed for Austrian customers, provided along with a controlling and HR module,
- **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** – an application for electronic transfer of financial statements to public authorities in Germany, operating with various financial and accounting systems,
- **Comarch eRechnung** – an application to handle e-invoices in Germany in compliance with the applicable regulations, operating with German Comarch financial and accounting systems.

3.4. Public Sector

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 ERGO - system supporting realization of public tasks connected with land management. It enables more than 60 registers and records to be run in the areas of geodesy, cartography, real estate management, spatial planning, road infrastructure management, construction, environmental protection, agricultural and forest land protection, protection of historical monuments and geoportals. The system has modular construction enables the exchange of information between local government units and cooperating parties, their faculties and employees. Comarch ERGO is a comprehensive solution allowing the launch of the Spatial Economy SSC electronic platform.

COMARCH WORKFLOW - the platform supports the electronic (as well as paper) workflow of documents in enterprises and institutions (industry-specific versions were created for individual entities). The solution enables managing documents in institutions in accordance with the guidelines of office instructions as well as defining and operating any workflow processes and documents. For this purpose, a mature business process editor based on BPMN is used, which, in cooperation with components enabling the creation of dedicated registers and forms, is able to provide each institution with a coherent and fully configurable Workflow-class system.

COMARCH E-OFFICE - an online public service platform that allows the implementation of tasks of local government units and central offices. Intuitive tools enable autonomous application management, providing support for content creation and publication processes. The platform includes components: Digital Office, Resident Profile with electronic payment services for obligations to institutions, Public Information Bulletin, Information Portal and Intranet, as well as elements supporting social activity related to servicing the civic budget or issuing opinions on legal acts.

COMARCH ERP EGERIA - this ERP-class integrated IT system supports organization management 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, utilities, healthcare, etc.).

COMARCH SECURITY PLATFORM - a solution that combines elements of physical and cyber security. The physical security management system is an innovative solution supporting the security of various types of facilities and protected areas. Our solution integrates multiple security systems such as anti-theft alarms, CCTV, fire alarms and access control, allowing users to manage all the security measures throughout one central security system. Additional elements related to image analysis, information correlation and defined operating procedures allow to increase the automation of the system operation, and thus to increase the security of the protected object or area. Information and threat analysis modules in cyberspace allow the detection and analysis of physical and virtual threats.

COMARCH SMART PARKING - a platform that detects free parking spaces with intelligent video analysis (IVAs) or a sensor network. It also integrates many parking systems in one place. The system supports outdoor, indoor, Park & Ride, city and private parking lots. It enables the generation of operational and management reports as well as statistics on the occupancy of parking spaces thanks to the management portal.

COMARCH ERECORDING - a comprehensive and coherent solution that combines the convenience of using classic audio/video recorders with public address systems and a dedicated application to control the audio/video recording process. The system allows to register meetings, sessions or public appearances along with related metadata and comments that enable efficient searching of the recording during playback. Additional sources of recorded data may be external multimedia data and remote transmissions via video terminals. Comarch eRecording provides (along with recording) a platform-independent multimedia multi-track player.

COMARCH VIDEO TERMINAL - 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, and compiles multi-party calls based on the standards and infrastructure of video conferencing bridges of leading suppliers.

3.5. Services Sector

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

The Services Sector implements projects in 40 countries on five continents. Among our clients are: BMW Bank GmbH, Media Saturn IT Services GmbH, European Organisation for Astronomical Research in the Southern Hemisphere (DE), OMV, BP Europa SE, Tab Limited, Livelio S.A., Valeo Schalter und Sensoren GmbH, Costa Coffee, JetBlue Airways Corporation, Heathrow Airport, S7 Airlines, Brussels Airlines, Etihad.

LOYALTY MANAGEMENT AND MARKETING SOLUTIONS

The offer is addressed to medium and large enterprises. It involves a comprehensive set of IT services that helps build and manage loyalty programs, create customer relations, automate marketing processes and increase profits. Furthermore, we develop tools for Big Data analysis and gamification-based systems for building engagement, increasing profits and strengthening the relationships between clients, partners and the brand.

Available solutions:

Comarch Loyalty Management – system for managing loyalty programs, which supports B2C and B2B operators enabling launching of many programs on one platform and service of all areas related to running the program (customer registration, profile management, promotions based on various

conditions, communication with participants, rewarding gifts and offers). The product is also targeted at transport and travel companies, in particular airlines. The platform supports loyalty programs of all types of carriers, both for individual clients (Frequent Flyer Programs) and in the B2B model. The system supports the creation of rules for calculating points, defining rewards and privileges.

Comarch Loyalty Cloud - is an advanced loyalty system with a modular structure that allows companies to comprehensively manage the loyalty program lifecycle. The application is available in the service model, based on monthly subscription fees. Comarch customers can use the range of application functionalities after a few days from signing the contract, without a time-consuming process of system implementation. The premise of the Comarch Loyalty Cloud service is to regularly provide clients with functional updates implemented in accordance with the Comarch roadmap.

Comarch Campaign Management - is the solution enabling quick and cost-effective design and launch of customer-oriented marketing campaigns. The system optimizes the campaign planning process, simplifies the management and creation of personalized messages, automates multi-channel communication with customers, and allows you to track the progress of campaigns and dispatch statistics. The solution also helps to coordinate and track the tasks of employees involved in the preparation of the campaign.

Comarch Business Intelligence - the solution supports companies that want to build loyalty strategies through in-depth analysis of large amount of collected data and provide a detailed picture of purchasing patterns, the value of the shopping basket, campaign efficiency and statistics related to the program.

Customer Analytics - a set of BI expert or data scientists team support services in collecting, cleaning and auditing customer data, improving and maintaining data quality and their analysis, creating advanced customer segmentation models, migration analysis and customer activation strategy, predictive and scoring models, marketing databases and analysis of customer satisfaction levels.

Comarch Location Based Services - a modern technology platform enabling highly personalized marketing communication directed through mobile application channels to people, customers, residents or passengers in a given location at a given moment. The solution uses data from geolocation and micro-locations and on this basis sends notifications through native iOS and Android applications. The platform is also equipped with navigation module which allows the user of the mobile application to find the way inside the building. This is very helpful for large facilities, such as shopping malls, hospitals, city offices. Comarch Location Based Services is integrated with the beacons produced by Comarch which enables the user's microlocation to be determined through a Bluetooth channel.

Loyalty Consulting - services creating complete, innovative programs, attracting clients, increasing profits and building a stronger bond between the client and the brand (development of the strategy and concept of the program, ways of rewarding, marketing communication, development of procedures and analysis of IT requirements).

Program Management Services - support in the processes of program organization, creation and selection of marketing service providers, management of relations with strategic partners, day-to-day administration of applications, monitoring of key program performance indicators and activity reports, detection and prevention of fraud, communication management.

DATA EXCHANGE AND DOCUMENT MANAGEMENT

As part of its offer, Comarch enables effective document management and automation of sales and business processes in the supply chain. A comprehensive approach to communication with partners from around the world, including the electronic exchange of product, commercial, logistics and financial data, allows companies to achieve measurable benefits such as faster access to information and significant cost reduction.

Available solutions:

Comarch EDI (Electronic Data Interchange) – a B2B2G platform based on cloud technology, which enables fast and secure data exchange between a company and its trading partners. Provides

streamlined data-flow processes throughout the entire supply chain, regardless of geographic region or business sector. More than 650 million documents processed annually.

Comarch MDM (Master Data Management) - a cloud-based, certified product data catalogue (GDSN) that allows you to easily organize, verify and manage product information relevant from the business point of view. It also provides various methods for entering and completing data.

Comarch e-Invoicing - a cloud-based product that complies with the latest legal regulations and streamlines and automates the processes of AP and AR invoicing. By supporting many document formats (including exchange with public administration entities) and distribution channels, it enables the secure and efficient exchange of e-invoices.

Comarch Online Distribution - a modern reporting and communication platform used by manufacturers to improve cooperation with a network of distributors. It automatically creates detailed reports on inventory and resale, using data collected on an ongoing basis from distributor systems.

Comarch e-Invoicing Cloud - a web application, based on the latest cloud technology, for sending structured B2G invoices. It enables intuitive creation of invoices, searching for business partners from the public sector connected to the PEPPOL network, and the ability to send additional files (e.g. attachments). E-invoices created with this solution are in line with the latest EU regulations and adapted to the general national requirements (adaptation of the e-invoice format, e.g. X-Rechnung in Germany).

COMARCH ICT

Comarch ICT solutions allow to control company's IT infrastructure in the area of telecommunications, outsourcing or data centres based on global standards and technological partnerships with IT market leaders while ensuring secure data storage.

Comarch ICT products / solutions are designed so that the latest technologies serve business development. In the era of rapid changes in market and customer requirements, an experienced technology partner who will adapt the strategy and provide appropriate services in the field of IT infrastructure, outsourcing, data centre and security is a must.

Comarch Cloud Infraspac - is a unified and flexible cloud infrastructure with the highest security standards. The platform contains a wide range of tools supporting applications built on the basis of microservices. The cloud solution provided by Comarch was created to help solve problems related to a lack of computing power, enabling performance adjustment with real demand for IT resources. The solution allows clients to benefit from all the benefits of the cloud, such as lower IT costs, increased company performance and full control over their IT resources while optimizing the reliability of company data and maximizing flexibility. All this in a secure IT environment located in the Comarch Data Centre.

Comarch PowerCloud - is a ready-to-use platform that provides all the benefits of cloud solutions with the support of the expert IBM Power Platform and management services. Utilizing advanced tools, it provides simplified virtualization management and cloud deployment for AIX, IBM and Linux virtual machines.

Comarch IT Services - Due to dynamic changes on the IT infrastructure market, an experienced technology partner is of key importance for business development today. The company's IT environment in the hands of Comarch engineers and analysts is a guarantee of continuity of services tailored to individual customer needs and the required system availability.

Digital (r)evolution is still underway. Joining forces with an experienced technology partner has become a necessity. Putting the IT environment in the hands of Comarch engineers and analysts is a guarantee of the highest efficiency and availability of all systems and applications. As a company with over 25 years of experience, we provide a wide range of IT services designed to meet the needs of our clients - to provide them with appropriate technical and business support.

- **Comarch IT Integration** - services tasked with adapting the client's IT environment to new business and technical requirements. We support clients from the analysis and design stage of a new IT platform, through the delivery of appropriate devices and software, to the implementation phase,

- **IT Outsourcing** - a set of services aimed at optimizing the costs associated with servicing the IT area. The services provide full end-user support (Service Desk and stationary support), administration of LAN / WAN networks, server infrastructure and security infrastructure, as well as management of IT processes in accordance with good practices and the latest recommendations (e.g. ITIL) and agreed SLA parameters. As part of IT Outsourcing, Comarch provides services related to advanced server, matrix and database systems both remotely and directly at customer locations,
- **Network and Security Operations Centre** - a solution constituting a Single Point of Contact with a customer, providing comprehensive technical support in the field of IT infrastructure monitoring and business applications for all types of enterprises and institutions. It provides customers with current knowledge about the availability and performance of individual components of their IT infrastructure, and helps detect interference before it affects the customer's business.
- **Comarch Network Services** - solutions for creating and maintaining data transmission networks (including WAN / LAN / WLAN). CNMS is a comprehensive product in the area of construction or modernization of existing transmission networks, management and administration of these networks as well as their security.
- **Comarch Service Desk** - available 24/7 multi-channel (and multilingual) single point of contact with a team of IT specialists from Comarch. Providing full support to end users, it is responsible for handling requests, reporting (according to the guaranteed level of service agreement) and solving problems related to your IT infrastructure.

Comarch Data Centre - advanced technological centres with high availability and TIER III and TIER IV architecture. They are an alternative for clients to expand their own IT infrastructure resources. Comarch SA has 20 Data Centres around the world.

- **Hosted Managed Services** - transforms the management of data centres and IT departments, providing the necessary technological flexibility and maximizing application performance and availability. We guarantee the suitable specialists, processes, security and technology in the local cloud and networks to optimize data centre services,
- **Comarch PowerHosting** - fully managed services for the IBM Power platform. The comprehensive service in the scope of supplying and maintaining the IBM Power platform is carried out in three models - a virtualized cloud, hosting client equipment in the Comarch Data Centre and remote services implemented on existing client equipment at its headquarters,
- **Mainframe Services** - provides fully managed support and services for Mainframe class systems. Provides technical and business assistance in the process of installation, configuration and maintenance of Db2 products. In addition, we provide consultancy services in the field of capacity management, progress tracking and migration to higher versions of data management software.

3.6. Comarch e-Health

Comarch e-Health offers a comprehensive ecosystem of products, consisting of EHR, Telemedicine, Hospital and Medical AI Clouds. Integration of these platforms ensures coordinated healthcare, and supports patients, their families, and medical personnel. The offer includes, among other things, mobile applications for patients, IT systems for hospitals, and software for health record management in medical facilities, cities, and regions. Comarch e-Health is a provider of innovative remote medical care solutions, based on our own software, devices and medical infrastructure.

COMARCH EHR CLOUD

Comarch EHR Cloud is a secure data archive created to provide efficient, coordinated healthcare. Information is uploaded from medical facilities (hospital information systems), laboratories, diagnostic points, telemedicine platforms and patient applications. Data are collected in one place, regardless of their origin. Comarch EHR Cloud is an interoperable platform, open to third-party solutions. Free integration is possible by the use of IHE profiles for data transfer and documentation standards based on HL7CDA and PIK HL7CDA.

Comarch HEALTHNOTE

Comarch HealthNote is an Internet health diary that allows the collection of complete and up to date health history directly in a mobile application. Users can enter vital signs, measurements and test results, monitor their symptoms, scan and view medical documents, and share this information with physicians.

COMARCH HOSPITAL CLOUD

Comarch Hospital Cloud is a set of systems for the comprehensive management of medical facilities, regardless of their specialization and size - from small offices to multi-hospital complexes. Interoperable, integrated IT systems are tailored for each stage of patient care. These are intuitive tools that coordinate staff activities, increasing work ergonomics. They have been designed for all employees of medical facilities, taking their roles, duties, and entitlements in the organization into account. All data are stored in a secure Comarch cloud, so there is no risk of loss or unauthorized access.

Comarch MEDNOTE

Comarch Mednote is a modern, intuitive application for managing any doctor's office. It organizes medical records, provides necessary information about the patients, and minimizes the time taken by formalities and paperwork. The system allows for, among others, creating prescriptions, referrals, and other types of medical documents.

COMARCH OPTIMED NXT

It is an advanced IT system for medical facility management (HIS), allowing holistic organization. It has six basic modules and more than 30 additional modules, covering all specializations. It provides integration with healthcare providers, services and peripheral systems. The system can be operated on tablets, which allows access to information about the patients directly at their beds. Comarch Optimed NXT is dedicated to all medical facilities, regardless of the structure and type of services provided. It supports, among others, the management of electronic health records, patient visits, issuing prescriptions, and referrals. It is also a functional tool for facility.

COMARCH EHR (Electronic Health Records)

It is a system for managing electronic health records in all types of medical entities, as well as at the regional level. Central access to documents from different systems enables the efficient collection and processing of medical data. The solution allows the exchange of information between institutions, which speeds up the diagnosis process and avoids redundant testing. It is an interoperable tool in accordance with IHE, HLF CDA, and XDS.b standards, allowing integration with external solutions.

COMARCH CONCIERGE

It is an online patient portal that provides multi-channel communication and continuity of medical care. Comarch Concierge facilitates the exchange of information between medical facilities, physicians, and patients. It enables remote registration, ordering prescriptions, receiving test results, and medical consultations

COMARCH TELEMEDICINE CLOUD

Comarch Telemedicine Cloud is an open cloud platform that enables remote monitoring of patients. All information from systems, applications, and measuring devices is transferred to the Comarch e-Care platform, then analysed and made available to medical personnel. Thus, the process of diagnosis, treatment, and prophylaxis is optimized and coordinated. What is more, some services are transferred outside medical facilities. Comarch Telemedicine Cloud is a flexible and scalable solution that allows existing elements to be modified and new devices, procedures, and operation schemes to be added.

COMARCH E-CARE PLATFORM

It is the basis of Telemedicine Cloud is the Comarch e-Care platform, which receives and processes medical data. Analysis is based on artificial intelligence (AI) learning algorithms, which immediately recognize and mark irregularities even among an immense amount of information. AI, in combination with the developed procedures, support medical staff in providing effective care. The Comarch e-Care

platform also enables online consultations and remote descriptions of test results, significantly increasing access to high-quality medical services.

