

COMARCH



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

Krakow, 28th of April, 2017

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**PLN 117
million of
operating
profit**

**Business
activities in
over 60
countries on 5
continents**

**PLN 1,113
million of
sales revenue**

**Over
5 300
professionals
employed**

**51
subsidiaries
worldwide**

**PLN 1,415
million of
Comarch S.A.
capitalisation on
WSE
(31.12.2016)**

**60% share of
foreign sales in
revenue from
sales**

1. Information about Company

1.1. Shareholding Structure, Managing and Supervising Entities

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

Comarch S.A.'s share capital consists of 8,133,349 shares at total nominal value of PLN 8,133,349. According to the information possessed by Comarch S.A., as at 31st of December, 2016, shareholders holding at least 5% of votes at the Company's AGM are Janusz Filipiak, Elżbieta Filipiak and MetLife OFE.

Shareholders	Number of shares	% of share capital	Number of votes at the Company's AGM	% of votes at the Company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	1,323,461	16.27	4,707,461	31.12
Other members of the Company's Management Board	91,622	1.13	129,222	0.85
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,880,142	47.71	3,880,142	25.65
Total	8,133,349	100.00	15,126,949	100.00

AFTER THE BALANCE SHEET DATE

Without changes.

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, 2016:

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	1,323,461/ PLN 1,323,461	-
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobniak	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the	-	-

	Supervisory Board		
Robert Bednarski	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / PLN 50,000

AFTER THE BALANCE SHEET DATE

Without changes.

b) Members of Comarch S.A.'s Management Board as at 31st of December, 2016:

Name and surname	Position	Number of Comarch S.A. shares	Nominal value in PLN
Janusz Filipiak	President of the Management Board	1,997,027	PLN 1,997,027
Marcin Dąbrowski	Vice-President of the Management Board	-	-
Paweł Prokop	Vice-President of the Management Board	37,539	PLN 37,539
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	PLN 32,867
Konrad Tarański	Vice-President of the Management Board	10,608	PLN 10,608
Marcin Warwas	Vice-President of the Management Board	10,608	PLN 10,608

AFTER THE BALANCE SHEET DATE

Without changes.

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

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

None present.

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

None present.

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

Information is included in notes 2.1.8 and 3.34 of the consolidated 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.

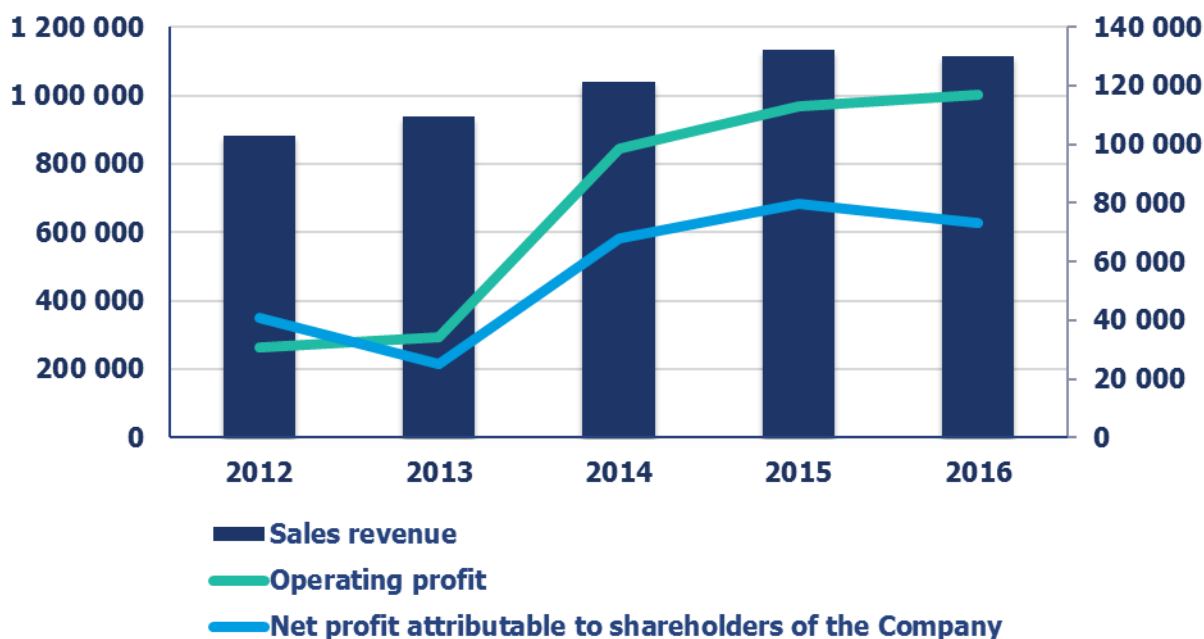
2. Basic Economics and Financial Values

2.1. Selected Financial Data

	2016	2015	2014	2013	2012
Revenues from sales	1,112,813	1,131,580	1,038,351	938,976	883,876
Revenues from sales of proprietary IT solutions	1,041,133	994,152	910,216	763,928	687,124
Operating profit	116,893	113,028	98,529	34,446	30,767
EBITDA*	179,901	166,511	152,909	98,941	84,093
Profit before income tax	104,777	108,129	92,577	36,724	39,737
Net profit attributable to the Parent Company's shareholders	73,034	79,651	67,894	25,077	40,660
Profit per share	8.98	9.80	8.37	3.11	5.05
Assets	1,444,875	1,304,828	1,216,555	1,142,301	1,146,743
Equity	862,064	780,581	700,693	637,711	624,942

* Operating profit + Depreciation

In 2016, Comarch Group's sales revenue was lower by 18.8%, i.e. 1.7% compared to the previous year. Operating profit amounted to PLN 116.9 million and increased by 3.4% compared to that achieved in 2015, while net profit attributable to the Parent Company's shareholders in 2016 was lower by 8.3% and reached the value of PLN 73.0 million.



EBIT margin reached 10.5% (in previous year amounted to 10.0%), net margin reached 6.6% (7.0% in 2015). On the 31st of December, 2016, Comarch Group employed 5,304 people, excluding employees of MKS Cracovia SSA, i.e. 267 more compared to the end of 2015.

As at the end of 2016, the value of Comarch Group's assets increased by PLN 140.0 million, i.e. 10.7% compared to the previous year. Equity grew by 10.4% over 2016 and in large measure due to the net profit gained in 2016.

2.2. Employment and Production Capacity of the Group

As at 31st of December, 2016, in Comarch S.A. there were 4,276 employees compared to 3,943 persons as at 31st of December, 2015, and in the Comarch Group number of employees reached 5,304 persons compared to 5,037 persons as at the 31st of December, 2015 (excluding employees of MKS Cracovia SSA due to different type of activity).