DIAGNOSTIC POINTS

Comarch Diagnostic Points are stations equipped with measuring devices (blood pressure meters, event ECG recorder, thermometer, scales and pulse oximeter), where patients can perform measurements of vital signs outside medical facilities. Measurements are taken independently by the patient or with the support of medical staff, and then evaluated by physicians through a telemedicine platform. Comarch Diagnostic Points are also available in the form of a mobile suitcase, facilitating the transport of the devices, and monitoring patients' health at, for example, nursing homes or on-board aircraft.

REMOTE CARDIAC CARE

It enables the detection of abnormalities such as tachycardia, bradycardia, ventricular tachycardia, ventricular fibrillation, flutter, and more. It allows long-term diagnostics outside the hospital environment. Remote Cardiac Care can be implemented for hospitalized patients, and in overseeing the process of home rehabilitation.

REMOTE PULMONARY CARE

It allows monitoring of patients suffering from asthma, COPD, and other pulmonary disorders. Regular spirometry, pulse oximetry and peak expiratory flow measurements are taken. These, along with constant specialist control, increase patient safety and comfort.

REMOTE SENIOR CARE

It allows patients to consult specialists about their health condition. Measurements of vital signs can be performed by patients, their carers or medical staff. Based on the results, the patient can consult with the attending physician remotely or arrange for a home visit. The physician can also call an ambulance if required.

TELEMEDICAL DEVICES

Comarch has its own R&D centre, where innovative measuring devices are designed, tested, and manufactured. Among them are portable heart rate recorders (Comarch PMA and CardioVest). New telemedical solutions are being constantly developed.

REMOTE MEDICAL CARE CENTER

Comarch Remote Medical Care Centre, where medical staff monitor patients' health 24/7, plays a pivotal role in our telemedicine offer. Remote Medical Care Centre:

- Brings together qualified medical personnel, including paramedics, midwives, physicians of various specialties, dietitians and physiotherapists,
- Monitors patients' health around the clock, including weekends and holidays,
- Intervenes in cases of automatically detected anomalies, parameterized individually for each patient (exceeded norms and worrying measurements), as well as in the event that a patient makes a call for intervention,
- Uses medical procedures that allow faster and more targeted intervention.

Comarch Healthcare S.A. has implemented and certified ISO 13485 quality management system for medical devices. The Comarch e-Care platform is a class IIa medical device certified for compliance with Directive 93/42/EEC.

COMARCH MEDICAL AI CLOUD

Comarch Medical AI Cloud is a set of solutions based on big data and machine learning algorithms that enhance our products with artificial intelligence. Machine learning and artificial intelligence process an unlimited amount of information, looking for correlations and irregularities. They automate processes and structure medical knowledge, thus reducing costs and increasing the efficiency of monitoring, diagnostics, and treatment. Comarch Medical AI Cloud has a wide range of application possibilities, from electronic medical records to ECG signal analysis.

iMed24 MEDICAL CENTER

As a part of Comarch Healthcare S.A., this medical facility is a natural environment for the development of services dedicated to the health sector. iMed24 was the first medical centre in Lesser Poland to offer remote medical care (the number of people covered by those services exceeded 6,000). The facility employs approximately 100 physicians, from over 30 specializations.

3.7. Technologies Sector

Comarch IoT activities include the development of Internet of Things (IoT) products and services. Based on rapidly evolving IoT technology, specialists provide hardware and software solutions, while ensuring the highest quality standards, which provides an opportunity not only for technological development, but also the implementation of new, efficient business models. Given the great importance of digitisation, a complete IoT ecosystem has been created, operating in a cloud environment (IoT Platform), providing a wide range of communication, processing and data exchange capabilities.

The area includes not only IoT products, but also the so-called Building blocks architecture of these solutions, adapting to many industries, including heavy industry, telecommunications, utilities, medicine, e-mobility, automotive, transport, and many others, where there is a need for the implementation of IoT.

Focusing on high technological development and the requirements of a competitive market, the IoT sector also carries out R&D and short series production of electronics in its own factory floor infrastructure — IoT Plant along with IoT Lab.

Another segment of the sector is professional services, addressed to international customers and encompassing a wide range of industries, in particular the demanding automotive industry. In addition to maintaining safety and quality standards, service activities are in line with the latest trends such as e-Mobility or digitisation.

INTERNET OF THINGS SOLUTIONS

Comarch Smart Metering – a solution dedicated to the monitoring of municipal infrastructure (water, electricity, gas). The solution consists of a dedicated Comarch device for reading data from the meters in a standardized way, wireless data transmission using LPWAN technology (4,5G) through the network of a telecommunications provider (NB-IoT or LTE-CatM) to the Comarch cloud computing and Smart Metering application based on the Comarch IoT Platform.

Industry 4.0 – a set of dedicated products and solutions based on IIoT (Industrial Internet of Things) technology. The use of IIoT components allows for carrying out digitalization in production, including its automation and optimization of processes.

Digitization – through the digitization process, IoT technology streamlines and automates processes in enterprises. IoT solutions provide the capability of communication between devices, collecting of data with sensors and processing them in a dedicated Platform. By replacing inefficient systems with those based on IoT, an intelligent environment is created that applies to the spaces of houses, urban infrastructure, factory floors, and health services.

Internet of Healthcare Things (IoHT) – a set of devices and systems dedicated to the medical industry, based on IoT technology. The IoHT architecture consists of "things" (devices), connectivity modules, and a cloud platform. IoHT solutions allow integration with existing systems.

Comarch CareMate – is a digital caregiver, available as an application in conjunction with an integrated Life Bracelet (used to monitor patients, with a GPS locator and the capability to call for help). It offers a modern solution dedicated to the elderly and chronically ill people who need constant monitoring.

Comarch IoT Button – a small, battery-powered device communicating with the IoT Platform, with three types of responses (via the button: short, long and double). Its functionalities allow it to adapt to the countless tasks and needs of a given enterprise, while providing the possibility of integration with already existing systems for digitisation. Based on communication protocols: LTE Cat-M1 / NB-IoT / EGPRS.

Comarch Asset Tracking – a solution for locating devices, things, and people in logistics, industrial, medical and many other spaces. The hardware-side system is based on Comarch radio equipment and modules, processing the collected data in the IoT Platform.

Comarch Smart Lighting – a solution based on Comarch IoT Platform, which enables quick configuration and management of intelligent lighting in the city, public buildings or industry. This solution also uses the Smart Lighting module, which allows to transform the existing lighting infrastructure into a smart system.

COMPONENTS (BUILDING BLOCKS) OF IOT SOLUTIONS

Comarch IoT Platform – the Internet of Things platform operating in a cloud-based environment. The IoT platform enables the configuration, management and monitoring of communication between devices in the network. Thanks to its functionalities, the Platform is able to collect data from billions of devices, then analyse and process them, which translates into increased efficiency of process management and reduction of costs of both operations and used resources.

Comarch IoT Hub – a versatile gateway with a modular architecture used to provide connectivity between devices and the IoT Platform. The solution offers secure and stable short-range communication based on various communication protocols, remote control and management of connected electronic devices.

Comarch BLE Module – a certified radio module for Bluetooth Low Energy 4.1 (BLE) technology with Comarch software stack, in the form of a PCB for use in a variety of applications, including IoT as a BLE interface.

Comarch Radio Module (IoT MESH) – a certified radio module in MESH technology operating on the 2.4GHz sub-GHz band, based on IEEE 802.15.4. The PCB module for use in a variety of applications, including IoT as a radio interface.

Comarch Smart Lighting Module (CSL) – a certified module for wireless control of lamps, including those made in LED technology. It uses various Comarch radio modules as transport layer. The product is available in several functional variants with different radio interfaces.

SHORT-SERIES PRODUCTION OF ELECTRONICS AND RESEARCH AND DEVELOPMENT (R&D)

Comarch IoT Plant — a factory floor, which offers high quality services in the field of rapid prototyping and assembly of electronic devices (EMS). It provides customers with comprehensive support at every stage of the production process, from design, through mechanical prototyping, to assembly and post-production quality control.

Innovative production line, which enables short-series production of consumer electronics prototypes in a very short period, with particular emphasis on the quality of products and services offered. IoT Plant factory floor has been created in response to the needs of assembly of electronics, i.e. EMS services, and operates within the Integrated Management System of Comarch S.A.

Comarch IoT Lab — IoT Lab builds prototypes that meet the highest industry standards in terms of security and user experience. The services offered by IoT Lab include the process of creating an industrial mould design, 3D visualization, electronics and software design, technical design and documentation, and preparing the final prototype.

Medical Equipment — comprehensive services provided by Comarch IoT Plant and experience in R&D also includes the medical industry. This is where modern medical devices are made, such as Comarch CardioVest (a vest for remote ECG monitoring and cardiac diagnostics).

PROFESSIONAL SERVICES

SERVICES FOR THE AUTOMOTIVE INDUSTRY

Software development - the scope of activities includes the design of applications, backends and the integration of third-party content and service providers (e.g. Voice assistants: Google Alexa Assistant, parking, payment, music, smart home). Services are carried out in accordance with customer requirements, using knowledge and experience in the field of network security and logic and intuitiveness in contact with the recipient.

Infotainment in-Car – participation in the development of embedded information and entertainment systems (Infotainment). It includes the development of applications for OEMs (e.g. Web Embedded) in the field of dedicated Infotainment systems. As an example of our activities, we were the first in Europe and the second in the world to integrate Spotify with the Infotainment system.

Integration with smartphones — the capability to connect applications installed on the smartphone and control them from the car headunit allows you to focus fully on driving, increasing the level of safety and responsiveness. The use of these applications is intuitive, you can control them using e.g. a button on the steering wheel or voice commands, without performing additional activities requiring divisive attention (e.g. MirrorLink, CarPlay, Android Auto).

E-mobility – combining project experience with other Comarch sectors, IoT provides solutions and services that are a part of the development of the e-mobility concept, which not only concerns economic and ecological transport, but also supporting applications and user services (software services). With e-mobility provided by Comarch, users can use vehicle-integrated voice assistants when planning their work through the application of in-car Office (calendar integration) or save time to find the parking spot using the integrated smart parking system (integration with OEMs).

UX / UI — these services rely on a comprehensive study of user behaviour and profiles to design intuitive and user-friendly applications.

CERTIFICATION

Certification tools for standardisation organisations support effective management of the certification process for devices and applications. In addition, they allow for checking compliance with current standards, especially in the area of Internet of Things communication standards. In addition, Comarch provides certificate authority tools to issue and verify certificates to confirm the identity of a given entity.

EMBEDDED SYSTEMS

Comarch offers comprehensive system and product solutions in the area of embedded systems. The experience gained in the implementation of international projects in the field of consumer electronics and automotive, medical and financial-banking industries is a guarantee of compliance of the technology with current trends and industry standards applicable to the offered solutions.

OUTSOURCING

It is provided within the scope of outsourcing of processes, R&D, systems and know-how (human resources). Cooperation with Comarch reduces the cost, time and risk of projects carried out.

3.8. Sports activities

MKS Cracovia SSA conducts sports activities with participation in professional leagues and competitions in several sports disciplines, the most important of which are football and ice hockey. The purpose of the investment in the company is to promote the Comarch brand. It is an element of the Comarch Group's marketing strategy, the aim of which is to create the image of Comarch as a leading IT supplier for large and medium-sized companies in Poland.

Revenue from sports activities of MKS Cracovia SSA include sums of revenue due to advertising services and other services, as well as receipts from the sales of tickets for sporting 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 company'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, South and North America and Asia. Sale in the Company is highly diversified, with no dependency on one major client. In 2019, the share of sale to none of the customer exceeded 10% of the Comarch Group sales.

Due to the specific nature of the industry, in which Comarch manages its operations, international concerns, which are producers of computer systems and programmer's 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 2019 share of none of the product provider exceeded 10% of the value of Comarch sales.

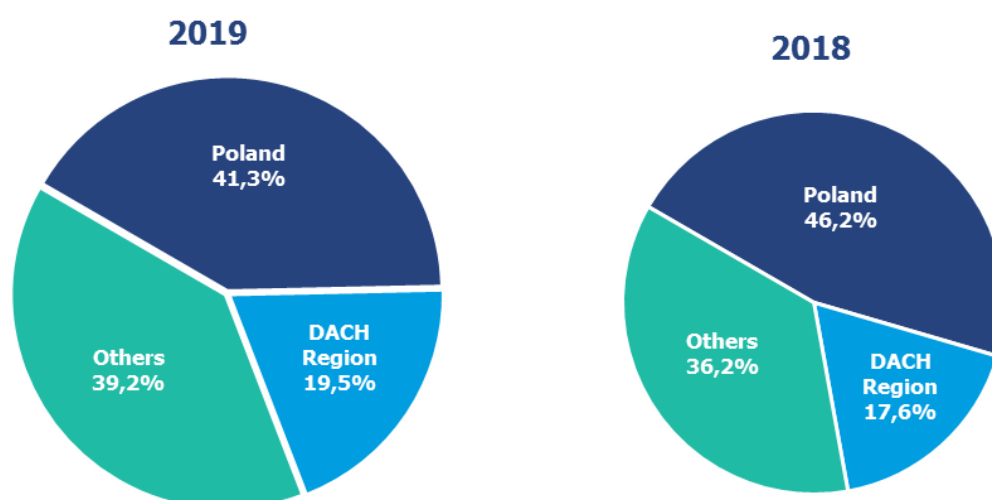
5. Sales Structure

5.1. Revenue from Sales- Geographical Structure (in thousands of PLN)

	2019	%	2018	%	2017	%
Domestic	594,021	41.3%	632,372	46.2%	462,922	41.1%
Export	843,402	58.7%	737,247	53.8%	662,188	58.9%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

In 2019, the Group generated PLN 594,021 thousand of revenue from domestic sales, by PLN 38,351 thousand PLN (i.e. by 6.1%) less than in the corresponding period of 2018. This was due to a significant drop in sales in the public sector in Q2 and Q3 of 2019, partly covered by very good business development in the ERP area in Poland. The value of revenue from export sales in 2019 amounted to PLN 843,402 thousand and were higher by PLN 106,155 thousand (i.e. by 14.4%) than in the previous year. This is mainly due to the increase in sales revenue to clients from the telecommunications, trade and services sectors, as well as in the industry and utilities sector. In the 12 months of 2019, export sales accounted for 58.7% of the total revenue of the Group.

The geographical structure of sales remained stable during the financial year.



	2019	%	2018	%	2017	%
Poland	594,021	41.3%	632,372	46.2%	462,922	41.1%
DACH	279,899	19.5%	241,637	17.6%	249,361	22.2%
Remaining countries	563,503	39.2%	495,610	36.2%	412,827	36.7%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

In 2019, the Group's sales in DACH region increased by PLN 38,262 thousand, i.e. 15.8% compared to the previous year and its share in total Group's sales amounted to 19.5%. Other foreign sales increased by PLN 67,893 thousand, which is an increase of 13.7%. Share of other foreign sales in total Group's sales in 2019 amounted to 39.2%.

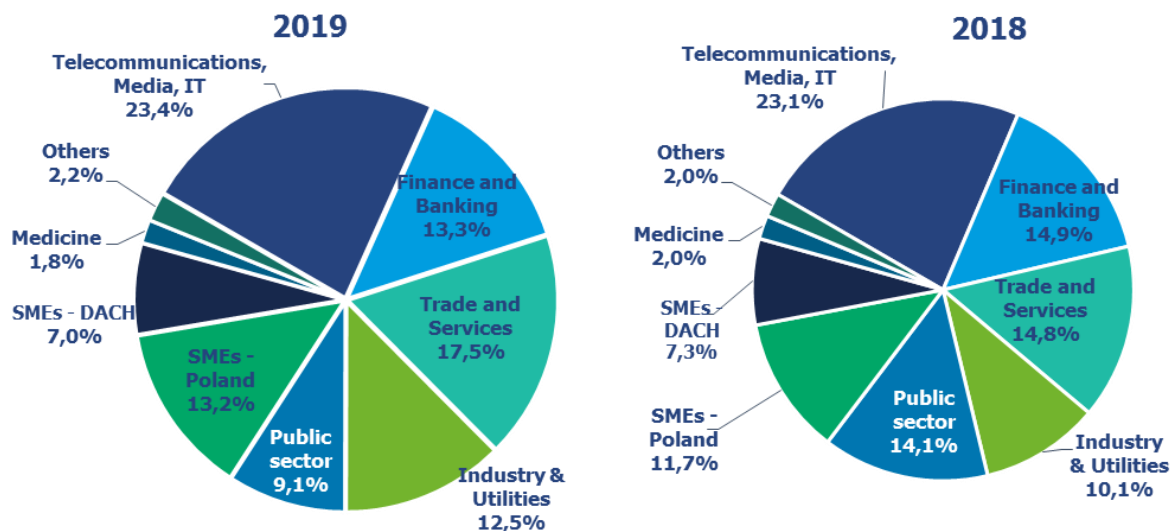
5.2. Revenue from Sales – Market Structure (in thousands of PLN)

	2019	%	2018	%	2017	%
Telecommunication, Media, IT	335,846	23.4%	316,416	23.1%	264,866	23.5%
Finance and Banking	191,054	13.3%	204,532	14.9%	187,168	16.6%
Trade and Services	251,743	17.5%	202,406	14.8%	187,367	16.7%
Industry & Utilities	179,336	12.5%	138,344	10.1%	143,105	12.7%
Public Sector	130,352	9.1%	193,000	14.1%	64,018	5.7%
Small and Medium Enterprises – Poland	190,421	13.2%	160,874	11.7%	136,085	12.1%
Small and Medium Enterprises – DACH	100,411	7.0%	99,568	7.3%	99,771	8.9%
Medical Sector	25,919	1.8%	27,351	2.0%	16,020	1.4%
Others	32,341	2.2%	27,128	2.0%	26,710	2.4%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

In 2019, sales revenue of the Comarch Group to clients from the TMT sector amounted to PLN 335,846 thousand, which means an increase of PLN 19,430 thousand (i.e. by 6.1%) compared to 2018. Customers from the finance and banking sector purchased products and services in the amount of PLN 191,054 thousand, lower than in the previous year by PLN 13,478 thousand, i.e. by 6.6%. Sales to customers from the trade and services sector recorded a significant increase (by PLN 49,337 thousand, i.e. by 24.4%), also revenue from sales to recipients from the industry & utilities sector recorded a significant increase, by PLN 40,992 thousand, i.e. by 29.6%. Revenue from sales to recipients from the public sector decreased significantly, by PLN 62,648 thousand, i.e. by 32.5%. This was the result of a much lower value of deliveries of finished goods and third-party hardware to customers from this sector than in 2018. A slight decrease in revenue was recorded in the case of sales to the medical sector (by PLN 1,432 thousand, i.e. by 5.2%). Customers from the SME-Poland sector purchased products and services worth PLN 29,547 thousand, i.e. 18.4% higher than in the corresponding period of last year. Sales to customers from the SME sector in the DACH region remained at a level similar to that achieved in the previous year (PLN 100,411 thousand, i.e. +0.8%). Revenue from sales to other customers increased by PLN 5,213 thousand, i.e. by 19.2%.

The structure of sales remained stable during the financial year.

The business situation in 2019 confirmed that the diversity of the offer and maintaining the industry and geographical diversification of revenue sources is beneficial for the stable development of the Comarch Group's activity.

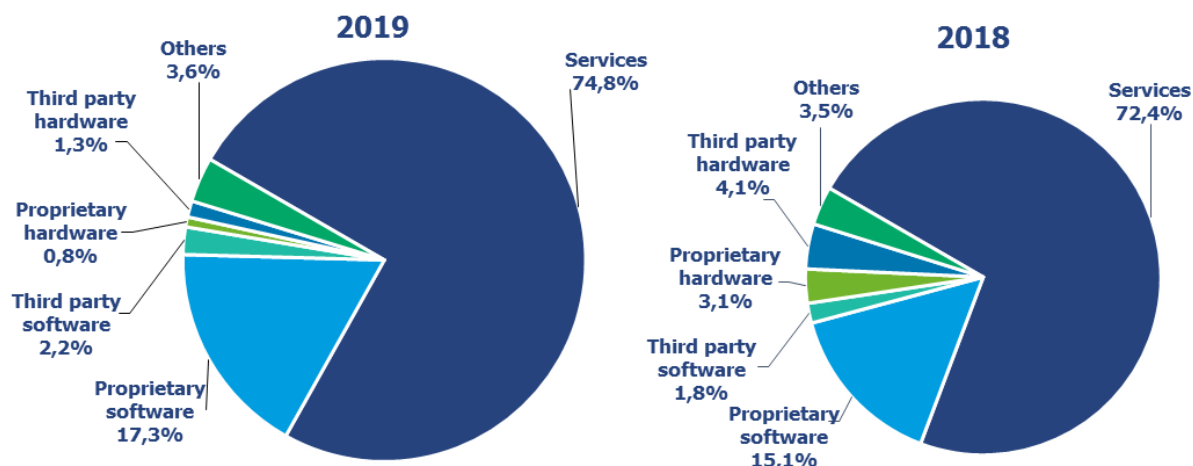


5.3. Revenue from Sales – Products Structure (in thousands of PLN)

	2019	%	2018	%	2017	%
Services	1,074,965	74.8%	992,627	72.4%	871,415	77.4%
Proprietary Software	249,442	17.3%	207,271	15.1%	175,174	15.6%
Third party Software	30,997	2.2%	24,041	1.8%	13,475	1.2%
Finished goods	11,676	0.8%	42,216	3.1%	804	0.1%
Hardware	19,134	1.3%	55,728	4.1%	10,096	0.9%
Others	51,209	3.6%	47,736	3.5%	54,146	4.8%
Total	1,437,423	100.0%	1,369,619	100.0%	1,125,110	100.0%

During the 12 months of 2019, the products structure of sales revenue of the Comarch Group changed significantly compared to that recorded in 2018. Revenue from sales of IT services increased by PLN 82,338 thousand, i.e. by 8.3%. Revenue from sales of proprietary software also increased significantly, by PLN 42,171 thousand, i.e. by 20.3%. The increase in the value of revenue from services and proprietary software was the result of the acquisition in 2018 and the implementation in 2019 of contracts of significant value, especially in the telecommunications and trade and services areas (contracts converted according to IFRS 15). Revenue from sales of third-party software increased by PLN 6,956 thousand, i.e. by 28.9%. The sales of own finished goods significantly decreased compared to last year (by PLN 30,540 thousand, i.e. by 72.3%). The sales of third-party hardware behaved similarly, with a decrease in revenue of PLN 36,594 thousand (i.e. of 65.7%). In both cases, this was the result of a lower value of deliveries of finished goods and third-party hardware to the public sector in 2019. In the 12 months of 2019, other sales increased by PLN 3,473 thousand, i.e. by 7.3%.

Over the whole 2019, sales structure by products remained stable.



6. Factors Essential for Development of the Comarch Group

6.1. Internal Factors

- Steady increase in export sales and significance of foreign sales;
- Position and reputation of the Comarch Group affecting the nature of clients acquired;
- Commercial operations of Comarch Group in the special economic zone in Krakow;
- 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,
- Attractive training policy and attractive work conditions offered for employees of the Company;
- Increasing awareness of the Comarch brand among prospective clients by promotion managed through marketing campaigns, including sports marketing (MKS Cracovia SSA);
- Necessity of continuous investment in human resources to maintain the Company's competitive edge in following years;
- High levels of investment expenditure designated for research and development activity and development of new products and IT services;
- 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

- 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;
- Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- 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;
- 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, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The international economic situation, in particular in Europe, 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;
- l) Epidemiological situation in the world, related to the SARS-CoV-2 coronavirus spread and COVID-19 incidents, which has an impact on the business activity of the Group and the financial condition of the Group's clients and the demand for IT products and services generated by them.

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 group has been hedging this interest rate risk using IRS contracts and it continuously 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.

Financial analysis of the Group's financial result sensitivity to the risk of changes in interest rates is included in notes [2.3.2.](#) of the consolidated financial statement

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, GBP/PLN, USD/PLN, BRL/PLN and CAD/PLN. At the same time, part of the Group's costs are also expressed in, or related to exchange rates for foreign currencies. In individual cases, the Parent Company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through undertaking in last periods credit liabilities expressed in EUR). 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.

Financial analysis of the Group's financial result sensitivity to exchange rate fluctuation risk is included in notes [2.3.3.](#) of the consolidated financial statement.

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 2020

In 2019, the demand for IT services and IT products has increased, with changes in its structure. The Group observed an increase in demand for solutions for telecommunication sector, industry & utilities sector, trade and services sector as well as, for ERP products, with a simultaneous decrease in sales to the public and financial and banking sectors. The Group's backlog now ensures full use of its production capacity in several subsequent periods.

The Comarch Group's operations in 2020 will be significantly affected by the epidemiological situation in the world, related to the SARS-CoV-2 coronavirus spread and COVID-19 incidents, which has an impact on the business activity of the Group and the financial condition of the Group's clients and the demand for IT products and services generated by them. As at the date of this report, the operational activity of the Company and the Comarch Capital Group is conducted without any disruptions. The Comarch Group implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Group's operational activity, with particular regard to employee's safety, health and hygiene recommendations. Business trips to countries identified by the Chief Sanitary Inspectorate as high-risk countries were suspended, direct contacts of employees within the organization were limited, and the remote work mode of office workers was launched on a large scale. Remote communication methods are commonly used in business contacts. The Management Board of the Group notes that the activities of the Comarch Group are very well diversified in terms of industry, products and geography, and the effects of a pandemic do not currently pose a threat to the financial stability of the company.

In terms of revenue from sales, in individual countries in which the Comarch Group operates, due to the increase in the number of cases and issued recommendations of state authorities regarding mobility reduction, a temporary decrease in revenue from the sales of offered services and products is possible, but its value is not estimable at the moment. The financial results achieved in the coming periods will also be influenced by: the duration of the epidemic, further administrative restrictions in the functioning of states, restrictions imposed on entrepreneurs, the possibility of using aid packages launched by individual countries, as well as fluctuations in exchange rates and the financial condition of the Group's clients.

The development of the political and economic situation in Poland and in the world, as well as the situation on the labour market will also have a decisive impact on Comarch Group's operations and financial results in 2020. 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 Company. Dynamically developing activity of Comarch Group in international markets additionally increases sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of enterprise. 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 Company, 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:

- risks related to R&D work (developing proprietary software products);
- risks related to implementation of long-term contracts;
- risks related to failure to meet contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- risk of foreign legal and political environment related to execution of export contracts;
- the credit risk related to the sale with deferred payment, and frequently with a long period of execution of contracts;
- risk of employee's rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees, the risk of increased labour costs;
- the risk of fluctuations in exchange rates and interest rates;
- the risks related to international terrorism, impeding the posting of employees in business travel in some regions of the world;
- the risks related to the SARS-CoV-2 coronavirus spread and COVID-19 incidents, which has an impact on the business activity of the Group and the financial condition of the Group's clients and the demand for IT products and services generated by them.

The Group 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	31 December 2019	%	31 December 2018	%	Change	Change %
ASSETS						
Non-current assets						
Property, plant and equipment	539,635	29.3%	551,063	33.1%	-11,428	-2.1%
Investment real estates	73,636	4.0%	-	-	73,636	100.0%
Goodwill	36,631	2.0%	32,683	2.0%	3,948	12.1%
Other intangible assets	40,735	2.2%	42,197	2.5%	-1,462	-3.5%
Non-current prepayments	56,311	3.1%	59,447	3.6%	-3,136	-5.3%
Investment in associates	2,486	0.1%	2,834	0.2%	-348	-12.3%
Other assets at fair value	570	0.0%	1,520	0.1%	-950	-62.5%
Other investment	2,739	0.1%	935	0.1%	1,804	192.9%
Deferred income tax assets	211	0.0%	211	0.0%	0	0.0%
Other receivables	35,002	1.9%	35,045	2.1%	-43	-0.1%
Non-current assets	8,782	0.5%	20,906	1.3%	-12,124	-58.0%
	796,738	43.2%	746,841	44.8%	49,897	6.7%
Current assets						
Inventories	90,741	4.9%	97,198	5.8%	-6,457	-6.6%
Trade and other receivables	430,182	23.3%	435,372	26.1%	-5,190	-1.2%
Current income tax receivables	3,554	0.2%	2,555	0.2%	999	39.1%
Long-term contracts receivables	193,865	10.5%	134,800	8.1%	59,065	43.8%
Available-for-sale financial assets	-	-	-	-	-	-
Other financial assets at fair value – derivative financial instruments	4,923	0.3%	3,264	0.2%	1,659	50.8%
Stock or shares	-	-	-	-	-	-
Cash and cash equivalents	322,708	17.5%	245,915	14.8%	76,793	31.2%
	1,045,973	56.8%	919,104	55.2%	126,869	13.8%
Available-for-sale financial assets	-	-	-	-	-	-
Total assets	1,842,711	100.0%	1,665,945	100.0%	176,766	10.6%

The value of assets of the Comarch Group at the end of 2019 increased by PLN 176,766 thousand, i.e. by 10.6%. The value of non-current assets at the end of 2019 increased by PLN 49,897 thousand, i.e. by 6.7% compared to 2018. The increase in the value of non-current assets was mainly due to the recognition in the balance sheet of the value of assets due to the right of use, created as a consequence of the IFRS 16 implementation for the first time, from the 1st of January, 2019. As at 31st of December, 2019, the value of the asset due to the right of use amounted to PLN 73,636 thousand, while as at 1st of January, 2019 it amounted to PLN 74,402 thousand. The amount of depreciation from the asset due to the right to use in 2019 amounted to PLN 18,629 thousand. In addition, the increase in the value of investment property from PLN 32,683 thousand to PLN 33,631 thousand (an increase of 12.1% compared to 2018) and an increase in other financial assets at fair value of PLN 1,804 thousand (i.e. of 192.9%), contributed to increase of value of non-current assets. The value of other receivables decreased by PLN 12,124 thousand (i.e. by 58.0%) due to the repayment of a significant part of the granted loans. Property, plant and equipment also decreased by PLN 11,428 thousand, i.e. by 2.1% compared to last year, due to planned depreciation write-offs. Other intangible assets decreased by PLN 3,136 thousand (i.e. by 5.3%). Investments in associates decreased by PLN 950 thousand, i.e. by

62.5%. The share of other items of non-current assets remains at a level comparable to 2018. The value of current assets increased by PLN 126,869 thousand, i.e. by 13.8% compared to last year's level. The value of cash and cash equivalents increased the most: by PLN 76,793 thousand, i.e. by 31.2%. On the next stage, the increase was recorded in the value of revenues due to long-term contracts, of PLN 59,065 thousand, i.e. of 43.8%, which is the effect of the Group's implementation of large projects acquired during 2019. The increase was also recorded in the value of derivative instruments (of PLN 1,659 thousand, i.e. of 50.8%) and current income tax receivables – an increase of PLN 999 thousand, i.e. of 39.1%. The value of inventories and trade receivables decreased, respectively, by PLN 6,457 thousand, i.e. by 6.6%, and by PLN 5,190 thousand, i.e. by 1.2% compared to the last year.

EQUITY AND LIABILITIES	31 December 2019	%	31 December 2018	%	Change	Change%
EQUITY						
Capital attributable to the company's shareholders						
Share capital	8,133	0.4%	8,133	0.5%	0	0.0%
Other capital	143,041	7.8%	143,041	8.6%	0	0.0%
Exchange differences	10,168	0.6%	8,837	0.5%	1,331	15.1%
Net profit for the current period	790,781	42.9%	698,135	41.9%	92,646	13.3%
	952,123	51.7%	858,146	51.5%	93,977	11.0%
Minority interest	18,633	1.0%	17,962	1.1%	671	3.7%
Total	970,756	52.7%	876,108	52.6%	94,648	10.8%
LIABILITIES						
Non-current liabilities						
Credit and loans	141,718	7.7%	175,010	10.5%	-33,292	-19.0%
Other liabilities	4,998	0.3%	9,801	0.6%	-4,803	-49.0%
Lease liabilities	59,001	3.2%	-	-	59,001	-
Financial liabilities at fair value – derivative financial instruments	2,909	0.2%	1,338	0.1%	1,571	117.4%
Other financial liabilities	-	0.0%	410	0.0%	-410	-100.0%
Provision due to deferred income tax	48,725	2.6%	43,625	2.6%	5100	11.7%
Provisions due to other liabilities and charges	-	-	-	-	-	-
	257,351	14.0%	230,184	13.8%	27,167	11.8%
Current liabilities						
Trade and other liabilities	191,770	10.4%	182,502	11.0%	9,268	5.1%
Current income tax liabilities	8,765	0.5%	9,007	0.5%	-242	-2.7%
Invoiced revenues for long-term contracts	172,831	9.4%	163,818	9.8%	9,013	5.5%
Credit and loans	41,091	2.2%	40,267	2.4%	824	2.0%
Lease liabilities	15,730	0.9%	-	-	15,730	-
Financial liabilities at fair value – derivative financial instruments	-	-	479	0.0%	-479	-100.0%
Other financial liabilities	4,009	0.2%	328	0.0%	3,681	1,122.3%
Provisions for other liabilities and charges	180,408	9.8%	163,252	9.8%	17,156	10.5%
	614,604	33.4%	559,653	33.6%	54,951	9.8%
Total liabilities and charges	871,955	47.3%	789,837	47.4%	82,118	10.4%
Total equity and liabilities	1,842,711	100.0%	1,665,945	100.0%	176,766	10.6%

In 2019, the share structure of equity and liabilities did not change significantly, as compared to 2018. Due to the good result of the net profit for the current period, the value of equity increased in 2019 by 11.0%. There was a slight increase in the minority interest (PLN 18,633 thousand compared to PLN 17,962 thousand in 2018). The share of equity attributable to the company's shareholders in the liabilities structure remained at a similar level (51.7% compared to 51.5% in 2018). Liabilities constituted 47.3% of total equity and liabilities (47.4% a year earlier). Their value increased by PLN 82,118 thousand, i.e. by 10.4% compared to the last year. This increase was caused by the recognition in the balance sheet of lease liabilities, as a result of the implementation of IFRS 16 for the first time, from the 1st of January, 2019. The total value of non-current and current lease liabilities as at 31st of December, 2019 amounted to PLN 74,731 thousand, while as at 1st of January 2019 it was PLN 74,402 thousand. The increase of value of equity and liabilities was also caused by: increase in the value of provisions for other liabilities and charges by PLN 17,156 thousand, i.e. 10.5% (including financial rewards and remuneration), increase in the value of liabilities due to long-term contracts (increase by PLN 9,013 thousand, i.e. 5.5%), increase in trade liabilities and other liabilities (increase by PLN 9,268 thousand, i.e. 5.1%). The biggest decrease concerned credits and loans in the long-term part (of PLN 33,292 thousand, i.e. 19%), mainly as a result of regular repayments of bank loans related to infrastructure investments implemented by Comarch. Other decreases were related to current tax liabilities (decrease by PLN 242 thousand, i.e. 2.7%).