Average employment in the Comarch Group, excluding employees of MKS Cracovia SSA, from 2012 to 2016 is presented in tables below:

Number of employees:	2016	2015	2014	2013	2012
full-time	4,283	4,029	3,401	3,376	3,048
co-workers	857	867	728	738	612
Total	5,140	4,896	4,129	4,114	3,660

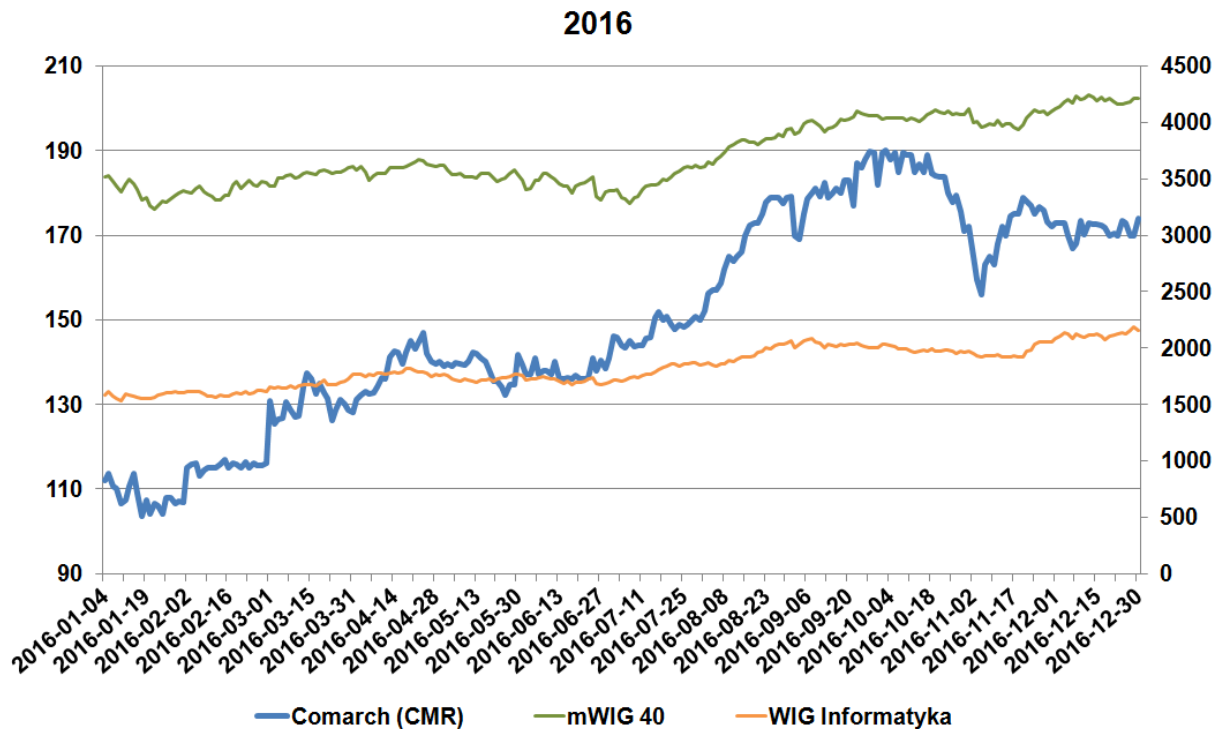
Employees:	2016	2015	2014	2013	2012
production employees and technical consultants	4,043	3,810	3,218	3,213	2,785
marketing and sales	639	642	528	516	500
management and administrative employees	458	444	383	385	375
Total	5,140	4,896	4,129	4,114	3,660

An average employment in MKS Cracovia SSA within 2012-2016 was as follows:

Number of employees:	2016	2015	2014	2013	2012
full-time	49	41	39	38	42
co-workers	212	193	114	181	146
Total	261	234	153	219	188

Most of production by Comarch consists in production of company's own, versatile software products and in production of computer software on the basis of customer orders. The basic factor limiting the production capacity is human resources. As the company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources. The Group diversifies the risk of limitations in availability of human resources by conducting business in 14 branches located in urban centers in Poland. As at 31st of December, 2016, 2,948 employees were employed in Krakow, 1,790 in other cities in Poland and 566 abroad.

2.3. Comarch S.A. Stock Price Performance



Period	The highest	The lowest
I quarter of 2016	137.35	103.70
II quarter of 2016	147.00	131.00
III quarter of 2016	189.90	143.50
IV quarter of 2016	190.00	155.90

In 2016, the closing rate of Comarch S.A. shares between the 4th of January, 2016, and 30th of December, 2016, increased by 55.2% from PLN 112.1 to PLN 174.00. During the year, the maximum closing rate amounted to PLN 190.00.

<i>Data in PLN</i>	12 months ended 31 December 2016 / 31 December 2016	12 months ended 31 December 2015 / 31 December 2015
Average price during the reporting period	149.82	123.47
MIN price during the reporting period	103.70	103.20
MAX price during the reporting period	190.00	142.00
Average volume during the reporting period	6,314	4,796
Capitalization at the balance sheet date	1,415,202,726	927,608,453
Ratios for consolidated data		
P/E at the balance sheet date	19.38	11.64
P/BV at the balance sheet date	1.67	1.21
P/S at the balance sheet date	1.27	0.82

3. Products and Services Offered by Comarch in 2016

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, teleinformatic 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 DIVISION

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

PRODUCTS

IOT ECOSYSTEM

Comarch M2M Platform enables mobile operators to provide Managed Connectivity in multinational, multi-level and multi-operator environments. The system helps launch M2M offers for vertical industries such as automotive, consumer electronics, FMCG, energy & utilities, finance & banking, healthcare, manufacturing, public services, security, and transport & logistics. Comarch M2M Platform is a solid foundation IT system that has been implemented by major European mobile operators including Telekom Austria Group. Comarch M2M is recommended in numerous reports by companies such as Berg Insight and Gartner, and received the Pipeline Innovation Award for Innovation in Connectivity in 2013.

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

Comarch Digital Services Platform is designed to help CSP's execute digital strategies, especially expanding their presence in the Internet of Things. The solution allows switching from traditional, expensive and multi-layered systems which are often so complex they block innovative solutions, to smooth integration of efficient cloud-based services. Comarch Digital Services Platform follows the collaboration lifecycle from establishing partnerships through managing available capabilities to service integration and assurance processes, enabling CSPs to enact efficient cooperation with their partners. Comarch DSP allows effortless asset monetization of existing BSS/OSS system functionalities in addition to basic connectivity services.

Comarch IoT Monetization Suite meets all the sophisticated needs of the modern IoT world. The suite is based on four main pillars: M2M Actionable Analytics, Billing of Applications (enables you to bill not only for connectivity, but also for devices, applications and services), SLA Management (helps you

ensure the highest quality of service for all the elements in the value chain, including device quality, application SLA, connectivity SLA and more), and Digital Services Platform.

SALES & CUSTOMER MANAGEMENT

Comarch Customer Management helps communication service providers sell more services, get closer to their customers and significantly reduce customer churn. This flexible solution enables telecoms companies to benefit from a single customer view and gain a deeper understanding of their customer base, which translates into increased revenues and optimized customer service costs. By offering a seamless customer experience and providing a reliable 360-degree customer view, the solution also helps strengthen customer loyalty.

Comarch Self Care is a web self-service tool enabling communications service providers to provide their end customers with a convenient online self-management portal, where they can access and edit their profile data and service subscription information, without any help from a call center agent. Comarch Self Care, integrated with major social media platforms, provides customers with telecom specific services around the clock and plays a crucial role in the Comarch Omni-Experience.

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

BILLING & CHARGING

Comarch Convergent Billing System is a key module within the Comarch BSS suite, pre-integrated with other modules (e.g. Comarch Product Catalog, Comarch BSS Mediation). Comarch CBS allows real-time charging for any service type and facilitates the development of new business models in cooperation with partners – a key element in elevating business in the digital world. This high capacity, flexible and scalable service-agnostic management system can be used by service providers to monetize services ranging from traditional telecommunications, through MVNO and M2M, to modern digital services. Comarch BSS tools are also featured in Gartner Magic Quadrant for Integrated Revenue and Customer Management.

Comarch InterPartner Billing allows service and content providers to exchange billing data and invoices and share revenue or cost information with partners. The system also 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 Comarch platform is easily scalable, ready to support today's newest services, and open to business evolution. The system can process 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. The Partner Management functionality supports the management of relationships with partners and suppliers, and can automate most tasks required for cooperating with them.

BSS TAILORED TO YOUR NEEDS

Comarch Smart BSS is an all in one, compact BSS solution perfectly tailored to the needs of tier-2 and tier-3 telecoms companies, including Internet, cable and satellite TV providers, and MVNOs, thanks to fast deployment and low costs. The highly customizable system allows the management of all payment types, both pre-paid and post-paid, and the smooth creation of new product offers and specifications through the product catalog engine, which directly reduces time to market. The system speeds up generating PIN codes and scratch cards, and makes managing them more efficient. The integrated CRM module helps collect info on clients and enhances the customer experience, with the additional benefit of preventing churn. Comarch Smart BSS comes with a user-friendly, personalized self-care portal and a built-in messaging functionality to simplify communication between companies and customers.

Comarch B2B Solution focuses on critical problems related to B2B relationships, such as providing distinct selling strategies to companies of varied size (small, medium-size and multi-national corporations – MNC's), delivering and supporting large numbers of customized products and services, managing service level agreements (SLA's) and handling of complex fulfilment processes. This solution also supports multiple billing scenarios such as split billing or billing on behalf.

Comarch MVNO & MVNE Solutions are tailored to MVNO (Mobile Virtual Network Operators) and MVNE (Mobile Virtual Service Enablers) business models. Offering cost-effective services that are often aimed at niche customer segments can become an additional source of revenue for your company, and Comarch solutions can help you easily manage relations with customers and business partners, the portfolio of offered services, and revenues. An end to end Comarch Solution for MVNEs is aimed at companies delivering services to MVNO operators. The solution performs tasks related strictly to telecommunications (e.g. integration with an MNO (Mobile Network Operator) network, product catalog, CRM, SelfCare, managing a network of partners, and convergent billing), as well as those related to ERP.

FUTURE-PROOF OPERATIONS

Comarch NFV/SDN Solution leads to network virtualization, reduces OPEX / CAPEX, and unleashes innovation in the service and application domain, resulting in better network monetization.

Comarch Self-Organizing Network (SON) solution enables the automation of network failure management and optimization of network processes, thus operators may not only reduce OPEX, but also shorten the time to market for new technologies and network services.

Comarch SON Integration Box - is a solution responsible mainly for integrating centralized SON (self-organizing network) tools with the existing OSS environment. As a central hub for the exchange of various types of data, it aggregates SON plans and dispatches them to different tools. It also provides physical network information to SON. Data is gathered from multiple external sources and pre-processed for SON usage.

Comarch Customer-Centric OSS enables the transformation of an OSS environment so that it reflects true customer needs. It thus enables switching the telecom operator's perspective from network resources to customer experience.

INTAGRATED ASSURANCE

Comarch Customer Experience Management provides information on service quality by providing an insight into customer perception of services. This also brings the additional benefit of proactiveness, deriving from the ability to monitor the network and predict the impact of network faults on customer services.

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

Comarch Service Assurance transforms traditional network-centric fault management into an assurance solution focused on customer service. The main purpose of the system is to enhance customer service proactiveness capabilities. This is possible because the system allows the early detection of network problems and the ability to predict and calculate customer service impact based on the service models from service catalog and inventory systems. The solution is capable of monitoring digital services based on complex value chains, and of aggregating information from partners' systems and converged networks, including IT infrastructure, and fixed, mobile and cable access domains.

Comarch OSS/BSS Data Analytics processes data gathered from the telecommunications network (which is the key customer touchpoint for CSPs) in real time, combines it with information from

external systems (Performance Management, Fault Management, Network Inventory, CRM, etc.) and aggregates it. By correlating data from all these sources, Comarch OSS/BSS Data Analytics can produce a comprehensive real-time analysis, providing an invaluable insight into the customers' perception of the services. Based on the aggregated data, the tool suggests specific actions that can be also carried out automatically. Comarch OSS/BSS Data Analytics effectively helps telecoms companies improve their overall Net Promoter Score (NPS) or Customer Satisfaction (CSAT), as it takes into account the real customer experience when using a given service provided by the network.

RESOURCE PLANNING & INVENTORY

Comarch Network Inventory Management stores complete information about network resources management and presents live, historical and planning states of telecommunications/IT networks.

Telecom Network Inventory facilitates network resource management for multi-vendor, multi-domain networks. It manages RAN, transmission, core, fixed network domains and IT infrastructure.

Comarch Network Planning enables the Operator 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 more and more important in response to developing telecom opportunities. The solution simplifies the full use of your resources and adapts to changing demand in near real time.

Comarch Auto-discovery & Reconciliation - provides a complete, 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, and thanks to integration with Network Inventory provides one, 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, such as RAN, transmission, core and access. It is fully integrated with Inventory Planning & Design, which allows the planning and configuration loop to be closed and automates the whole end to end fulfilment process. Thanks to the reconciliation capability, configuration of the network is performed on the most up to date and accurate data from the live network.

Comarch Network Consolidation for M&A helps telecoms efficiently organize and streamline network planning and consolidation processes in merger and acquisition (M&A) projects. The solution is built of various components from Comarch's next generation OSS portfolio. The core modules of the solution include Resource & Network Inventory, Planning Framework (with Radio, Transport and Core technology packs), Geographical Information System (GIS), Mediation, Reporting, and Business Process Management. The Pairing and Rating engine, used for automatic benchmarking and site selection, has been developed specifically for this solution and extends the capabilities of network inventory planning.

SERVICE DESIGN & FULFILLMENT

Comarch Product Catalog is a single platform for managing telecom product catalogs and life cycles, thus simplifying the IT architecture and accelerating the launch of new products. As a central source of product and offer information, it ensures rapid new product and offer deployment, additionally accelerating the publication of content in sales channels without extra configuration of IT systems. Based on increased service reusability and automation, Comarch Product Catalog enables marketing and product managers to build new services quickly and speed up their market launch. The system also allows partners' products and services to be incorporated smoothly into the product catalog. The system allows product offers and specifications to be processed digitally, and product relationships for stand-alone and bundle offers to be defined. You can also create target customer pro-files with location data and other parameters. The Comarch Product Catalog is pre-integrated with other Comarch products, such as Customer Management, SelfCare and the Convergent Billing System.

Comarch Omnichannel Order Management is a fully automated, end to end fulfilment solution operating from customer order capture through service, network provisioning and activation to customer billing. This fully catalog-driven and highly configurable tool allows the introduction of new

offers or bundles in a matter of days instead of months, as is currently often the case for many telecom operators. This is achieved by system architecture built around a pre-integrated central product catalog and service catalog, which serve as a single product definition database.

Comarch Service Fulfilment supports the complete telecom service fulfilment process, by creating the customer's service, modelling it and then orchestrating network operations. It helps CSPs automate telecom service fulfilment and delivery, and reduce time to market thanks to the catalog-driven fulfilment concept.

The solution assumes building services from pre-defined components managed in the service catalog, thus enabling CSPs to reduce time to market for new offers and maintain a high level of innovation of their product portfolio. Thanks to catalog-driven orchestration, NGSF enables the quick introduction of traditional and digital services delivered in sophisticated value chains. The fulfilment process is realized on top of existing technological silos, which allows for step by step transformation programs without the need for huge up-front investments.

Comarch Field Service Management (FSM) is a comprehensive Workforce Management solution 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.

Comarch Service Inventory enables management of the network from the service perspective. The system can be pre-integrated with Comarch Service Catalog to describe the services according to the TMF SID model (Customer Facing Services (CFS) and Resource Facing Services (RFS)). When integrated with Product Inventory (through the north-bound interface) and with Network Inventory (through the south-bound interface), telecom Service Inventory provides an end to end view of the network, services and products.

PROFESSIONAL SERVICES

Business Consulting is a service that helps telecoms optimize and automate their business processes and increase their efficiency in OSS and BSS areas, by eliminating multi-vendor and cross-organization redundancy and by rethinking IT architectures and configurations.

Managed Services offer 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 – as a software vendor and a business partner for global telecoms companies we understand the nature and complexity of telecom transformation projects. Based on our experience we have developed a complete offer of products and services to support local and multi-country transformation projects in OSS and BSS domains.