Debt analysis	2019	2018	2017	2016	2015
Debt ratio	9.9%	12.9%	14.9%	12.1%	10.6%
Debt/equity ratio	19.2%	25.1%	26.9%	20.6%	17.9%

Debt ratios in 2019 decreased as a result of a decrease in the value of bank credits and loans with a simultaneous increase in the value of assets and equity. The Group is financed with internal means in 52.7% and with external means in 47.3%.

	2019	%	2018	%	Change	Change %
Revenue	1,437,423	100.0%	1,369,619	100.0%	67,804	5.0%
Cost of sales	-1,016,698	-70.7%	-1,008,042	-73.6%	-8,656	0.9%
Gross profit	420,725	29.3%	361,577	26.4%	59,148	16.4%
Other operating income	34,320	2.4%	20,160	1.5%	14,160	70.2%
Sales and marketing costs	-145,545	-10.1%	-139,417	-10.2%	-6,128	4.4%
Administrative expenses	-127,937	-8.9%	-106,123	-7.7%	-21,814	20.6%
Other operating expenses	-38,180	-2.7%	-48,654	-3.6%	10,474	-21.5%
Operating profit	143,383	10.0%	87,543	6.4%	55,840	63.8%
Finance revenue -net	-1,014	-0.1%	-13,951	-1.0%	12,937	-92.7%
Share of profit / (loss) of associates	-	-	-11,112	-0.8%	11,112	-100.0%
Profit before income tax	142,369	9.9%	62,480	4.6%	79,889	127.9%
Income tax expense	-36,851	-2.6%	-30,029	-2.2%	-6,822	22.7%
Net profit for the period	105,518	7.3%	32,451	2.4%	73,067	225.2%
Attributable to:						
Shareholders of the Parent Company	104,846	7.3%	30,616	2.2%	74,230	242.5%
<i>Interests not entitled to control</i>	<i>672</i>	<i>0.0%</i>	<i>1,835</i>	<i>0.1%</i>	<i>-1,163</i>	<i>-63.4%</i>

In 2019, the Comarch Group generated sales revenue which amounted to PLN 1,437,423 thousand. They were higher by 67,804 thousand, i.e. by 5% than in 2018. The operating result reached PLN 143,383 thousand and was higher by PLN 55,840 thousand, i.e. 63.8% than in 2018. The value of other operating income increased significantly (by PLN 14,160 thousand, i.e. by 70.2%), mainly as a result of the sales of other intangible assets and the result of the release of provisions for receivables, compensations and contractual penalties. The value of other operating expenses decreased in 2019 by PLN 10,474, i.e. by 21.5%, mainly as a result of the lower value of provisions for receivables, contractual penalties and compensations. The valuation of financial instruments and share of losses of associates had a much smaller impact on the Group's net result than in the previous year. The net result attributable to the shareholders of the parent company amounted to PLN 104,846 thousand and was higher by PLN 74,230 thousand than in 2018.

Profitability analysis	2019	2018	2017	2016	2015
Margin on sales	29,3%	26,4%	26,0%	31,3%	30,1%
EBIT margin	10,0%	6,4%	5,2%	10,5%	10,0%
Gross margin	9,9%	4,6%	7,7%	9,4%	9,6%
Net margin	7,3%	2,2%	5,7%	6,6%	7,0%

In 2019, the margin on sales and EBIT margin increased to 29.3% and 10.0%, respectively. Return on gross sales and net sales reached 9.9% and 7.3% respectively. Operating margin of Comarch Group and net margin stayed in 2019 at a satisfactory level.

The following factors had a major impact on the financial results:

- increase in revenue from export sales of PLN 106,155 thousand (i.e. of 14.4%), which was achieved mainly due to higher sales of IT solutions to telecommunication, trade and services and industry and utilities sectors for European countries and in Asia,

- decrease in revenue from domestic sales (by PLN 38,351 thousand, i.e. by 6.1%), which was mainly the result of a lower value of Comarch finished goods deliveries to the public sector in 2019,
- increase in operating expenses, resulting from wage pressure in the IT sector - the basic wage bill in the Comarch Group in the reporting period increased by 12.9% compared to 12 months 2018,
- taking into account in the third quarter of 2019 a conclusion of a settlement with ZUS regarding the ZUS KSI Agreement, which increased the Group's operating and net results by PLN 24,203 thousand,
- high value of current income tax for 2019, which amounted to PLN 31,707 thousand was the result of high profitability of operations of the Group companies in Poland, Germany, Great Britain and Russia,
- profit from the sale of non-financial non-current assets, which increased other operating income and operating result of the Group by PLN 8,304 thousand and was achieved mainly by MKS Cracovia SSA in first quarter of 2019,
- high value of created write-offs for doubtful trade receivables, mainly related to operations in the Middle East and South America. They reduced the Group's operating and net result in 2019 by PLN 9,989 thousand,
- application of the IFRS 15 accounting standard, as a result of which a portion of the revenues obtained from the sale of Comarch software licenses is settled over time, in accordance with the stage of completion of the projects. The value of the correction in this respect in 2019 amounted to plus PLN 31,093 thousand,
- application of the IFRS 16 accounting standard for the first time in 2019, which caused the increase in the value of depreciation, and thus the value of EBITDA, by PLN 18,629 thousand in 2019,
- positive exchange rate differences on the balance sheet valuation of receivables and liabilities, related to the weakening of the PLN exchange rate against foreign currencies, which increased the operating result in the described period by PLN 814 thousand,
- a negative balance sheet valuation of financial instruments, credits and loans contracted in foreign currencies, as well as lease liabilities valued in accordance with IFRS 16, whose value in the described period amounted to minus PLN 499 thousand.

Costs associated with software development in the field of telecommunication, e-Health and Comarch Cloud platform will have in subsequent periods a significant impact on the increase in operating expenses and a decrease in the current financial result of the Comarch Group, while they will contribute in the future to increase of revenues generated in these business areas.

The financial results achieved on the Group's core activity, confirm the effectiveness of Group's strategy – a strategy that is based on:

- high level of product, sector and geographical diversification, thanks to which the Comarch Group is ready to conduct business also in the worse economic conditions,
- significant investments in human capital,
- conservative financial management and maintenance of cash reserves constituting the "liquidity cushion" for the company,
- development and sales of IT solutions based mainly on own products,
- sales development on foreign markets, in particular in Western Europe, Asia and the Oceania and North America,
- constant improvement of operational efficiency through the improvement of procedures and cost rationalization,
- developing further business areas, especially in the field of medicine, Internet of Things (IoT) and solutions based on Comarch Cloud technology,
- promoting the IT sales services model,
- investments in own technologies and IT infrastructure.

Liquidity analysis	2019	2018	2017	2016	2015
Current ratio	1.7	1.6	1.8	2.0	1.9
Quick ratio	1.2	1.2	1.4	1.7	1.7
Cash to current liabilities ratio	0.5	0.4	0.5	0.6	0.6

In 2019, as in previous years, the Comarch Group had very good financial liquidity. In the opinion of the Management Board, the Comarch Group has no problems with meeting contracted financial liabilities on time. Temporarily free funds are invested by the Group in safe financial instruments (bank deposits).

Turnover analysis	2019	2018	2017	2016	2015
Current assets turnover ratio	1.4	1.5	1.5	1.5	1.6
Receivable turnover ratio (days)	109	115	126	133	125
Inventories turnover ratio (days)	69	37	162	36	18
Liabilities turnover ratio (days)	189	173	197	189	173
Liabilities turnover excluding liabilities due to investment credit ratio (days)	187	159	144	142	134

The turnover ratios confirm the effective use of Comarch Group funds. At the end of 2019, the value of costs of sold goods and materials was lower compared to 2018, with a similar level of inventories and semi-finished products, which translated into an increase in the inventories turnover ratio. Liabilities turnover ratios increased mainly due to the recognition of lease liabilities in the balance sheet as a result of the implementation of IFRS 16 from 1st of January, 2019. Other ratios remained at a level similar to previous years.

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

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

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

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

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

Liquidity Ratios

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

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

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

Turnover Analysis

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

$$\text{Receivables Turnover Ratio} = \frac{\left(\begin{array}{l} \text{Trade and Other Receivables} \\ \text{+Current Income Tax Receivables} \end{array} \right) * 360}{\text{Revenue}}$$

$$\text{Inventories Turnover Ratio (days)} = \frac{(\text{Inventories-production in progress}) * 360}{\text{Costs of Sold Goods and Materials}}$$

$$\text{Liabilities Turnover Ratio(days)} = - \frac{\begin{array}{l} (\text{Liabilities} \\ \text{-Liabilities due to} \\ \text{Long-term Contracts}) * 360 \end{array}}{\begin{array}{l} \text{Sales and Marketing Costs+} \\ \text{+Administrative Expenses+} \\ \text{+Other Operating Expenses +} \\ \text{+Costs of Sold Products,} \\ \text{Services, Goods and Materials)} \end{array}}$$

$$\begin{array}{l} \text{Liabilities Turnover Ratio} \\ \text{excluding} \\ \text{Liabilities due to} \\ \text{Bonds and Investment Credit (days)} \end{array} = - \frac{\begin{array}{l} (\text{Liabilities} \\ \text{-Credits and Loans}) * 360 \end{array}}{\begin{array}{l} \text{Sales and Marketing Costs+} \\ \text{+Administrative Expenses+} \\ \text{+Other Operating Expenses +} \\ \text{+Costs of Sold Products,} \\ \text{Services, Goods and Materials)} \end{array}}$$

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

10.1. Non-Revolving Credits

As at the 31st of December, 2019, the Group had liabilities due to credits and loans in the amount of PLN 173,266 thousand.

In 2019, 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

Debtor / Subject of financing	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
Comarch S.A. office buildings SSE4 in Krakow	BGŻ BNP Paribas Bank Polska S.A.	44,000	PLN	2,919 (3,563 as at 31 st of December, 2018)	EUR	12,432 (15,320 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 29 th of July, 2024	29 th of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch S.A. office buildings SSE5 in Krakow - refinancing	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	902 (1,418 as at 31 st of December, 2018)	EUR	3,840 (6,099 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	29 th of September, 2021	mortgage on the SSE5 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch S.A. nonrevealing operating credit	Santander Bank Polska S.A. (previously Bank Zachodni WBK S.A.)	7,400	EUR	953 (1,910 as at 31 st of December, 2018)	EUR	4,057 (8,212 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 28 th of June, 2019	31 st of December, 2020	mortgage on the SSE3 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch S.A. office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	6,507 (8,188 as at 31 st of December, 2018)	EUR	27,711 (35,209 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 30 th of November, 2023	30 th of November, 2023	mortgage on the SSE6 building, assignment of rights from the building's insurance policy, assignment of rights from the guarantee of due performance and guarantee of the warranty, declaration on submission to enforcement
Comarch S.A. office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	12,920 (13,333 as at 31 st of December, 2018)	EUR	55,018 (57,330 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 29 th of February, 2028	29 th of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
Comarch S.A.	Bank Handlowy w Warszawie S.A.	2,508	EUR	0	EUR	0	PLN	EURIBOR1M + bank margin	30 th of September, 2019	Declaration of submission to enforcement

nonrevealing operating credit				(1,188 as at 31 st of December, 2018)		(5,109 as at 31 st of December, 2018)		IRS till the 30 th of September, 2019		
Comarch S.A. Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,400 (1,751 as at 31 st of December, 2018)	EUR	5,961 (7,529 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	30 th of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
Bonus Development Sp. z o.o. SK-A Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	6,680 (7,346 as at 31 st of December, 2018)	EUR	28,448 (31,586 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 31 st of May, 2030	31 st of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK-A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of due performance and warranty guarantee, assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
Comarch S.A.S, Comarch S.A. Data centre in Lille in France	BGŻ BNP Paribas Bank Polska S.A	8,000	EUR	4,908 (6,218 as at 31 st of December, 2018)	EUR	20,900 (26,736 as at 31 st of December, 2018)	PLN	EURIBOR3M + bank margin	18 th of September, 2023	mortgage on the second place on the estate Comarch S.A. (Krakow, Michał Życzkowski Street 23, building SSE4), statement by Comarch S.A. on submission to enforcement, assignment of rights from the
Comarch S.A. Comarch infrastructure modernization program	CaixaBank S.A. Oddział w Polsce	3,500	EUR	3,499 (1,399 as at 31 st of December, 2018)	EUR	14,899 (6,016 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	23 rd of August, 2023	Declaration of submission to enforcement

10.2. Revolving Credits

As at the 31st of December, 2019, the Group had liabilities due to current credit lines in the amount of PLN 60,000 thousand, the limits have not been used.

In 2019, 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

Company of Comarch Group	Financial Institution	Purpose	Total amount of credit/loan		Amount remained to payment		Interest conditions	Repayment date	Securities
			Value	Currency	Value	Currency			
Comarch S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	Financing operating activities	20,000	PLN	0	PLN	WIBOR1M + bank margin	20 th of December, 2020	declaration of submission to enforcement
Comarch S.A.	Bank Polska Kasa Opieki S.A.	Financing operating activities	30,000	PLN	0	PLN	WIBOR1M + bank margin	30 th of June, 2020	declaration of submission to enforcement
Comarch S.A.	mBank S.A.	Financing operating activities	10,000	PLN	0	PLN	WIBOR O/N + bank margin	17 th of March, 2020	declaration of submission to enforcement

10.3. Loans

10.3.1. Loans Received from Companies in the Comarch Group

As at 31st of December, 2019, Comarch S.A. held liabilities due to unpaid capital of loans from unrelated entities in the amount of PLN 9,543 thousand.

Debtor / Subject of the funding	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			4,850 (7,463 as at 31 st of December, 2018)	PLN	fixed	1 st of March, 2022	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	17,691	PLN			0 (766 as at 31 st of December, 2018)	PLN	fixed	31 st of January, 2019	-
Comarch Polska S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			2,144 (2,991 as at 31 st of December, 2018)	PLN	fixed	1 st of May, 2022	Comarch S.A. guarantee
Comarch S.A.		1,474	PLN			0	PLN	fixed		-

Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.					(737 as at 31 st of December, 2018)			1 st of July, 2019	
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			1,944 (2,745 as at 31 st of December, 2018)	PLN	fixed	1 st of May, 2022	-
Comarch Polska S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,200	PLN			0 (900 as at 31 st of December, 2018)	PLN	fixed	1 st of September, 2019	Comarch S.A. guarantee
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	999	PLN			0 (999 as at 31 st of December, 2018)	PLN	fixed	1 st of December, 2019	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,814	PLN			605 (0 as at 31 st of December, 2018)	PLN	fixed	1 st of May, 2020	-

10.3.2. Loans Granted to Members of the Management Board and Members of the Supervisory Board

As at 31st of December, 2019, there are no unpaid loans to managing and supervising persons. As at the date of publication of the 2019 report, there are no unpaid loans to members of the management board and supervisory bodies.