End to End Project Delivery adds extra value on top of delivering a system to a customer, and encompasses the following services: requirement analysis and solution design, training, implementation and integration, as well as maintenance and support.

3.2. FINANCE, BANKING AND INSURANCE DIVISION

For over 20 years Comarch delivers IT systems for the largest financial institutions, in particular for banks, brokerage houses, insurers and entities managing assets and funds. As one of the biggest producers of software in Poland and Central and Eastern Europe, Comarch may be proud of many lines of products, reach scope of competences, and most of all, large group of satisfied customers,

among others: UniCredit, ING, Raiffeisen, BGŻ BNP Paribas, BPH, Alior Bank, Swiss Life, Ergo, Oney, Allianz. Our offer comprises both own finished solutions, dedicated solutions, and advisory and integration works.

PRODUCTS

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

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

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

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

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

Comarch Insurance Agent Essentials is a platform that aims at integrating multiple business systems and providing an intuitive and ergonomic work interface, consistent for agents, branch and call centre employees, and partners, agencies, multi-agencies and brokers. The platform is designed to satisfy the needs of business users, and they work both online and offline. It is the platform's significant advantage taking into account the mobility of insurance agents and claim adjusters.

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

Comarch Smart Finance is a platform for retail banking that consolidates internet and mobile banking, personal finance management and enhanced communication channels. Moreover, it is a

smart advisory tool that performs a detailed financial analysis and helps bank retail customers, individuals and small businesses, make right investment or savings decision. The solution contributes to increased bank customer loyalty as it provides the possibility to tailor the bank's product offering to customer's needs. After the analysis of customer's behaviour, it recommends products that should be of their interest.

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

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

3.3. COMARCH TECHNOLOGIES DIVISION

It provides comprehensive end-to-end hardware and software solutions for B2B clients. Basis for development of the company constitutes experience gained within prototyping, production and control over quality of the offered solutions of the area of consumer electronics and automotive, medical, and finance and banking industry.

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

PRODUCTS

INTERNET OF THINGS

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

Comarch Smart Lighting provides the ecosystem that facilitates fast implementation of fully flexible and scalable smart lighting solution for cities as well as municipal and enterprise buildings. It can be easily integrated with existing infrastructure or extended by 3rd party systems and it always remains a platform for further extensions.

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

Comarch IoT Hub acts as a bridge between connected devices and Comarch IoT Platform. It enables secure and reliable short distance communication, distributed control and remote device management through a single device. The support of leading connectivity protocols provides interoperability and creates new possibilities for business to offer smart services.

FIELD SERVICE MANAGEMENT

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

CYBER SECURITY

Comarch tPro Family is a collection of highly specialized tokens that has been developed in response to the growing need of data transfer protection. These devices deliver strong methods of authorization and authentication to protect against various cyber-attacks. Thanks to the fact that Comarch tPro tokens require human-machine interaction the transfers are secure from keylogging and frauds using remote desktop access.

Comarch SecureAccess provides a simple method of monitoring privileged users' actions on servers. This tool enables full control over remote users' permissions to servers, and at the same time, records their activity. Through logging into SecureAccess, the user gains the secure access to selected servers.

Comarch IAM DRACO is an identity and access management tool that provides control over access to company's or organization's applications. This solution offers the best managing methods which comply with security standards. Thanks to DRACO you can grant access, authorize, authenticate and manage access to applications, devices and crucial data. Comarch DRACO can be easily adapted to any requirements of organizations of various structures and localizations.

Comarch CryptoProvider is a bridging solution that brings digital signatures to web applications. It enables communication with smart cards and cryptographic tokens without using technology unsupported by modern web browsers, such as NPAPI, Java Applet or browser extensions. Comarch Crypto Provider is multiplatform (Windows, Linux, macOS) and supports all major browsers (Chrome, Firefox, Edge, Safari, IE).

RAPID PROTOTYPING & SHORT SERIES MANUFACTURING

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

Comarch IoT Lab is a place where we build functional prototypes which follow the highest industry standards in safety, security and user experience. Our rapid prototyping technology process includes industrial design, 3D modelling, HW&SW prototyping, final product assembly, along with thorough testing and quality control.

MOBILITY

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

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

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

CERTIFICATION

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

EMBEDDED SYSTEMS

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

QUALITY ASSURANCE

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

OUTSOURCING

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

3.4. ERP DIVISION

Comarch ERP Altum

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

Comarch ERP XL

The most popular ERP system in Poland – it is used by more than 5,000 enterprises from different industries, 400 new customers per year decide to implement it to manage main business processes. The solution fulfils specific requirements of manufacturing, trading and service enterprises. The system is also available in a service model (SaaS).

Comarch ERP Optima

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

Comarch ERP XT

An innovative application for on-line invoicing, managing a warehouse and simplified accountancy, it is available through an internet browser or application downloaded from Windows Store or mobile apps on Android or iOS platform. A solution dedicated to micro and small enterprises on Polish French and German market. Its main advantages are the ease of use, a complete process automation, a possibility to integrate it with an accountant office, Wszystko.pl portal, Comarch e-Shop and Comarch BI Point. The application is only available in a service model (SaaS).

Comarch Retail

An independent system for managing a retail sale with whole omnichannel model. Enables a company to manage a retail store chain efficiently and comprehensively, starting from its main office through back-office to the point of sale (POS).

Comarch Mobile

A package of mobile applications which cooperate with: Comarch ERP Optima, Comarch ERP XL, Comarch ERP Altum and Comarch Retail. The package includes: Comarch Mobile Management, Comarch Mobile Sales, Comarch Mobile Tracking, Comarch Mobile mPOS, Comarch Mobile Service. Comarch Mobile Management is a web application which enables companies to manage mobile personnel and their sales results via one application, run on any type of device: smartphone, tablet, laptop or PC. It enables companies to monitor work results and the current locations of the personnel and routes registered by them. Comarch Mobile Sales is an application of SFA type, enabling users to work on a smartphone or tablet on Android platform, support the field personnel, amongst others, sales representatives. Comarch Mobile mPOS is an Android app for sales in pop-up stores and for assistants in shops. Comarch Mobile Tracking gives a possibility to register GPS position of employees. Comarch Mobile Service is an Android app for people who repairs things at customers places.

Comarch WMS

A solution which enables companies to manage a High Bay Warehouse. The package includes: Comarch WMS Management and Comarch WMS Warehouse. Comarch WMS Management is a tool dedicated to management of a company warehouse logistic, among others, by defining warehouse structure, handling carriers, assigning warehouse orders, monitoring the warehousemen's work. It is a web application which can be run on any type of device: smartphone, tablet, laptop or PC. Comarch WMS Warehouseman is an application which enables taking receipt, releasing, moving, and taking stock of goods. A warehouseman may process warehouse orders assigned to him/her in Comarch WMS Management by the manager, as well as add new warehouse documents directly from the level of data collector.

Comarch Business Intelligence

Based on data warehouse technology system, which is dedicated to large and medium-sized enterprises as well as international corporations. The solution supports decision-making processes and reporting tasks. It offers support to the following industries: financial and insurance institutions, FMCG, service and production.

Comarch BI Point

Comarch's own, web-based reporting tool which allows to create and view interactive reports and dashboards, directed mainly to analysts, controllers and managers. Responsiveness of the application allows to use it also on mobile devices. Through an intuitive interface and many forms of data visualization, it ensures user friendliness. The tool is used in every type and size of enterprises - the ability to share reports with other users from different geographic locations and operating systems, ensures its flexibility and universalism.