10.3.3. Loans Granted to Employees of Comarch Group

As at 31st of December, 2019, there are no unpaid loans, as well as guarantees and sureties granted by Comarch Group companies to the employees. As at the date of publication of the report for 2019, there are no unpaid loans, as well as guarantees and sureties granted by Comarch Group Comarch Group companies to the employees.

10.4. Suretyships

- Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A.

granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.

- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31st of December, 2021.
- Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,823 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to 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.
- Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15th of May, 2020.
- Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The

surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.

- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement, the total amount of granted surety is PLN 100 thousand and is valid till the 31st of May, 2018.
- Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The surety has been renewed, the total amount of granted surety is PLN 50 thousand and is valid till the 31st of May, 2021.
- Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for implementation of Comarch 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 for a period of 5 years.
- Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. z o.o. SK-A funding in the amount of PLN 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp. z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28th of June, 2030.
- Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, i.e. the 31st of October, 2019.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards

for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14th of September, 2019.

- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.
- Due to conclusion of by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Colombia S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch Colombia S.A.S. was granted to the amount of USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of the necessary licenses for the implementation of the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount of EUR 7,240 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., the contract for the purchase of IT equipment in order to perform a contract with one of the clients, a surety for liabilities of Comarch Polska S.A. was granted to the amount of PLN 3,660 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the

e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 2,095 thousand and is valid for the duration of the contract.

- Due to conclusion of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the Comarch NRM service, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 9,966 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Yuhan Hoesa, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the NW Next Generation service, a surety for liabilities of Comarch Yuhan Hoesa was granted to the amount of EUR 18,467 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for ERP, POS and MoS services, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,254 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the e-Care service, a surety for liabilities of Comarch AB was granted to the amount of EUR 1,151 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by COMARCH Middle East FZ-LLC, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses CLM, a surety for liabilities of COMARCH Middle East FZ-LLC was granted to the amount of USD 3,155 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and providing e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 784 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Japan KK, a subsidiary of Comarch S.A., the contract for the rent of office space, a surety for liabilities of Comarch Japan KK was granted to the amount of JPY 9,604 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for delivery of BSSv7 platform, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 11,175 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Swiss AG, a subsidiary of Comarch S.A., the contract for implementation of Convergent Billing together with license, a surety for liabilities of Comarch Swiss AG was granted to the amount of CHF 12,144 thousand by Comarch S.A. and is valid for the duration of the contract.

The above list of suretyships includes items that the Company does not treat as contingent liabilities.

10.5. Bank Guarantees

On the 31st of December, 2019, 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 90,725 thousand, whereas it was PLN 81,163 thousand on 31st of December, 2018.

On the 31st of December, 2019, the value of bank guarantees issued by banks on order from Geopolis sp. z o.o. was PLN 0 thousand, whereas it was PLN 63 thousand on 31st of December, 2018.

On the 31st of December, 2019, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 392 thousand (PLN 1,668 thousand), whereas it was EUR 392 thousand (PLN 1,673 thousand) on the 31st of December, 2018.

On the 31st of December, 2019, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand (PLN 68 thousand), whereas it was EUR 16 thousand (PLN 69 thousand) on the 31st of December, 2018.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch R&D S.à r.l. (valid for an indefinite period), Comarch Argentina S.A. (valid for an indefinite period), Comarch Malaysia SDN. BHD. (valid for an indefinite period), Comarch Healthcare S.A. (valid for an indefinite period and till 30th of June, 2021), Comarch Middle East FZ-LLC (valid for an indefinite period), Comarch Japan KK (valid for an indefinite period), Comarch SAS (valid for an indefinite period), Comarch Polska S.A. (valid till 30th of June, 2020), Comarch Cloud S.A. (valid till 31th of December, 2020) and Sointeractive S.A. (valid till 31th of December, 2020).

11. The Most Important Events in 2019 and after the Balance-Sheet

11.1. Contracts Significant for Issuers' Activities

11.1.1. Signing by MKS Cracovia S.A. Contract for the "Construction of the South Poland Training and Research Centre for the School of Sports Championship and Cracovia"

The Management informed in the current report no. [RB-8-2019](#) (ENG: [RB-8-2019](#)) dated on the 21st of May, 2019 about signing, on 21st of May, 2019, contract between MKS Cracovia SSA (hereinafter: "Employer"), a subsidiary of the issuer, and Przedsiębiorstwo Budowlano-Produkcyjne ŁĘGPRZEM Spółka z o.o. (hereinafter referred to as the "Contractor") for "The construction of the South Poland training and research centre for the Sports Championship School and Cracovia" (hereinafter "the Agreement") in Rączna in borough Liszki, province Lesser Poland. The subject of the Agreement is the construction of a football training and research centre, in particular the construction of football pitches and stands, the construction of a football training building, along with the infrastructure and development of the investment. The training centre will be used mainly for training of children and youth up to 23 years of age. The contract value is PLN 38,455,451.73. The deadline for completing the subject of the Contract is 14 months from the date of signing the Contract. The Management Board of Comarch S.A. considered this information as confidential due to its significant impact on the level of investment expenditures of the Comarch Group.

11.1.2. Annex to the Investment loan Agreement with CaixaBank S.A.

In reference to the current report no. [RB-14-2018](#) (ENG: [RB-14-2018](#)), of the 24th of August, 2018, of the signing on the 24th of August, 2018, by Comarch S.A. of an investment credit agreement with CaixaBank, S.A. branch in Poland with its registered office in Warsaw (hereinafter: "the Bank") to finance expenditures related to the implementation of modernization works on the Comarch S.A. office infrastructure, the Management Board of Comarch S.A. informed on the 19th August, 2019, in the current report no. [RB-23-2019](#) (ENG: [RB-23-2019](#)) about the conclusion of an annex changing the deadline for using the loan from the 23rd of August, 2019, to the 31st of December, 2019.

AFTER THE BALANCE SHEET DATE

11.1.3. 2CSI Shares Purchase Agreement

The Management Board of Comarch S.A. informed in current report no. [RB-6-2020](#) (ENG: [RB-6-2020](#)) dated on the 23rd of April, 2020, about the signing on the 23rd of April, 2020 of the purchase agreement by Comarch S.A. of 100% shares in the company CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. with its registered office in Cergy, France (hereinafter referred to as the "2CSI"), providing IT solutions and services for medical entities on the French market. As part of the transaction, Comarch S.A. will acquire 500,000 2CSI shares from the company's existing shareholders with a nominal value of EUR 1 each. 2CSI shares will be acquired at a unit price of EUR 4.20 (four euros and twenty cents),

i.e. PLN 19.09 per share, and the total value of the transaction is EUR 2,100,000 (two million, one hundred thousand euros), i.e. PLN 9,543,240.

11.2. Other

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

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

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

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

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

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

11.2.2. Demand for Payment of a Good Performance Guarantee Regarding the ZUS KSI Contract

On the 11th of April, 2019, the Management Board of Comarch S.A. informed in current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)) about receiving from CaixaBank S.A. branch in Poland, an information on the submission by the Social Insurance Institution (ZUS) of a request for payment of a bank guarantee of due performance of the contract for the provision of maintenance services of the Comprehensive IT System for the Social Insurance Institution ("KSI ZUS Agreement") in the amount of PLN 24,203,300.40.

The bank guarantee was established on behalf of a consortium of Comarch S.A. and Comarch Polska S.A. in accordance with the provisions of the KSI ZUS Agreement, about which the Company informed in the current report [RB-4-2018](#) (ENG: [RB-4-2018](#)), dated 2nd of March, 2018. In connection with the bank being requested to withdraw from the bank guarantee Comarch Group created a reserve of PLN 24,203,340.40, which resulted in reduction in the operating result and net result of the Comarch Group for 2018.

The Management Board of Comarch S.A. informed in current reports no. [RB-6-2019](#) (ENG: [RB-6-2019](#)) dated on 23rd of April, 2019, no. [RB-12-2019](#) (ENG: [RB-12-2019](#)) dated on 29th of May, 2019, no. [RB-13-2019](#) (ENG: [RB-13-2019](#)) dated on 25th of June, 2019, no. [RB-22-2019](#) (ENG: [RB-22-2019](#)) dated on 1st of August, 2019, on receiving from CaixaBank S.A., a branch in Poland an information about the receipt of a statement from ZUS on postponement of the above-mentioned request for the duration of settlement talks.

11.2.3. Signing of the Agreement on the Settlement Regarding ZUS KSI

On the 27th of August, 2019, the Management Board of Comarch S.A. informed in the current report no. [RB-24-2019](#) (ENG: [RB-24-2019](#)) about the conclusion on the 27th of August, 2019, of an agreement between ZUS and Comarch regarding the commitment of the parties to conclude a settlement on the 8th of November, 2019, as part of the conciliation ("Settlement").

As part of the agreement, the parties agreed that the Settlement will include, among others:

- a decision according to which Comarch and ZUS - despite the fact that they remain in conflicting positions as to whether there were circumstances justifying a partial termination of the Agreement - in order to set aside the dispute confirm that ZUS's statements on partial termination of the Agreement ("ZUS' Statements") had an effect on the date of their delivery to Comarch, in the form of a partial termination of the Agreement, to the extent specified in the ZUS' Statements;
- Comarch's waiver, on the day of the Settlement, of all claims against ZUS related to the implementation of the Agreement until the 27th of August, 2019, including in particular, claims related to ZUS' Statements, the waiver does not include Comarch's claims for payment of remuneration for the benefit services covered by the Agreement in the part not covered by ZUS' Statements;
- ZUS's waiver of claims against Comarch arising from disputable circumstances covered by the Settlement, including in particular, claims related to ZUS' Statements, the waiver does not apply to ZUS' claims arising from the performance of the Agreement in the binding part;
- a decision that ZUS will withdraw the payment request submitted to the bank from the due performance bank guarantee in relation to this the Agreement.

On the 25th of September, 2019, the Management Board of Comarch S.A. informed in the current report no. [RB-25-2019](#) (ENG: [RB-25-2019](#)) on receiving on the 10th of September, 2019, from the CaixaBank SA bank, a branch in Poland, information about the receipt of a statement from ZUS on postponement of the execution of the above request till the 19th of November, 2019, due to conclusion of the settlement as part of the conciliation procedure, about which the Company informed in current report no. [RB-24-2019](#) (ENG: [RB-24-2019](#)) of the 27th of August, 2019.

11.2.4. Conclusion of a Settlement with ZUS regarding the ZUS Agreement KSI

The Management Board of Comarch S.A. informed in current report no. [RB-26-2019](#) (ENG: [RB-26-2019](#)) dated on the 8th of November, 2019, about the conclusion on the 8th of November, 2019, of a settlement between ZUS and Comarch as part of the conciliation procedure ("Settlement"), which is the implementation of the agreement about which the Company informed in current report no. [RB-24-2019](#) (ENG: [RB-24-2019](#)) of the 27th of August, 2019. The provisions of the Settlement meet the assumptions included in the above-mentioned agreement.

11.2.5. Withdrawal of a Request from a Good Performance Guarantee regarding the ZUS KSI Contract

The Management informed in the current report no. [RB-27-2019](#) (ENG: [RB-27-2019](#)) dated on the 13th of November, 2019, about receiving on the 13th of November, 2019, from the bank CaixaBank S.A., a branch in Poland, information about the receipt of a statement from ZUS about the withdrawal of the request from a good performance guarantee regarding the ZUS KSI contract. In connection with the withdrawal of the request from the bank guarantee, the Comarch Group released provisions in amount of PLN 24,203 thousand, which increased the operating result and net result of Comarch S.A. in the third quarter of 2019.

11.2.6. Opinion of the Supervisory Board Regarding Dividend for 2018

On the 27th of May, 2019, in current report no. [RB-9-2019](#) (ENG: [RB-9-2019](#)) the Management Board of Comarch S.A. announced, that the Supervisory Board of Comarch S.A., by resolution no. 09/05/2019, gave a positive opinion on recommendation of the Management Board of Comarch S.A. regarding distribution of the net profit for 2018 in financial year from 1st of January, 2018 to 31st of December, 2018 in the amount of PLN 49,649,395.86 as follows:

- 1) Part of the net profit in the amount of PLN 12,200,023.50 is allocated for the payment of dividends in the amount of PLN 1.50 per one share;
- 2) the remaining part of the net profit in the amount of PLN 37,449,372.36 will be transferred to supplementary capital.

The dividend was paid out on the 15th of July, 2019.

11.2.7. Selection of the entity authorized to audit and review financial statements of Comarch S.A.

On the 27th of May, 2019, the Management Board of Comarch S.A. informed in the current report no. [RB-10-2019](#) (ENG: [RB-10-2019](#)) that the Supervisory Board, by virtue of Resolution No. 11/05/2019 of May 27, 2019, acting pursuant to Art. 19 sec. 2 point 5) of the Articles of Association, the Company chose - as an entity authorized to audit the financial statements of the Company and the consolidated financial statements of the Comarch Capital Group - BDO Spółka z ograniczoną odpowiedzialnością sp. K., Ul. Postępu 12, 02-676 Warszawa (KRS 0000729684), and agreed to enter into agreements with this entity by Comarch S.A. in the scope of:

- a) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2019;
- b) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December 2019;
- c) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2020;
- d) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December, 2020.
- e) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2021;
- f) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December 2021.

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11.2.8. Resignation of the Managing Person

The Management informed in the current report no. [RB-4-2020](#) (ENG: [RB-4-2020](#)) dated on the 29th of January, 2020, that Mr. Marcin Dąbrowski, head of the telecommunication sector resigned from the position of the Vice-President of the Management Board of Comarch S.A. with effect from 29th of January, 2020.

11.2.9. Impact of SARS-CoV-2 Coronavirus and COVID-19 Incidents on the Company's Operations and Financial Results

In reference to the recommendations of the European Securities and Markets Authority and the Polish Financial Supervision Authority of the 12th of March, 2020, the Management Board of Comarch S.A. (The "Company") in the current report no. [RB-5-2020](#) (ENG: [RB-5-2020](#)) dated on the 19th of March, 2020, provided information on the possible impact of the SARS-CoV-2 coronavirus spread and COVID-19 incidence on the Company's operations and financial results.

The Group's Management Board monitors on an ongoing basis the development of the situation related to the continuing effects of the spread of SARS-CoV-2 coronavirus and COVID-19 incidence and their impact on the Group's operations. The Comarch Group companies implemented all guidelines recommended by the Chief Sanitary Inspectorate and other state institutions in the countries of the Group's operational activity, with particular regard to employee's safety, health and hygiene recommendations. Business trips to countries identified by the Chief Sanitary Inspectorate as high-risk countries were suspended, direct contacts of employees within the organization were limited, and the remote work mode of office workers was launched on a large scale. Remote communication methods are commonly used in business contacts. The Management Board of the Group notes that the activities of the Comarch Group are very well diversified in terms of industry, products and geography, and the effects of a pandemic do not currently pose a threat to the financial stability of the company.

The Management Board of the Comarch Group does not exclude that in terms of revenue from sales in individual countries in which the Comarch Group operates, due to the increase in the number of cases and issued recommendations of state authorities regarding mobility reduction and conducting business activity, a temporary decrease in revenue from the sales of offered services and products is possible, but its value is not estimable at the time of publication of this report. The financial results achieved in the coming periods will also be influenced by: the duration of the epidemic, further administrative restrictions in the functioning of states, restrictions imposed on entrepreneurs, the possibility of using aid packages launched by individual countries.

At present, the Management Board of the Comarch Group has not diagnosed significant disruptions in the implementation of existing contracts or significant disruptions in the supply chains of products and materials necessary for the Group's operations. The Management Board of the Comarch Group sees potential threats to maintaining financial liquidity by some contractors from industries particularly affected by the effects of a pandemic (e.g. airlines, tourist and commercial companies). The volatility of exchange rates occurring in connection with the pandemic, in particular the weakening of the PLN exchange rate against EUR and USD will have an impact on the financial results achieved by the Group in first quarter of 2020, in the form of:

- a) positive foreign exchange differences on receivables and cash held by the Group,
- b) negative exchange rate differences on liabilities and due to balance sheet valuations of foreign currency loans and derivative financial instruments.

The Management Board of the Comarch Group does not exclude that the volatility of exchange rates occurring in connection with the pandemic will have an impact on the financial results achieved by the Group in the following quarters of 2020.

11.2.10. Settlement with One of the Clients

In April 2020, a settlement was concluded with one of the clients, ending one of many years of pending court proceedings.

The Group dissolved the provision in the amount of PLN 5,294 thousand, which was included in the financial statements for the first quarter of 2020. The value of potential joint claims by third parties in which the Comarch Group is a party sued in court proceedings decreased by PLN 26,387 thousand.

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 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 Investments

All capital investments were described in point [20.2.](#)

12.2. Real Estates

In 2019, no land property purchases were made.

13. Activities in Special Economic Zone

On the 22nd of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow ("SEZ"). According to the regulation of the Council of Ministers of the 14th of October, 1997 on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least EUR 2 million, were granted the tax allowances applicable for the income tax from legal entities from the income obtained from the activity specified in the permit. As a result of Poland joining the European Union, an Act was passed on the 2nd of October, 2003, that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. 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 since obtaining the permit, i.e. from the 22nd of March, 1999, to the 31st of December, 2006. Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On the 1st of July, 2004, it received a decision from the Minister of the Economy dated the 24th of June, 2004, on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). At the same time, the period of time for which the permit for Comarch S.A. was issued was extended to the 31st of December, 2017, in the changed permit.

Comarch S.A. holds total four permits for operating in the Krakow Special Economic Zone:

- obtained in 2007, originally with the validity period until 31st of December, 2017, currently its validity term has not been specified in accordance with the decision of the Ministry of Development and Finance of 18th of October, 2017;
- obtained in 2013, its validity term has not been specified;
- obtained in February 2016, its validity term has not been specified;
- obtained in March 2016, its validity term has not been specified.

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

Pursuant to IAS 12, unused tax relief as at the 31st of December, 2019, constitutes a deferred income tax asset. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity was the 31st of December, 2017). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 3,950 thousand as at the 31st of December, 2019 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 28,929 thousand as at the 31st of December, 2019 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in March 2016, regarding investment in the office building SSE7 in Cracow, amounted to approx. PLN 22,809 thousand as at the 31st of December, 2019 (after discounting at the permit date).

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

During the 2019, the Group settled an asset created for the zone operations in the amount of PLN 11,162 thousand which were created as at 31st of December, 2018 and at the same time created an asset in the amount of PLN 9,958 thousand (impact on result minus PLN 1,204 thousand). At the same time, in accordance with IAS 12, the Company will regularly verify the valuation of the Asset recognized for its feasibility and further recognition for subsequent periods. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group.

14. Resolutions of the AGM and the Board of Supervisors

14.1. Corporate Governance Principles

Pursuant to the detailed principle number II.Z.11 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board presents in the current report no. [EBI-1-2019](#), (ENG: [EBI-1-2019](#)), report of Comarch S.A.'s Supervisory Board and an assessment of the company's standing including an assessment of the internal control, risk management and compliance systems and the internal audit function, an assessment of the company's compliance with the disclosure obligations concerning compliance with the corporate governance principles and an assessment of the rationality of the company's policy in reference to sponsorship and charity

Pursuant to the detailed principle number II.Z.11 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board presents in the current report no. [EBI-2-2019](#), (ENG: [EBI-2-2019](#)), that on the 27th of May, 2019 Supervisory Board of Comarch S.A. passed the resolution no. 10/05/2019 in which projects of the resolutions at the AGM, of the Company of 26th of June, 2019.

14.2. Annual General Meeting – 26th of June 2019

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

On the 27th of May, 2019, pursuant to article 395, 399 § 1, article 402 with index 1 and 402 with index 2 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 10:00 o'clock on the 26th of June, 2019, at ul. Prof. Michała Życzkowskiego 33 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 with index 2 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: 12th of June, 2019,
- 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-11-2019](#), ENG: [RB-11-2019](#), dated the 27th of May, 2019.

b) Content of the Resolutions Passed at the AGM

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 financial statement for the fiscal year 1.01.2018 - 31.12.2018;
- approving the report of the Management Board regarding the activities of the Company in 2018;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2018 - 31.12.2018;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2018;
- approving the reports of the Company's Board of Supervisors on the activities of the Board of Supervisors and the assessment of the Company's and Comarch Capital Group's situation, from the audit of the Comarch S.A.'s financial statement and report of Management Board regarding the activities of the Company in 2018 and from the audit of the consolidated financial statements and report of Management Board regarding the activities of capital group in 2018;
- distribution of the Company's net profit for the fiscal year 1.01.2018 - 31.12.2018;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2018 - 31.12.2018
- election of the Company's Supervisory Board:
 - Elżbieta Filipiak – Chairman of the Supervisory Board,
 - Andrzej Pach – Vice-Chairman of the Supervisory Board,
 - Danuta Drobniak – Member of the Supervisory Board,
 - Łukasz Kalinowski – Member of the Supervisory Board,
 - Joanna Krasodomska – Member of the Supervisory Board,
 - Anna Pruska – Member of the Supervisory Board
 - Tadeusz Włudyka – Member of the Supervisory Board.
- election of the Company's Management Board:
 - Janusz Filipiak – President of the Management Board,
 - Marcin Dąbrowski – Vice-President of the Management Board,
 - Paweł Prokop – Vice-President of the Management Board,
 - Andrzej Przewięźlikowski – Vice-President of the Management Board,

- Zbigniew Rymarczyk – Vice-President of the Management Board,
- Konrad Tarański – Vice-President of the Management Board,
- Marcin Warwas – Vice-President of the Management Board.

The full content of the resolutions were published on in the current reports no. [RB-14-2019](#) (ENG: [RB-14-2019](#)), [RB-17-2019](#) (ENG: [RB-17-2019](#)), [RB-18-2019](#) (ENG: [RB-18-2019](#)) dated the 26th of June, 2019.

c) Resolution of the AGM Regarding Dividend for 2018

The General Shareholder's Meeting passed the resolution no. 9, related to distribution of the net profit earned in the fiscal year 1 January 2018 - 31 December 2018. The General Shareholder's Meeting decided that net profit in the amount of PLN 49,649,395.86 will be divided as follows:

1. PLN 12,200,023.50 will be paid as dividend. Persons who will be the company's shareholders at the 5th of July, 2019 (dividend day), will get the dividend in the amount of PLN 1.50 per one share. The dividend will be allocated to 8,133,349 shares. Dividend will be paid on 15th of July, 2019;
2. The remaining part of the net profit in the amount of PLN 37,449,372.36 will be passed to supplementary capital.

Dividend was paid at the 15th of July, 2019.

The Company announced details in current report no. [RB-15-2019](#) (ENG: [RB-15-2019](#)) dated the 26th of June, 2019.

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 26th of June, 2019, Elżbieta Filipiak, Janusz Filipiak and MetLife OFE manager by MetLife PTE S.A. held at least 5% of the total number of votes represented at this Meeting:

- Janusz Filipiak – 893,000 shares which gave 4,465,000 votes at the AGM, which constituted 50.60% of the all votes at this AGM and which constituted 29.52% of the total number of votes;
- Elżbieta Filipiak – 846,000 shares which gave 4,230,000 votes at the AGM, which constituted 47.93% of the all votes at this AGM and which constituted 27.96% of the total number of votes;
- MetLife OFE manager by MetLife PTE S.A. – 1,000,000 shares which gave 1,000,000 votes at the AGM, which constituted 9.30% of the all votes at this AGM and which constituted 5.56% 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 26th of June, 2019, held shares giving 10,756,775 votes, which constituted 71.11% of the total number of votes. The Company announced details in current report no. [RB-16-2019](#) (ENG: [RB-16-2019](#)) dated the 26th of June, 2019.

15. Operations on Comarch S.A. Shares

15.1. Purchase/Disposal Transactions on Comarch S.A. Shares

On the 4th of March, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Zbigniew Rymarczyk) notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on market abuse. The notification concerned the purchase of 308 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 156.00 per 1 share, which value amounted to PLN 48,048, on the 4th March, 2019. The company announced details in current reports no. [RB-3-2019](#) (ENG: [RB-3-2019](#)) dated on the 4th March 2019.

On the 4th of March, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Paweł Prokop) notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on

market abuse. The notification concerned the purchase of 70 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 157.00 per 1 share, which value amounted to PLN 10,990, on the 4th March, 2019. The company announced details in current reports no. [RB-4-2019](#) (ENG: [RB-4-2019](#)) dated on the 4th March 2019.

On the 9th of July, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on market abuse. The notification concerned the disposal of 8,000 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 180.00 per 1 share, which value amounted to PLN 1,440,000, on the 5th of July, 2019. The company announced details in current report no. [RB-19-2019](#) (ENG: [RB-19-2019](#)) dated on the 9th of July, 2019.

On the 11th of July, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on market abuse. The notification concerned the disposal of 133,535 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 180.00 per 1 share, which value amounted to PLN 23,101,555, on the 10th of July, 2019. The company announced details in current report no. [RB-20-2019](#) (ENG: [RB-20-2019](#)) dated on the 11th of July, 2019.

On the 18th of July, 2019, the Management Board of Comarch S.A. received from Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. notification that as a result of the purchase of shares of Comarch S.A., Nationale-Nederlanden Otwarty Fundusz Emerytalny increased the number of shares of Comarch S.A. over 5% of votes at the General Meeting of Shareholders of the Company. At the same time Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. reported that as a result of the same transaction, funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.: Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny increased the total holding of the Company's shares over 5% of votes at the General Meeting of Shareholders of the Company. The company announced details in current report no. [RB-21-2019](#) (ENG: [RB-21-2019](#)) dated on the 18th of July, 2019.

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On the 27th of January, 2020, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on market abuse. The notification concerned the disposal of 335,926 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 198.00 per 1 share, which value amounted to PLN 66,513,348, on the 24th of January, 2020. The company announced details in current report no. [RB-2-2020](#) (ENG: [RB-2-2020](#)) dated on the 27th of January, 2020.

In addition, the Management Board of Comarch S.A. received a notification from Mrs. Elżbieta Filipiak pursuant to art. 69 clause 2 point 1) letter a) The Act on public offering and conditions for introducing financial instruments to organized trading, and on public companies on changing the share in the total number of votes in Comarch S.A. The current number of votes held by Mrs. Elżbieta Filipiak amounts to 4,230,000, i.e. 27.96% of total number of votes at the AGM. The company announced details in current report no. [RB-3-2020](#) (ENG: [RB-3-2020](#)) dated on the 27th of January, 2020.

15.2. Managerial Option Program for Members of the Management Board

None present.

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

None present except for those mentioned in point [20.3](#) of the statement.

AFTER THE BALANCE SHEET DATE

None present except for those mentioned in point [20.4](#) of the statement.

17. Other Events in 2019 and after the Balance Sheet Date**17.1. Dates of Periodical Financial Reports in 2019**

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19th of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. [RB-1-2019](#) (ENG: [RB-1-2019](#)) dated the 4th of January, 2019, Comarch S.A. Management Board presented terms of periodical financial reports in 2019.

17.2. The Management Board Statement regarding the Corporate Governance Principles

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented report regarding the corporate governance principles in the Company in 2018 as attachment to the annual statement published on 29th of April, 2019.

AFTER THE BALANCE SHEET DATE**17.3. Dates of Periodical Financial Reports in 2020**

On the 3rd of January, 2020, in the current report no. [RB-1-2020](#) (ENG: [RB-1-2020](#)) Comarch S.A.'s Management Board set dates of periodical financial reports in 2020:

- Q4 2019 - on 28th of February, 2020,
- Q1 2020 - on 15th of May, 2020,
- Q3 2020 - on 17th of November, 2020,
- Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2020 - on 28th of August, 2020,
- Annual report for 2019 - on 29th of April, 2020,
- Consolidated annual report for 2019 - on 29th of April, 2020.

17.4. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of January, 2020 and the 29th of April, 2020, Comarch Group concluded forward contracts for the sales of EUR 18,200 thousand and USD 13,000 thousand. The total net value of open forward contracts as of the 29th of April, 2020 amounted to EUR 58,200 thousand and USD 21,900 thousand. The contracts will be settled within 34 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by companies in Comarch Group, in which the remuneration is set in a foreign currency. The balance sheet valuation of forward contracts as at 31st of March, 2020 amounted to minus PLN 8,881 thousand, while as at 31st of December, 2019, it was plus PLN 7,662 thousand. Such a large change in the balance sheet valuation of forward contracts during the first quarter of 2020 was caused by a significant weakening of the PLN exchange rate against major foreign currencies following the Covid-19 epidemic.

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,
- continuation of development works related to the development of own hardware solutions and services based on them (Internet of Things),
- 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.

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 230,568 thousand, thus reached 16.0% of revenue in 2019. Comarch allocated their internal funds, as well as acquired actively European funds.

Comarch S.A.

In 2019, as part of Measure 1.1 of the **Intelligent Development Operational Program 2014-2020** co-financed by the European Regional Development Fund, a contract was signed for co-financing the project "Production of technology" IoT Mesh "and supporting tools".

The "Healthy City" Project was also implemented under Priority 1.1. Support for R&D Activities of Enterprises", Sub-priority 1.1.2 „R&D Work Related to Manufacturing a Pilot/Demonstration Installation".



Fundusze Europejskie
Inteligentny Rozwój

Unia Europejska
Europejski Fundusz
Rozwoju Regionalnego



Under the **Horizon 2020** Program, a contract for financing the "LIVING INNOVATION - Implementing RRI through co-creation of smart futures with industry and citizens" - LIV.IN." project was implemented.



Komisja Europejska

Comarch Healthcare S.A.

In 2019, a contract for the co-financing of the project "SOS for LFS - implementation of modern medical telecare for the inhabitants of the Lodz Metropolitan Area" from the European Social Fund under the **Regional Operational Program of the Lodz Region** for the years 2014-2020 was implemented.



Fundusze Europejskie
Program Regionalny



Rzeczpospolita Polska



Unia Europejska
Europejski Fundusz Społeczny



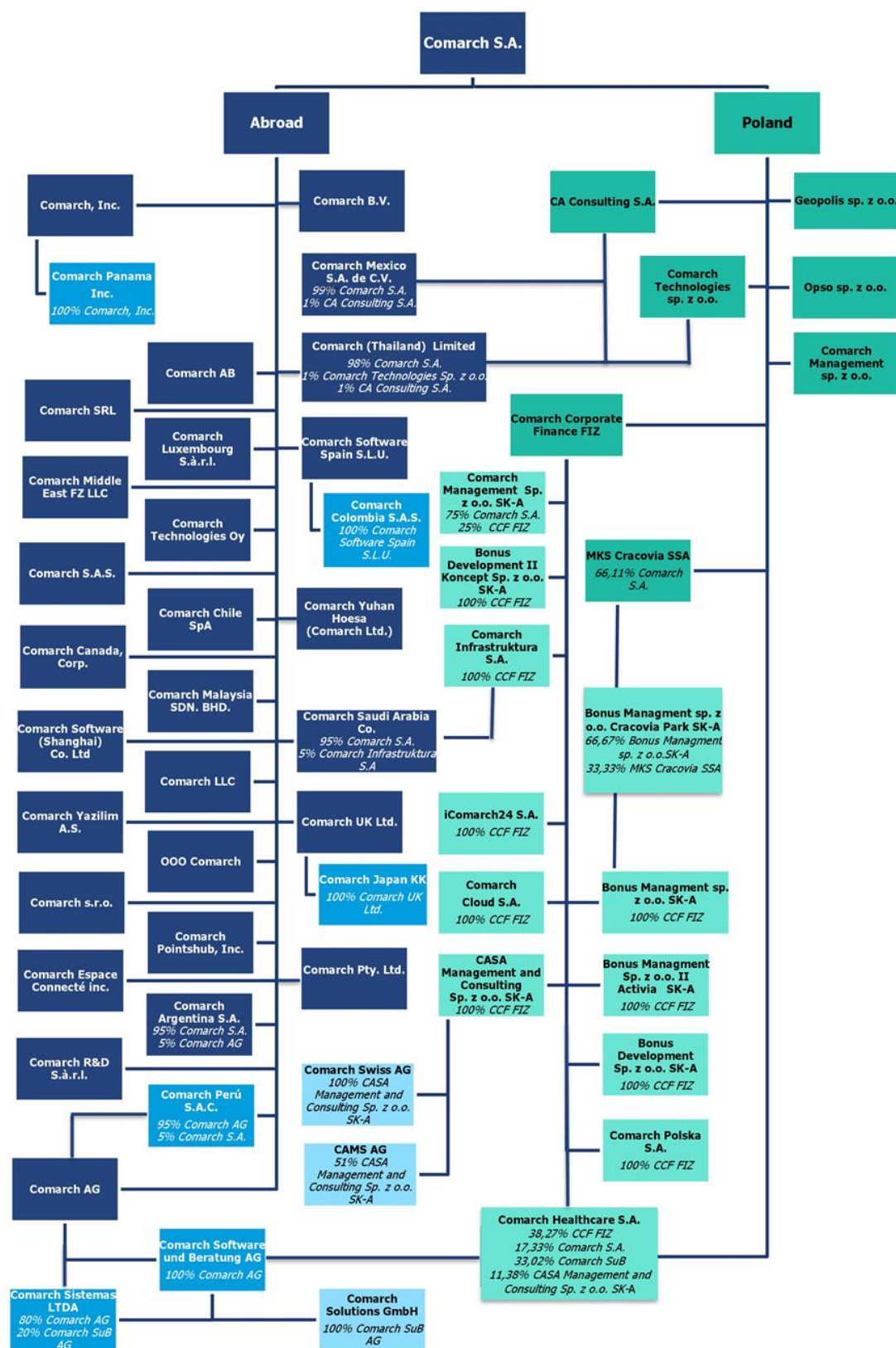
At the end of the first half of 2019, "Non-invasive monitoring for early detection of atrial fibrillation (AF)" - NOMED-AF project ended, implemented as part of Strategic program of scientific research and development "Prevention and treatment of civilization diseases" - **STRATEGMED II**.