Comarch IBARD

An easy to use, multifunctional tool for, amongst others, automatic backup, file synchronization between devices and team work on documents. Comarch IBARD service allows users to have constant access to company data from any device and place 24/7. A huge advantage of the application is the high level of security of the stored data: double encoding and their storage in a certified Comarch Data Centre in Poland. Comarch IBARD is available in four languages (Polish, English, German and French). It can be sold in Whitelabel model.

iKsięgowość24

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

Comarch ERP Contractor Desk

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

Comarch e-Shop

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

Wszystko.pl

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

Comarch ERP e-Pracownik

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

Comarch ERP Inwentaryzacja

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

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

- **Comarch ERP Enterprise** - ERP system of the new generation intended for active companies operating on the international markets and using the Internet. Possesses an ergonomic user interface, built-in WorkFlow module and is optimised to best reflect business processes and organisation structure. The system is also available in a service model (SaaS).
- **Comarch Financials Enterprise** - financial and accounting system of the new generation, developed as the complement of Comarch ERP Enterprise system, enabling complete financial management of modern enterprises. The system is also available in a service model (SaaS).
- **Comarch ERP Suite** - classic ERP system, offering proven, tailored to the specificity of the industry, functional solutions for a wide range of users.
- **Comarch Financials Suite** - comprehensive, certified financial and accounting system with controlling and electronic archiving of documents modules at its disposal, enabling work in an international environment, taking into account different accounting standards (US GAAP, IFRS).
- **Comarch Financials Schilling** - classic financial and accounting system.
- **Comarch Financials DKS** - financial and accounting system developed for customers in the Austrian market, possessing also the controlling and HR modules.
- **Comarch HR** - HR and employee settlement system dedicated to support work time management and recruitment processes.
- **Comarch ECM** - system for electronic archiving and document management, enabling companies to implement a fully electronic documents circulation.
- **Comarch eBilanz** - system designed for the electronic transmission of financial statements to the bodies of state administration in Germany; the application works with various accounting and financial systems.
- **Comarch eRechnung** - system designed for servicing electronic invoices in Germany in accordance with applicable regulations; the application works with Comarch's German financial and accounting systems.

3.5. PUBLIC DIVISION

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

Comarch Workflow

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

Comarch Portal

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

Comarch e-Investor

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

Comarch e-Tourist

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

Comarch e-Office

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

Comarch ERP Egeria

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

Comarch ERP Egeria e-Health

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

Comarch ERP Egeria Education

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

Comarch ERP Egeria Virtual University

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

Comarch ERP Egeria Mobile Virtual University

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

Comarch ERP Egeria Leasing

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

Comarch ERP Egeria Leasing Partner Care

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

Comarch ERP Egeria Public Administration

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

Comarch ERP Egeria Utilities

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

Comarch Egeria EBOK

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

Comarch Mobile Inventory and Mobile Inventory

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

Comarch ERP Egeria Smart Office

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

Comarch Work Expenditures Recording

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

Comarch CBO for media trading companies and distributed recipients

This is a solution dedicated for companies that trade electricity, heat, gas, water and sewage networks, as well as for dispersed recipients. It ensures fast access to data collected from various sources (such as distribution companies or independent reading operators), tracking the consumption of utilities and providing multiplane analysis of gathered data. Data in the system constitutes a credible basis for settlement of recipients, planning purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analyses and client segmentation in terms of their consumption structure.

Comarch CBO for media distribution companies

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

Comarch Network Assets Management System

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

Comarch IT Cost & Risk Analysis

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

Comarch Business Intelligence

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

Comarch Database Archive

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

Comarch Security Platform

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

Comarch Smart City Platform

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

Comarch eRecording

Comarch eRecording is a comprehensive and coherent solution, which combines the convenience of classic audio / video recorders with sound systems and a dedicated application to control the process of audio / video registration. The system allows for recording meetings or public appearances together

with related metadata and comments, which guarantees efficient search for a recording during the playback. Additional sources for the registered data may be external multimedia data and remote transmission conducted by a video terminal. Comarch eRecording provides, together with a recording, multimedia player independent from the device's platform.

Comarch Video Terminal

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

3.6. SERVICES DIVISION

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

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

Solutions to manage loyalty programs and marketing activities

Comarch CRM & Marketing is a comprehensive suite of IT solutions and professional services, which can help to build and manage loyalty programs, create rich consumer experiences and personalized interactions across multiple touch points, automate marketing processes and finally, boost profits. Comarch has multi-industry experience, gained through our work with over 80 clients, including Retail & Consumers Goods (FMCG) companies, telecoms, financial institutions, travel companies and many more, such as JetBlue Airways, Heathrow Airport and BP. The offer also includes big data analytics and innovative customer engagement systems based on gamification.

Comarch CRM&Marketing includes the following solutions and services:

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

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

Comarch Campaign Management - was created to help marketers to easily define and manage marketing campaigns (both single channel and complex multi-wave designs) and deliver the right message to the right audience over the right channel. The solution streamlines integration and automation of marketing activities in order to get campaigns faster to market and increase revenue and business performance. The system helps users to apply process flows and tasks to optimize the

resources across organization and collaborate efficiently. The tool allows the user to build drag-and-drop campaign lifecycles and execute multi-step, multi-channel, triggered and meaningful communication with customers. The system simplifies the automation of personalized campaigns based on specific customer interactions. The solution helps also to get a better insight into marketing costs and budget according to the campaign level and measure campaign results through a wide range of easy-to-access reports and customized dashboards.

Comarch Customer Engagement - is a tool that comprehensively allows the user to increase customer/employee motivation and commitment. The user is enabled to increase engagement of the customer/employee by defining and setting up conditions, achievements, and games rules and connecting them together to create a rich user experience. The solution can be implemented as a stand-alone model and can be integrated with other systems. The system supports building dedicated customer's engagement path to achieve business goals like cross-selling or more enrolments. It helps to motivate customers to undertake further challenges and to compete and allow them to share their successes with friends via social media for which they get badges.

Comarch Business Intelligence – the platform provides customer-oriented enterprises aggregated, pure, multi-section data, facilitating faster decision making in managing loyalty programs and complex marketing campaigns. The solution offers deep analysis of large volumes of collected data, as well as provides complete picture of customer buying patterns, their value, campaign effectiveness and overall program statistics.

Comarch Social Mining - is a useful tool that upgrades loyalty programs with a social context. System gives the ability to monitor behaviour of loyalty program members within social media based on the user defined criteria and required data sources. Thanks to information gathered in the CSM application, based on social statistics of engagement, a loyalty program provider can enrich a customer's profile and gather extra social based behavioural data. As a result, it enables to define more precise, personalized communication, additional rewarding options and comprehensive segmentation.

Within CRM&Marketing we also offer Managed Services:

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

Creative Services - Comarch provides complex services based on measured strategies, high-tech solutions and best practices, "outside-the-box" thinking, new perspectives to optimize benefits from implementation of the program. Our creative services are based on designing scheme of gamification strategy, setting on gamification program rules, developing customer engagement program management and unique graphical design like: web and mobile version, leaflets, posters, TV spots.

Program Management Services – Comarch program managers are highly-qualified professionals with global market expertise specializing in customer relationship management from both business and operational aspects. Comarch supports companies in all processes starting with setting up the initial program to providing guidelines on how to expand and gain access to new market areas and top-class advice for future development and growth. The range of services provided by Comarch includes support in program organization, setup and selection of marketing service providers and fulfilment partners, managing on-going relationships with strategic program partners and subcontractors, ongoing administration of software applications involved in program operations, reporting of program KPIs and service performance, fraud detection and prevention, overall communication management, as well as configuration and administration of the program web portal.

Customer Analytics - our confidence and experience regarding analytical projects covers: data gathering, data cleaning and auditing, improving and maintaining data quality, and data analysis. We specialize in: elevating and understanding client needs, identifying purchase triggers, uncovering

mechanisms responsible for creating engagement and customer loyalty. We do this by using a variety of methods and approaches taken from scientific practices and background.

Management Solutions for motivation of employees

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

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

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

Electronic Data Interchange solutions

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

Comarch EDI was indicated in the 2014 Gartner MQ report. The platform has been selected by more than 100,000 users from 40 countries exchanging more than 600 million documents per year (e.g. Leroy Merlin, Unilever and BP). EDI ensures:

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

Comarch EDI solutions:

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

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

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

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

- Customization of the application's layout,
- Definition of individual product catalogues,

- Determination and calculation of discounts,
- Entering a variety of promotions,
- Ordering of products/Shopping cart,
- Reporting.

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

Solutions for document and process management:

Comarch ECM (Enterprise Content Management) allows for the comprehensive management of documents and business processes to provide faster performance, better control of the data and work, as well as a high level of safety in the company's critical information. Comarch offers a broad portfolio of solutions and services that enable the design, implementation, commissioning and management of the document aspect of business processes, such as the process of accounts payable, purchase processes, HR processes, contract management and master data management.

Comarch ECM has a base of over 600 customers in 35 countries on 4 continents. In the implemented solutions, there are stored more than 15 billion documents, and daily launched more than 1 million process instances. Comarch ECM solutions were chosen by such companies as ING, Carrefour, Eurocash Group, Rossmann, Valeo, Valeant, Igepa, T- Mobile, BP, SAS and BIC.

As part of Comarch ECM the following modules are offered:

Comarch ECM Accounts Payable - allows the user to redesign, streamline and automate processing of cost documents. One, unified service process is able to handle multiple business units and ERP systems in many countries and languages. Implementation allows:

- unification and standardization of purchase invoices processing,
- input channels of documents can be integrated (paper and scanning, pdf to email, EDI),
- reduction in time-consuming registration of documents from the outside of EDI channel by using an unconventional OCR engine without templates,
- a workflow engine to be used, which allows the support of electronic circulation, attribution and confirmation from which data will automatically go to the ERP systems.

The solution is aimed at shared services centres of capital groups that support multiple entities in different languages, integrating with various accounting systems and to entities with significant volume and geographical dispersion of decision-makers who accept financial documents.

Comarch ECM Employee LifeCycle Management is a solution designed for companies employing several hundred or even several thousand employees, i.e., those in which the optimization of Human Resources services becomes an important element. Replacement of paper personnel files with their electronic equivalent in everyday work provides easy search and a quick preview of documents, resulting in real time savings for employees in the human resources department. The notification and reporting system also allows for efficient management of contract terminations and periodic health examinations or training.

Comarch ECM Contract Management allows for the implementation of a secure unified register of commercial agreements, whereby employees in the purchasing or accounting departments will be able to quickly locate and verify the provisions of the agreement. The workflow engine enables the implementation of an electronic contract approval process so that while accelerating the process it increases its safety and reduces the risk to members of the board authorized to sign contracts. Within this module the entire lifecycle of contract is operated, from its creation (possible to create predefined templates), through negotiations, signing up to the execution of the provisions of the agreement, measuring KPI, and at the time of the upcoming expiration reminder of the need to take steps seeking to extend or terminate the contract.

Comarch ECM Master Data Management (MDM) – allows the user to organize the process of adding and modifying clients' or products' data, and also eliminates the chaotic email or paper communication that imposes double data entry through integration with target systems (ERP).

Comarch ECM Quality Management allows the user to organize all quality documents in the enterprise as a central knowledge base, and thus make it easier to access and quickly retrieve key quality documentation, not only in the quality department but also for staff in other departments.

Comarch ECM Manufacturing Management - this implementation provides support for technical and production documentation, whose main advantage is fast and easy access for production department employees.

Comarch ECM Procure To Pay – Comarch ECM P2P enables the system implementation of procedures and thereby raises effectiveness of controls of planned expenditure and simplifies the process of approval by the management. At the same time the solution significantly increases the accuracy of the forecasts of financial reserves.

Comarch ECM Customer Care – the module allows to improve the quality of customer service through faster and more transparent implementation of the case. The module finds himself wherever many clients report complaints, seek to enable additional services or change the address data. The system allows to service requests flowing from different channels - phone call, e-mail, chat with a consultant, fax, traditional mail, interactive form, social media.

Comarch ECM Advanced Document Management – central repository for documents available from dispersed locations. The module allows to reduce the paper consumption. Designed for companies, which process large volumes of documents, allows to eliminate duplication of work, control over document versioning, expanded authorization system provides the highest level of security of the stored data.

Comarch ECM Source To Pay – a comprehensive platform that supports the entire purchasing process. Built-in functionalities like B2B portal, on-line workflow, document management and reporting, are basic core to implement business applications. The solution allows to fully manage the lifecycle of contracts, control purchase procedures and invoices, as well as evaluate suppliers and use dynamic discounting.

Solutions to support sales and distribution

Comarch SFA (Sales Force Applications) are mobile and web solutions dedicated to running and optimizing business processes, including those related to sales, logistics and customer service. Our portfolio includes systems for sales support and sales representatives' work management, integration solutions and communication services with business partners, as well as web-based applications for managing sales and trade marketing, marketing and promotions.

Comarch SFA consist of more than 4.5 thousand users of Mobile Sales Force Apps, 20 million generated delivery orders and more than 15 million transmitted documents. Comarch SFA solutions have been implemented in companies such as Carlsberg, Diageo (producer, e.g. of Johnnie Walker, Smirnoff and Baileys), Red Bull, Nivea, Energizer and BioMed.

Comarch SFA platform include:

Mobile Sales Force Applications - is a professional Sales Force Automation-class system that provides full support for point of sale by mobile field workers. Within its offer, Comarch SFA provides users with applications that depend on the role and responsibility they have. Users can use mobile applications (smartphones and tablets) and applications available on-line via a web browser or installed locally on computers. Mobile applications are available on the Google Android platform and iOS. Solution Comarch SFA Mobile Sales Force Applications has been appreciated by Gartner analysts and included in the report „Market Guide for Retail Execution and Monitoring Solutions” and POI Retail Execution Vendor Panorama.

Comarch SFA Online Manager, Comarch SFA Online Administrator and Comarch SFA Mobile Manager - are applications for managers and business administrators who manage sales forces in the organization. Applications provide the functionality associated with the reporting and control of sales and medical representatives who operate out of the offices.

Comarch SFA Online Sales Support Applications - is a sophisticated B2B platform that integrates business partners - manufacturers, distributors and shops. It provides comprehensive communication, reporting and support for sales and marketing organizations. As part of the system, Comarch SFA also provides applications for managers and business administrators who manage sales forces in the organization. The platform also includes e-commerce and call centre modules.

Comarch SFA Trade Promotion Management - a support module for planning and settlement of trade promotions and promotional budgets. It offers the ability to easily define long- and short-term promotional activities with selected customers, to take stock of the effectiveness of these activities and to use the historical data to analyse and find the best solutions to increase sales. As the only Polish IT solution has been included in the Gartner report "Market Guide for Trade Promotion Management and Optimization" and POI TPx Vendor Panorama.

Comarch SFA Online Distribution - a communication and integration service for automatic, daily reporting to manufacturers of key information from traditional sales channels, such as inventory or resale. Online Distribution Service is provided on the basis of international standards for the electronic communication of EDI (Electronic Data Interchange), using the necessary integration of financial and accounting systems with manufacturers' and distributors' (wholesalers) sales departments. It also enables reporting of the producer's sales against the competition.

IT Infrastructure Management – Comarch ICT

Comarch ICT allows for complete control of the enterprise IT infrastructure. The combination of competence with many years' experience in the fields of telecommunications, outsourcing and data centres is a guarantee of the realization of specific implementations based on the best global standards and technology partnerships with leaders in the IT market. These solutions guarantee data security, promoting the development of IT processes within the organization, as well as internal and external communication.