Narodowe Centrum
Badań i Rozwoju

20. Capital Affiliations of the Issuer

20.1. Capital Structure of the Comarch Group



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

20.2. 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 a 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 Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A., Comarch Colombia S.A.S., Comarch Peru S.A.C., Comarch Japan KK, Comarch Saudi Arabia Co., Comarch Mexico S.A. de C.V., Comarch Yuhan Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV, Comarch Software (Shanghai) Co. Ltd and Comarch Pty. LTD. acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market;
- Comarch Polska S.A. acquires IT contracts in domestic markets and executes them in their entirety or in part;
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software;
- CA Consulting S.A. specializes in data communications relating to the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A, Bonus Management sp. z o.o. II Activia SK-A, and Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;
- Comarch Healthcare S.A. produces and sells IT software related to medicine, provides medical and diagnostic services, as well as produces and provides complex IT solutions for medicine sector;
- Comarch Infrastruktura S.A. (formerly Infrasturktura24 S.A.) offers services related to Data Centre and IT services outsourcing;
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- Geopolis sp. z o.o. implements integrated GIS system in public administration entities;
- MKS Cracovia SSA conducts sports activities and promotes physical education;
- "Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością" Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation;
- Opso sp. z o.o. provides catering services;

- Comarch s.r.o. and Comarch Cloud S.A. are currently not operating.

Below there are the capital and ownership data of companies as at the date of publication of the report for 2019.

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 (24.55% of shares), Elżbieta Filipiak (10.40% of shares), members of the Management Board (1.05%).

The company has branches in the following cities: Tirana (Albania), Białystok, Bielsko-Biała, Częstochowa, Gdańsk, Gliwice, Katowice, Kielce, Kraków, Lublin, Łódź, Opole, Płock, Poznań, Rzeszów, Tarnów, Toruń, Warszawa, Włocławek and Wrocław.

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 29th of September, 1994, Comarch AG is Comarch S.A.'s subsidiary.

Company: **Comarch Software und Beratung AG COMARCH**
Address: Riesstr. 16, 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 29th 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 29th of September, 1994, Comarch Solutions GmbH 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 1,000,000.

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 29th 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 10th 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 29th 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 29th of September, 1994, Comarch Luxembourg S.à r.l. is Comarch S.A.'s subsidiary.

Company: **Comarch, Inc. COMARCH**
Address: 10 W. 35th 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 29th of September, 1994, Comarch, Inc. is Comarch S.A.'s subsidiary.

Company: **Comarch Pointshub, Inc. COMARCH**
Address: 10 W. 35th St. 9450 W. Bryn Mawr Ave
Suite 325, Rosemont, IL 60018
VAT ID: 47-4563861

The subject matter of activities of Comarch Pointshub, Inc. are investment activities on capital and IT market. The company's share capital is USD 8,500,000. 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 29th of September, 1994, Comarch, Pointshub, 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 29th 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° 1.099
Vila Gertrudes, Sao Paulo, Brazil
VAT ID: 20.035.102/0001-50

The company's share capital is BRL 1,000,000 and is divided into 1,000,000 shares of nominal value of BRL 1 each (as at the 31st of December, 2019, 1 BRL as at is worth PLN 0.9448). Comarch AG holds 80% of Comarch Sistemas LTDA shares and Comarch Software und Beratung AG holds remaining 20% of Comarch Sistemas LTDA shares. Pursuant to the Act on Accounting dated the 29th 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 (as at the 31st of December, 2019, 1 CAD is worth PLN 2.9139). 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 29th of September, 1994, Comarch Canada, Corp. is Comarch S.A.'s subsidiary.

Company: **Comarch Espace Connecté, Inc.**
Address: 1155 Boul. Rene-Levesque O. Suite 2500,
Montreal QC H3B 2K4
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 (1 CAD as at 31st of December, 2019 is 2.9139 PLN). The sole shareholder of Comarch Espace Connecté Inc. is Comarch S.A. Currently, the company does not operate.

Company: **Comarch Middle East FZ-LLC COMARCH**
Address: PO. Box 500824 Dubai, United Arab Emirates
Register no.: 19879
VAT ID: 100296100900003

The company's share capital is AED 200,000 and is divided into 200 shares of AED 1,000 each (as at the 31st of December, 2019, 1 AED is worth PLN 1.0339). 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 29th 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
VAT ID: 000638922752

The company's share capital is MYR 500,000 (as at the 31st of December, 2019, 1 MYR is worth PLN 0.9284). 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 29th 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 1,100,000 and is divided into 110,000 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 29th 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/ Istanbul, Turkey
VAT ID: 2110683747

The company's share capital is TRY 600,000 (as at the 31st of December, 2019, 1 TRY is worth PLN 0.6380) 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 29th 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 2,000,000. 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 29th 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 31st of December, 2019, 1 UAH is worth PLN 0.1602). 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 29th of September, 1994, Comarch LLC is Comarch S.A.'s subsidiary.

Company: **Comarch OOO COMARCH**
Address: Bakhrushina 32/1 115054 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 31st of December, 2019, 1 RUB is worth PLN 0.0611). 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 29th 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 resumed operating activities in 2017. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Software (Shanghai) Co. Ltd. is Comarch S.A.'s subsidiary.

Company: **Comarch Technologies 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 29th 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 on a British market Pursuant to the Act on Accounting dated 29th of September, 1994, Comarch UK is Comarch S.A.'s subsidiary.

Company: **Comarch Chile SpA COMARCH**
Address: Calle Monseñor Sótero Sanz de Villalba 161 oficina 1001, Providencia, Región Metropolitana, Santiago de Chile, Chile
VAT ID: 76.296.232-2

The company's share capital is CLP 161 million (as at the 31st of December, 2019, 100 CLP is worth PLN 0.5041). 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 29th of September, 1994, Comarch Chile SpA is Comarch S.A.'s subsidiary.

Company: **Comarch AB COMARCH**
Address: C/o Bobowski, Flygfältsgatan 1, 128 30 Skarpnäck, Sweden
VAT ID: SE559018956801

The company's share capital is SEK 50,000 (as at the 31st of December, 2019, 1 SEK is worth PLN 0.4073). 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 29th of September, 1994, Comarch AB is Comarch S.A.'s subsidiary

Company: **Comarch Argentina S.A. COMARCH**
Address: Suipacha 1380, 2º Floor, Buenos Aires, Argentina
CUIT: 30-71425465-7

The company's share capital is ARS 3,298,195 (as at the 31st of December, 2019, 1 SEK is worth PLN 0.0634). Comarch S.A. holds 95% of the company's shares that entitle to 95% votes and Comarch AG holds remaining 5% of Comarch Argentina S.A. shares. 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 29th 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 29th of September, 1994, Comarch s.r.o. is Comarch S.A.'s subsidiary. Currently, the company does not operate.

Company: **Comarch Swiss AG COMARCH**
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 195 (as at the 31st of December, 2019, 1 CHF is worth PLN 3.9213). 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 29th 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 COMARCH**
Address: Hirschengraben 43, 6003 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 (as at the 31st of December, 2019, 1 CHF is worth PLN 3.9213). 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 29th 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: **Comarch Colombia S.A.S. COMARCH**
Address: Calle 72 NO 10-07 Of 603 Bogota D.C.
Bogota, Colombia
VAT ID: NIT 900967907-1

The company's share capital is COP 3,192,063,000 (as at the 31st of December, 2019, 100 COP is worth PLN 0.1156). The company sells and implements Comarch IT systems in the Central and Southern America market. Comarch Software Spain S.L.U. holds 100% of the company's shares that entitle to 100% votes. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Argentina S.A. is Comarch Colombia SAS subsidiary (through Comarch Software Spain S.L.U.).

Company: **Comarch Peru S.A.C. COMARCH**
Address: Av. Republica de Panama,
3420 Urb. Limatambo Dpto.,
1701 Lima-Lima- San Isidro
VAT ID: 20601740924

The company's share capital is PEN 1,600,000 (as at the 31st of December, 2019, 1 PEN is worth PLN 1.1452). Comarch AG holds 95% of the company's shares (1,425,000 of shares) and Comarch SA holds remaining 5% of the company's shares (75,000 of shares). The company sells and implements Comarch IT systems in the Central and Southern America market. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Peru S.A.C. is Comarch S.A. subsidiary (in 95% through Comarch AG).

Company: **Comarch Saudi Arabia Limited Liability Company COMARCH**
Address: 1st Floor, The Plaza Complex, Olaya Street, Olaya, P.O. Box 94421,
Riyadh 11671, Kingdom of Saudi Arabia
License No.: 210390472112

The company's share capital is SAR 1,000,000 (as at the 31st of December, 2019, 1 SAR is worth PLN 1.0127). Comarch S.A. holds 95% of Comarch Saudi Arabia Co. shares and Comarch Infrastruktura S.A. holds remaining 5% of Comarch Saudi Arabia Co. shares. The company sells and implements Comarch IT systems in Kingdom of Saudi Arabia. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Saudi Arabia Co. is Comarch S.A.'s subsidiary

Company: **Comarch Japan KK COMARCH**
Address: 3F, Otemachi Financial City Grand Cube, 1-9-2 Otemachi, Chiyoda-ku,
Tokyo, 100-0004
VAT ID: 4010401132602

The company's share capital is JPY 15,000,000 (as at the 31st of December, 2019, 100 JPY is worth PLN 3.4959). Comarch UK Ltd holds 100% of Comarch Japan KK shares. The company sells and implements Comarch IT systems in Japan. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Japan KK is Comarch S.A.'s subsidiary (through Comarch UK Ltd).

Company: **Comarch Yuhan Hoesa (Comarch Ltd.) COMARCH**
Address: 603, 6F, Magok techno-tower Bldg. 63, Magokjungang 6-ro,
Gangseo-gu, Seoul, South Korea
VAT ID: 110114-0229599

The company's share capital is KRW 100,000,000 and is divided into 10,000 registered shares of nominal value of KRW 10,000 each (as at the 31st of December, 2019, 100 KRW is worth PLN 0.3291). Comarch S.A. holds 10,000 of shares, i.e. 100% of votes in Comarch Yuhan Hoesa (Comarch Ltd.). Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Yuhan Hoesa is Comarch S.A.'s subsidiary.

Company: **Comarch (Thailand) Limited COMARCH**
Address: No.3, Promphan 3 Building, Unit No.1709-1710, 3 Ladprao Soi 3,
Ladprao Rd., Chom Phon, Chatuchak Bangkok 10900, Thailand
Vat ID: 105560179291

The company's share capital is THB 18,500,000 worth THB 100 per 1 share (as at the 31st of December, 2019, 1 THB is worth PLN 0.1275). Comarch S.A. holds 98% of shares, Comarch Technologies Sp. z o.o. holds 1% of shares and CA Consulting S.A. holds 1% of shares of Comarch (Thailand) Limited. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch (Thailand) Limited is Comarch S.A.'s subsidiary.

Company: **Comarch BV COMARCH**
Address: Weena 505, 3013AL Rotterdam, Netherlands
VAT ID: NL959390457B01

The company's share capital is EUR 500,000 and is divided into 500,000 registered shares of nominal value of EUR 1 each. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch BV is Comarch S.A.'s subsidiary.

Company: **Comarch Mexico S.A. de C.V. COMARCH**
Address: Blvd. Miguel de Cervantes Saavedra 169, Office 15-121, Granada,
Mexico City, CMX, 11520, Mexico
VAT ID: CME190416B94

The company's share capital is MXN 500,000 and is divided into 500 registered shares of nominal value of MXN 1,000 each (as at the 31st of December, 2019, 1 MXN is worth PLN 0.2009). Comarch S.A. holds 495 of shares, i.e. 99% of votes, and CA Consulting S.A. holds 5 of shares, i.e. 1% of votes of Comarch Mexico S.A. de C.V. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Mexico S.A. de S.V. is Comarch S.A.'s subsidiary.

Company: **Comarch Pty Ltd. COMARCH**
Address: Level 16, Tower 2 Darling Park, 201 Sussex Street, Sydney NSW 2000
GPO Box 1615, Sydney NSW 2001, Australia
GST ID: 87 633 619 422

The company's share capital is AUD 1,300,100 and is divided into 1,300,100 registered shares of nominal value of AUD 1 each (as at the 31st of December, 2019, 1 AUD is worth PLN 2.6624). Comarch S.A. holds 1,300,100 of shares, i.e. 100% of votes of Comarch Pty Ltd. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Pty Ltd. is Comarch S.A.'s subsidiary.

Company: **Comarch Technologies sp. z o.o. COMARCH**
(Polish law limited liability company) Technologies
Address: Aleja Jana Pawła II 39 a, 31-864 Krakow,
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 29th 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 29th 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 400,000 and consists of 4,000 shares of nominal value of PLN 100 each. They entitle to 4,000 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 29th 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) COMARCH**

Address: 31-038 Krakow, 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 4,000 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 29th 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 COMARCH**

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 2,979,400 and is divided into 2,979,400 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 29th 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) COMARCH**

Address: 31-008 Krakow, 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 29th 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)**
COMARCH
Address: 31-008 Krakow, ul. Rynek Główny 15
Regon (Polish National Official Register of Business Entities): 123092610
NIP (Polish Identification Tax Number): 676-24-75-383

With the notarial deed of the 25th of March, 2014, Bonus Management sp. z o.o. Cracovia Park spółka komandytowo-akcyjna was established. Its share capital amounts to PLN 900,000 and is divided into 900,000 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 29th of September, 1994, Bonus Management sp. z o.o. Cracovia Park SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)** **COMARCH**
Address: 31-008 Krakow, 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 29th 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)** **COMARCH**
Address: 31-008 Krakow, 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 acts real estate development activities and real estate management in Comarch Group. Pursuant to the Act on Accounting dated the 29th of September, 1994, Bonus Development sp. z o. o. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

COMARCH
Healthcare
Company: **Comarch Healthcare S.A. (joint stock company)**
Address: 31-864 Krakow, 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 12,114,806 and is divided into 12,114,806 shares of nominal value of PLN 1. These shares entitle to a total of 12,114,806 votes at the general meeting of shareholders. CCF FIZ holds 38.27% of the company's shares (38.27% of votes), Comarch S.A. holds 17.33% of the company's shares (17.33% of votes), Comarch Software und Beratung AG holds 33.02% of the company's shares (33.02% of votes) and CASA Management and Consulting sp. z o.o. SKA holds 11.38% of shares (11.38% 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 Centre iMed24. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Healthcare S.A. is Comarch S.A.'s subsidiary

Company:

Comarch Polska S.A.
(joint stock company)

COMARCH
POLSKA SA

Address:

31-864 Krakow, 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 29th of September, 1994, Comarch Polska S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company:

Comarch Cloud S.A.
(joint stock company)

COMARCH

Address:

31-864 Krakow, 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 Cloud S.A. produces and implements new generation loyalty. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Cloud S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company:

Comarch Infrastruktura S.A. (joint stock company)

COMARCH

Address:

31-864 Krakow, 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 29th 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 Krakow, 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 29th 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)**
COMARCH

Address: ul. Szarskiego 18, 30-698 Krakow
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. SK-A conducts investment activity on capital market. Pursuant to the Act on Accounting dated the 29th of September, 1994, CASA Management and Consulting sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Geopolis Sp. z o.o. Geopolis (Polish law limited liability company)**

Address: ul. Włocławska 167, 87-100 Toruń
Regon (Polish National Official Register of Business Entities): 146720793
NIP (Polish Identification Tax Number): 524-276-02-89

The company's share capital is PLN 50,000. Comarch S.A. holds 100% of Geopolis sp. z o.o. Geopolis sp. z o.o. supports informatization in public administration units by creating and implementing integrated registers and records of a spatial nature, systems for managing of state cartographic resource database as well as geoportals. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Saudi Arabia Co. is Comarch S.A.'s subsidiary.



Company: **Opso sp. z o.o. (Polish law limited liability company)**

Address: 31-864 Krakow, 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 29th 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 Krakow, 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 21,940,100 PLN and is divided into 219,401 shares. Comarch S.A. holds 144,391 shares and 144,391 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 29th of September, 1994, MKS Cracovia SSA is Comarch S.A.'s subsidiary

ASSOCIATES

Company: **SoInteractive S.A. sointeractive (joint stock company)**

Address: 31-864 Krakow, 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 29th of September, 1994, SoInteractive 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 Krakow

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 29th of September, 1994, Metrum Capital S.A. is Comarch S.A.'s associate (directly and through CCF FIZ).

20.3. Changes in Ownership and Organisational Structure in 2019

On the 22th of March, 2019, a subsidiary company Comarch Pty. LTD was registered in Sydney. The share capital of the company amounts to AUD 100 (i.e. PLN 266) and consists of 100 shares with nominal value of AUD 1 each. Comarch S.A. owns 100% in share capital and votes of Comarch Pty. LTD

On the 5th of July, 2019, has been registered the capital increase in Comarch (Thailand) Limited in the amount of THB 10,500,000 (i.e. PLN 1,334,750), i.e. from THB 8,000,000 (i.e. PLN 1,020,000) to THB 18,500,000 (i.e. PLN 2,358,750).

On the 23rd of September, 2019, AGM of Comarch BV passed the resolution related to capital increase by issuing 100,000 shares (EUR 1 per share), which were acquired by Comarch S.A. The above-mentioned increase was paid by Comarch S.A. at the 27th of September, 2019

On the 28th of October, 2019, the change of the company's name was registered, from Comarch Pointshub S.A. to Comarch Cloud S.A.

On the 8th of November, 2019, a resolution was passed to increase the share capital at Comarch Pty. Ltd (Australia) from AUD 100 (i.e. PLN 266) to AUD 100,100 (i.e. PLN 266,506)

On the 13th of November, 2019, the general meeting of shareholders of Comarch Peru S.A.C. passed a resolution to increase the share capital of Comarch Peru S.A.C. by PEN 1,435,000 (i.e. PLN 1,643,362) from the amount of PEN 165,000 (i.e. PLN 188,958) to the amount of PEN 1,600,000 (PLN 1,832,320) as a result of a contribution from Comarch AG and Comarch SA. As a result, Comarch AG owns 95% shares / votes (1,425,000 shares) and Comarch S.A. 5% shares / votes (75,000 shares) at the general meeting of shareholders of Comarch Peru S.A.C. The above capital increase was registered on the 7th of January, 2020.

On the 25th of November, 2019, the capital of Comarch S.A.S. was changed up to the amount of EUR 1,000,000 (i.e. PLN 4,258,500) after a simultaneous reduction and increase of capital.

On the 6th of December, 2019, Comarch Pointshub Inc. has concluded a contract for the sale of shares in an associate, Thanks Again LLC. The contract value was USD 500,000 (i.e. PLN 1,898,850 PLN). As a result of the transaction, Thanks Again LLC as at the 31th of December, 2019 was not an associated company with the parent company.

20.4. Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date

On the 10th of February, 2020, the share capital of Comarch Pty. Ltd. was increased from the amount AUD 100,100 (i.e. PLN 266,506) to AUD 1,300,100 (i.e. PLN 3,461,386), i.e. by AUD 1,200,000 (i.e. PLN 3,194,880). The above capital increase was registered.

On the 21st of February 2020, has been registered the capital increase in Comarch BV from the amount of EUR 200,000 (i.e. PLN 851,700) to the amount of EUR 500,00 (i.e. PLN 2,129,250), i.e. by EUR 300,000 (i.e. PLN 1,277,550). The above capital increase was registered.

On the 24th of February, 2020, a resolution was adopted to increase the share capital in Comarch SRL from the amount of EUR 900,000 (i.e. PLN 3,832,650) to the amount EUR 2,000,000 (i.e. PLN 8,517,000), i.e. by EUR 1,100,000 (i.e. PLN 4,684,350).

21. Non-business Activities of the Comarch Group

21.1. The Scope of the Comarch Group's Impact on the Environment

The Comarch Group, due to the size of the company and the scope of its activity, exerts a significant influence on its environment, especially in the economic and social spheres. Sustainable development is one of the key foundations of the company's strategy from the very beginning.

Through its activities, the Comarch Group exerts particular influence on the following groups of stakeholders:

- **Employees** (full-time employees and co-workers, interns, apprentices, students and potential employees, employees of subcontractors and suppliers, labour inspection and other similar supervisory institutions),
- **Investors** (shareholders, institutional investors, individual investors, Warsaw Stock Exchange, brokerage houses, banks, Polish Financial Supervision Authority, KDPW),
- **Customers** (institutional clients, individual clients, business partners, key suppliers, subcontractors, local self-government administration, government administration),
- **Society** (local communities within the Comarch Group's activity, residents, government and self-government authorities, media, universities and research workers, technical and industry organizations),
- **Natural environment** (environmental organizations, recycling companies).

The Comarch Group provides a detailed description of its impact in Comarch Group annual report on non-financial information. In this document, the Group assesses the level of significance of aspects of its impact in management, environmental, social and employee areas, assigning to them performance indicators related to Comarch operations prepared in accordance with the guidelines of the Non-Financial Information Standard (SIN) developed by the Reporting Standards Foundation and the Association of Stock Exchange Issuers.

The report identifies the principles and policies used by the Comarch Group in relation to social, labour, environmental, human rights and anti-corruption issues. The report also contains information on human resources broken down by age, sex, form and place of employment, as well as data on suppliers and recipients, and thus about processes used within the supply chain.

The Management Board of Comarch S.A. informed in current report no. [RB-7-2019](#) (ENG: [RB-7-2019](#)) dated on the 29th of April, 2019, about publishing, on 29th of April, on the issuer's website, the capital group's report on non-financial information prepared by the parent company.

On 29th of April, 2019, the Company has published on the website <https://www.comarch.pl/relacje-inwestorskie/raporty-okresowe/2019/> Consolidated Non-Financial Data Report for 2019.

21.2. Description of the Conducted Policy in the Field of Sponsorship and Charity

From the beginning of its activity, Comarch has been extensively involved in social activities, in activities promoting sport and a healthy lifestyle, in environmental protection, in activities to support people in need and help animals, as well as is involved in science, education, culture and supporting local community initiatives. Detailed information on this subject can be found in the report on non-financial activities and in the report on corporate social responsibility (CSR), which is posted on the Internet at: <https://www.comarch.com/company/corporate-social-responsibility/>

The most important sponsorship and charity activities in individual areas of activity undertaken by the Comarch Group in 2019:

In the field of culture

- continuation of the cooperation with St. Mary's church in the project revitalization of the musical space in the church;
- co-financing the next edition of the Mariac Organ Festival;
- Last Night of the Proms concert.

In the field of education and popularization of science

- support for the Inter-school IT Festival "Project worth 6", which has been organized for 14 years by the Upper-Secondary Schools of Communications in cooperation with the Mikromakro Institute Foundation and the Krakow Technology Park. Pupils from schools in Małopolska take part in the struggle, and the festival's goal is to promote young talents with IT interests;
- support for the celebrations of the 100th anniversary of the AGH University of Science and Technology in Krakow in 2018-2019;
- cooperation with schools, universities and other educational institutions by sharing knowledge by Comarch employees during various conferences and events, among others: Women in Tech Summit, Dark Side of UX, World Usability Day, dev.js and J/vacon;
- implementation of pro-social projects "Programming has a future" and "Programming- an adventure for life" selected as part of the #ComarchCares Grant Competition settled in autumn 2018;
- popularization of knowledge about ERP systems and controlling among universities and vocational schools with economic profiles by granting Comarch ERP systems, meetings, seminars and trainings;
creation of the Comarch Innovation Space, in which Comarch's technological achievements in the field of IT systems, telecommunications, the Internet of Things or artificial intelligence are presented;
- starting cooperation with the Polish Development Fund Foundation and the Central House of Technology in the field of popularization of the STEAM methodology, i.e. a trend in education developing interdisciplinary competences in the fields of technology, engineering, art and mathematics.

In terms of local communities and the natural environment

- involvement of employees from Polish Comarch companies in the organization of Christmas collections for people in need;
- organization of a charity event by Comarch employees on the occasion of World Animal Day, thanks to which Comarch managed to support shelters and organizations working for homeless animals in several Polish cities;
- sponsorship of the Czyżyny Festival - a family outdoor event for the residents of the Krakow district, in which Comarch headquarters is located. The iMed24 medical centre belonging to the Comarch Capital Group appeared at an event with a stand, conducting health-promoting activities;
- joining Cracovia to the initiative created by Krakow high school students "Give a warm gift" - volunteers before two Cracovia matches collected clothes for homeless people, which were given to the poorest during the Christmas Eve on the Main Square in Krakow;

- activity of the Official Cracovia Fan Club "Skilful with Cracovia", bringing together the community of supporters with disabilities. The fan club, in cooperation with associations and foundations, works on activating people with disabilities by inviting them to football and hockey matches;
- Cracovia support for the Krakow Family Card program by offering, among others, cheaper passes and tickets for the family sector, discounts in the Official Cracovia Store and for visiting the stadium, as well as a dedicated offer for children participating in football classes of the Cracovia Kids kindergarten;
- continuation of the project of greening the capital of Małopolska together with the Management of the City Greenery in Krakow.

In the field of sport and healthy lifestyle

For 25 years Polish companies of the Comarch Group have been involved in the promotion of sport among young people and residents of the Małopolska province, mainly through the sponsorship of the Cracovia Sport Club. In 2019, the Comarch Group also became a sponsor of the OSC Premier League football club from Lille in France.

The company promotes also a healthy and active lifestyle among its employees. In Poland, Comarch encourages employees to come by bicycle to work, providing bicycle infrastructure and occasional bicycle-related activities. The Comarch Group also encourages its employees to participate in external sports events, and the income from many of them is transferred to social purposes.

Cracovia hockey and football players are frequent guests in educational institutions, where as part of the Cracovia KIDS project they promote a healthy, sporty lifestyle from an early age.

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

None present.

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

The Company has not published the results forecast for 2019.

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

24.1. Deferred Income Tax

During the 2019, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2018, and worth PLN 5,453 thousand, as well as an asset due to temporary differences was recognized in the amount of PLN 6,571 thousand. An asset due to tax loss was settled in the amount of PLN 39 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 1,161 thousand.

During the 2019, the Group settled an asset created for the zone operations in the amount of PLN 11,162 thousand which were created as at 31st of December, 2018 and at the same time created in the amount of PLN 9,958 thousand (impact on result minus PLN 1,204 thousand). At the same time, in accordance with IAS 12, the Company will regularly verify the valuation of the Asset recognized for its feasibility and further recognition for subsequent periods. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group.

The total impact of changes in assets on the Group's 2019 results is minus PLN 43 thousand.

Due to valuation of net assets of CCF FIZ in 2019, a deferred tax provision was increased by PLN 451 thousand. At the same time, a deferred tax provision due to temporary differences was recognized in the amount of PLN 7,073 thousand and dissolved in the amount of PLN 2,424 thousand. The total effect of the above-mentioned operations on the net result of 2019 was minus PLN 5,100 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 5,143 thousand.

24.2. Valuation of Currency Translation Differences

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of December, 2019, increased revenue and operating profit of Comarch Group by PLN 814 thousand (while during the corresponding period in 2018 decreased by PLN 485 thousand). Exchange rate differences from other activities decreased the result of Comarch Group by PLN 2,816 thousand (while during the corresponding period in 2018 decreased by PLN 8,762 thousand). The valuation of financial instruments and realised transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments, increased Comarch Group's net result by PLN 7,697 thousand (while in the corresponding period of 2018 they decreased it by PLN 1,426 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of Comarch S.A. in 2019 amounted to plus PLN 5,695 thousand (minus PLN 10,673 thousand in 2018).

24.3. Write-off Revaluating Receivables

During the 2019, the Group recognized an impairment loss of trade receivables in the amount of PLN 31,098 thousand and resolved previously created write-offs in the amount of PLN 21,108 thousand due to the payment of the amount due. These operations were included respectively in other operating income and expenses in the profit and loss account. These amounts include additional provisions for receivables in the amount of PLN 6,050 thousand, created after the date of publication of the financial statements for the four quarters of 2019, which the Group decided to create after analysing the impact of the Covid-19 epidemic on the economic and financial situation of some clients.

24.4. Release of provisions regarding the ZUS KSI contract

The settlement with ZUS regarding the ZUS KSI contract resulted in the dissolution of provisions established in 2018, thus increasing the operating result and net result of Comarch S.A. in 2019 by PLN 24,203 thousand.

25. Changes in Methods of Company Management and Its Capital Group Management

None present.

26. 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](#).

27. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements

On the 27th of May, 2019, the Management Board of Comarch S.A. informed that the Supervisory Board, acting pursuant to Art. 19 sec. 2 point 5) of the Articles of Association of the Company chose - as an entity authorized to audit the financial statements of the Company and the consolidated financial statements of the Comarch Capital Group - BDO Spółka z ograniczoną odpowiedzialnością sp. K., Ul. Postępu 12, 02-676 Warszawa (KRS 0000729684), and agreed to enter into agreements with this entity by Comarch S.A. in the scope of:

- a) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2019;
- b) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December 2019;
- c) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2020;
- d) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December, 2020.
- e) review of the separate financial statements of Comarch S.A. and the consolidated financial statements of the Comarch Capital Group as at 30th of June, 2021;
- f) audit of the annual separate financial statements of Comarch S.A. and the annual consolidated financial statements of the Comarch Capital Group as at 31st of December 2021.

The Company announced details in current report no. [RB-10-2019](#) (ENG: [RB-10-2019](#)), dated the 27th of May, 2019.

The total net remuneration due on account of reviewing the above-mentioned financial statements was as follows:

No	Types of services	Remuneration (net value)- paid	Remuneration (net value)- due
2019			
BDO Spółka z ograniczoną odpowiedzialnością			
1.	Obligatory audit of annual financial statements for 2019	50,000.00 PLN	80,000.00 PLN
2.	Review of half-year financial statement for H1 2019 and agreed additional costs related to consolidation process	70,000.00 PLN	-
3.	Other services for Comarch S.A.	-	-
4.	Audit of annual financial statements of CA Consulting SA, Comarch Polska S.A., Comarch Healthcare S.A., Comarch Technologies Sp. z o.o., Comarch Management Sp. z o.o S.K.A., Comarch Infrastruktura S.A., iComarch24 S.A., MKS Cracovia SSA, Comarch Pointshub S.A. for 2019	16,000.00 PLN	20,000.00 PLN
AO BDO Yunikon			
1	Audit of the financial statements of OOO Comarch Company	275,000.00 RUB	275,000.00 RUB
2018			
BDO Spółka z ograniczoną odpowiedzialnością			
1.	Obligatory audit of annual financial statements for 2018	100,000.00 PLN	-
2.	Review of half-year financial statement for H1 2018 and agreed additional costs related to consolidation process	50,000.00 PLN	-
3.	Other services for Comarch S.A.	-	-
4.	Audit of annual financial statements of CA Consulting S.A., Comarch Polska S.A., Comarch Healthcare S.A., Comarch Technologies Sp. z o.o., Comarch Management Sp. z o.o S.K.A., Comarch Infrastruktura S.A., iComarch24 S.A.,	65,000.00 PLN	-

MKS Cracovia SSA, Comarch Pointshub S.A. for
2018

BDO Dr. Mohamed Al-Amri & Co

- | | | |
|---|---------------|---|
| 1. Other services for Comarch AG Belgian Branch | 35,000.00 SAR | - |
|---|---------------|---|

AO BDO Yunikon

- | | | |
|--|----------------|---|
| 1. Audit of the financial statements of OOO
Comarch Company | 550,000.00 RUB | - |
|--|----------------|---|

28. Systems that Control Employees Shares Programmes

None present.

29. Significant Legal, Arbitration or Administrative Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary with an Indication of the Subject Matter of the Proceedings, the Value of the Matter of the dispute, the Date of Initiation of the Proceedings, the Parties to the Initiated Proceedings and the Issuer's Opinion on the Matter

None present.

Information on the potential total amount of third party claims against the Comarch Group in connection with legal proceedings and matters in disputes, but not legal proceedings can be found in item [3.38](#) consolidated financial statements.

Krakow, 29th of April, 2020

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

Comarch S.A.

Al. Jana Pawła II 39a
31-964 Kraków



ir@comarch.pl



+49 (12) 697 79 22

<https://www.comarch.com/investors/>