The most important services provided by Comarch in the area of ICT are Data Centre, IT Outsourcing and Integration and IT Networks.

Comarch Data Center

Comarch has almost 20 years' experience in the provision of data centre services. These are services based on advanced technological data centers with high-availability and architecture TIER III and TIER IV that are an alternative for companies to expanding their IT infrastructure resources. They allow clients to benefit from the use of a specially designed space, without the need to build it and without creating expensive infrastructure. We accompany the client at all stages of the project, starting from preparation of the initial concept, through design solutions, their implementation and migration, to maintenance and management.

Comarch has 3 own Data Centers, dispose 12 Data Centres around the world, with 5 petabytes of data stored for customers in more than 50 countries.

Services in the Comarch Data Center can be provided in one of the following service models:

IaaS (Infrastructure as a Service) - it consists of renting IT infrastructure - a specified number of servers, computing power and storage space. Choosing the IaaS model enables a flexible and scalable selection of IT infrastructure resources based on the current needs of the company. As part of IaaS Comarch provides:

- Co-location systems in secure data centre premises, designed and secured in accordance with the highest industry standards,
- Shared network infrastructure and a central backup system,
- Redundant access links to the Internet.

PaaS (Platform as a Service) - in PaaS Comarch delivers a complete hardware platform system with a complete range of Managed Services that support the client's application. As part of PaaS Comarch delivers:

Equipment (arrays and servers) co-located in the centre(s) of the Comarch Data Centre

- All necessary third-party licenses,
- Administration and management of the operational layer (e.g., operating system, database),
- Management of the network layer and the safety systems,
- Provision of redundant telecommunications links,
- Monitoring of the entire solution, 24/7,
- One level SLA for the entire system.

SaaS (Software as a Service) is the most comprehensive service provided by Comarch Data Centre. It includes the supply of Comarch applications together with the necessary server infrastructure delivered as a service model. As part of the SaaS services we provide:

- Platform as a Service (hosting),
- Comarch applications or, in certain cases, foreign applications,
- Application administration services and IT infrastructure,
- 24-hour monitoring and supervision of the system components and a very short response/repair time,
- A single point of contact for the customer and one SLA for all solutions,
- Optional help-desk for end users.

Disaster Recovery Center (DRC) Comarch DRC is an optional extra service for all the above-mentioned solutions offered by Comarch Data Centre. It includes providing a backup data centre for critical systems. The service is offered in various models within which Comarch provides:

- The primary data centre facility - emergency facility is located at the customer's location,
- Reserve data centre facility - the centre core is located at the customer's location,
- Primary and backup data centre facilities - both centres are located in one or two physical locations.

This service can be delivered using a PaaS or SaaS model with regard to ensuring the replication of data between the two centres, and booting the backup system after a failure of the primary location.

Comarch IT Outsourcing & Integration

Due to the dynamic changes in the market of IT infrastructure, an experienced technology partner is crucial these days for business development. IT environment of the company in hands of Comarch engineers and analysts is a guarantee of continuity and availability of the required systems. Comarch offers a wide range of IT services, which are always tailored to individual customer needs. The most important services in this area include Comarch IT Outsourcing, Comarch Comarch IT Integration and Comarch Business Continuity.

Comarch IT Outsourcing is a group of continuous services, whose task is to provide comprehensive IT support to the customer, ranging from full support to the end user (service desk and station care), through the administration of LAN/WAN, server infrastructure and security, to the management of IT processes in accordance with the best ITIL practices. We implement services based on a team of experienced engineers and Service Managers in accordance with agreed SLA parameters. In addition, we provide customers with continuous services performed remotely or directly at the customer's location, which are related to advanced server systems, database and matrix, and therefore the most critical systems for the client's business and the most demanding in terms of availability and reliability.

Comarch IT Integration - this is a group of services whose task is to adjust the customer's IT environment to new business requirements and technical specifications. We support clients from the stage of analysis and design of a new IT platform, through the delivery of appropriate hardware and software, to the implementation phase. Services relate to both the launch of new systems on new platforms, extension of functionality by updating the software version and migration between systems, systems consolidation or virtualization of environments currently used by the client.

Comarch Business Continuity - is a group of services designed to provide customers with high-availability systems, minimize the consequences of accidents and disasters, and the possibility to enable a quick return to the pre-failure state. Based on Comarch office space in Krakow and Warsaw,

we offer customers a spare office for their key employees. The high-availability solution is a service for those customers for whom even a few minutes' critical system failure is a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the validity of the data stored and processed in IT systems. In addition, within this group of services we also provide audit services for various IT areas.

Comarch IT Networks

Solutions offered by Comarch are designed to improve communications within the organization, and also with business partners and customers. Comarch IT Networks is a range of solutions for the integration of solutions to support the exchange of information and efficient communication within the company. This includes any communications technology, applications and data resources such as WAN or LAN, improving not only communications, but also the exchange and access to corporate information. Comarch IT Networks solutions include:

Comarch Network Managed Services (CNMS) - is a concept of solutions designed to create and maintain data networks, including WAN/LAN/WLAN. CNMS is a comprehensive solution for the construction or modernization of existing transmission networks, as well as the management and administration of these networks. In addition, we provide solutions for network security.

Comarch Contact Centre (CCC) - This is a comprehensive package of solutions that supports customer relationship management, and internal communications of organizations, as well as many other areas of business. The solution proposed by Comarch facilitates efficient management of information in the enterprise and allows the user to optimize the customer service process using customer-owned systems. On request, Comarch Contact Centre can also be provided in a service model, allowing for availability of Comarch Contact Centre customer resources. The customer, under this solution, gains access to the Contact Centre infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer itself provides only CC agents and internet access.

Comarch NOC (Network Operations Centre) - is a comprehensive solution that provides a single point of contact with the client, providing technical support for monitoring and Service Desk in the areas of IT infrastructure and business applications for all types of businesses and institutions. Thanks to the built-in functionality of an automated and reliable system in place to monitor the IT services offered by Comarch, the service can be helpful both for administrators and IT managers. Comarch Network Operations Center provides customers a current knowledge on the availability and performance of individual elements of their IT infrastructure, operating systems, and operating platform.

3.7. COMARCH HEALTHCARE

Comarch Healthcare S.A. is a provider of a wide variety of healthcare solutions including, among other things, IT systems for hospitals, software products for radiology and medical record management in medical institutions, cities, and regions. Comarch Healthcare is also a supplier of innovative Remote Medical Care solutions that use its own software, equipment, and medical infrastructure.

Medical Institutions Management Software

Optimed NXT is an innovative IT system designed for managing hospitals, allowing for the organisation of healthcare during the patient's stay in hospital wards and clinics – from the moment of registration till the discharge. The system may also be used on mobile devices such as tablets, which provides doctors with access to information about a patient right at the bedside.

Optimed24 is an intuitive software for managing health clinics and doctor's offices. Dedicated to all outpatient facilities, regardless of their structure and services provided. The solution supports i.e. keeping electronic medical records, handling patient visits, issuing prescriptions and referrals. Optimed24 is a functional management tool for healthcare facility managers.

Comarch ERP is a system for supporting the management of administrative part of the hospital. It enables control and guidance of the implementation of complex processes connected with supply, management of own assets of the institution, its maintenance and development, as well as with employment, current support and professional development of a wide range of specialists.

Comarch Business Intelligence This broad portfolio of tools for analyzing data generated by the medical facility. The solution allows to make multidimensional analyzes of the whole process carried out by the operator. The system offers a number of ready-made desktops of information dedicated to specific groups of employees and management.

Software supporting the management of medical records

Comarch EDM (Electronic Medical Records) is a system used to manage e-records in all types of medical entities, as well as at regional level. Central access to documents originating from various systems enables efficient collection and processing of medical data. The solution allows for the exchange of information between the institutions, which accelerates the process of diagnosis and helps to avoid redundant research.

Comarch Concierge is a multi-channel communication platform for patients, providing continuity of medical care. The solution facilitates the exchange of information between the medical facility, doctor and patient. It allows the patient to remotely register on a visit to a specialist, ordering prescriptions, access to results of medical examinations and even consult a doctor without leaving home.

Comarch MEDNOTE is a modern application for managing doctor's office. It organizes medical records, provides the necessary information concerning the patient and minimizes the time needed for paperwork. The system allows, among others, easy dispensing of prescriptions, referrals and other medical documents.

Software tools for radiology

Comarch RIS - radiological information system supporting the activity of diagnostic imaging facility. It optimizes the process of carrying out medical tests, improves communication and allocation of personnel within the facility. It can be an integral part of the HIS system, as well as fully independently manage the department of diagnostic imaging.

Comarch Teleradiology - comprehensive environment that enables secure transfer of image data and remotely execute descriptions of radiological examinations. This allows for more efficient use of working time of radiologists. The solution combines any number of health care units and enables the exchange of data between ordering institution and specialists describing examinations.

Comarch DICOM VIEWER - the web browser used to the presentation of medical images stored in the DICOM format on CD/DVD or other storage media. Applied web technologies allow for comfortable use of the browser in various places of work, without need for installation. It can be used as a standalone tool as well as through integration with other hospital systems to provide a quick preview of radiological images from the RIS, HIS and PACS.

City of Health - IT-service platform, consisting of a set of mutually interconnected applications and IT systems. Service targeted to regions and cities is an effective tool for implementing regional health policies. The concept of "City of Health" focuses on residents as recipients and clients of provided health care services. Anonymised data from a city or region is processed by the analytical and reporting platform. On this basis, the authorities are able to make optimal decisions concerning the strategy of development of health policy and supervision of its implementation.

Remote Medical Care - is the form of the provision of telemedicine services, which allows for constant monitoring of the patient's condition, and performing preventive and control examinations outside the hospital. The following way of providing medical care is possible through the use of

portable medical devices recording specified life parameters. Results of the examination are transmitted automatically to the Center for the Remote Medical Care, and analyzed. If any irregularities, medical personnel remotely contact patient's with a doctor or specialist, and in case of danger to life or health - calls an ambulance.

Remote Cardiac Care - facilitates detection of cardiological problems, including tachycardia and bradycardia, ventricular tachycardia, ventricular fibrillation, ventricular flagellation, atrial fibrillation, atrial flagellation, and ineffective stimulation by a pacemaker. It is used both for in-patients, and to monitor the health status of patients rehabilitated at home.

Remote Obstetric Care - facilitates non-invasive CTG at a patient's home. After the test, results are sent to a Remote Medical Care Center and assessed by a gynaecologist or midwife. CTG provides a comprehensive monitoring of fetal heartbeat and uterine contractions from home in the third trimester.

Remote Elderly Care - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

Comarch e-Care Platform - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

e-Care application with Web Interface - can be used for consultation with an attending physician, physiotherapist, dietician, psychologist, or specialist, about a senior's health status and mental state. Tests may be performed by the patient or their carer, or healthcare personnel. Depending on the results, the patient's doctor may contact them remotely, initiate a home visit, or call an ambulance. Tests can be performed at home (for a single patient) and in residential care units or facilities for many patients (services for patient groups).

Remote Medical Care Center - a Remote Medical Care Center with healthcare personnel monitoring patient health status is the key component of the remote medical care system.

- Gathers qualified healthcare personnel, such as paramedics, midwives, various specialist doctors, dieticians, and physiotherapists.
- Monitors a patient's health status all day, including holidays.
- Intervenes if anomalies in terms of individually specified parameters are detected (for example, norm exceeded or alert value reached) and at the patient's request (for example, when the Life Button is used).
- Uses medical procedures that facilitate faster and more adequate intervention.

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

iMed24 Healthcare Center - as Comarch Healthcare S.A.'s healthcare center this is naturally an environment for the development of solutions dedicated to this sector. iMed24 was the first healthcare center in Małopolska to offer Remote Medical Care (more than 1500 patients). The facility has about 100 doctors who work in more than 30 specialist out-patient clinics.

3.8. SPORTS ACTIVITY

MKS Cracovia SSA operates sports activity by participating in professional leagues and competitions in several sports, the most important are football and ice hockey. The purpose of the company is to promote Comarch brand. It is a part of the marketing strategy of Comarch Group, the aim of which is to create the image of Comarch as a first-choice integrator for large and medium-sized companies in Poland.

Revenues from sports activity of MKS Cracovia SSA include revenues on account of advertising and other services as well as revenues from the sale of tickets to sports events organized by the company.

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

Due to the type of IT systems offered by Comarch, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of 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 2016, 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 2016, share of none of the product provider exceeded 10% of the value of Comarch sales.

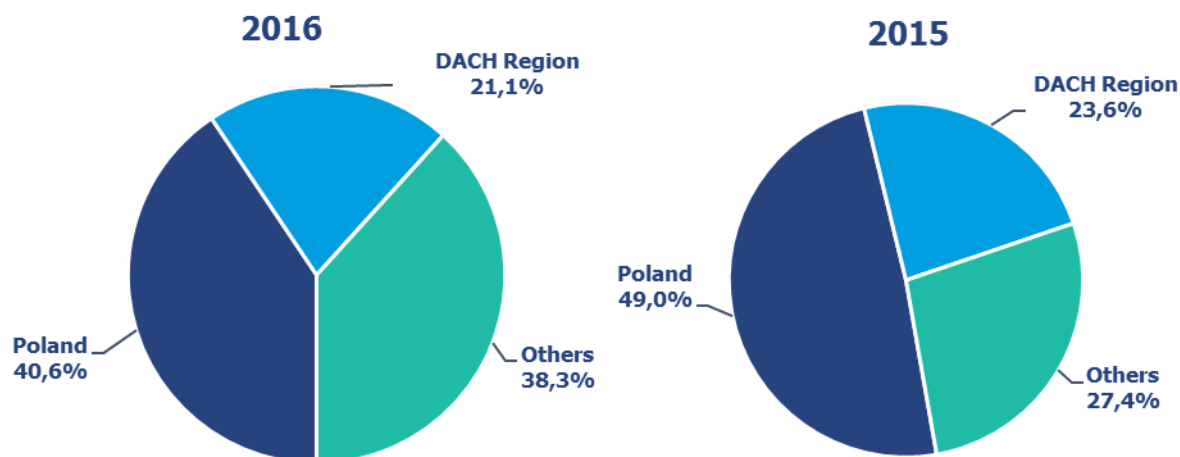
5. Sales Structure

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

	2016	%	2015	%	2014	%
Domestic	451,680	40.6%	554,058	49.0%	557,483	53.7%
Export	661,133	59.4%	577,522	51.0%	480,868	46.3%
Total	1,112,813	100.0%	1,131,580	100.0%	1,038,351	100.0%

In 2016, the Group's export sales grew by PLN 83.6 million PLN, i.e. 14.5%. Domestic sales diminished by PLN 102.4 million PLN, i.e. by 18.5%.

Geographical sales structure (by markets' localisation):



	2016	%	2015	%	2014	%
Poland	451,680	40.6%	554,058	49.0%	557,483	53.7%
DACH	235,241	21.1%	267,097	23.6%	216,336	20.8%
Remaining countries	425,892	38.3%	310,425	27.4%	264,532	25.5%
Total	1,112,813	100.0%	1,131,580	100.0%	1,038,351	100.0%

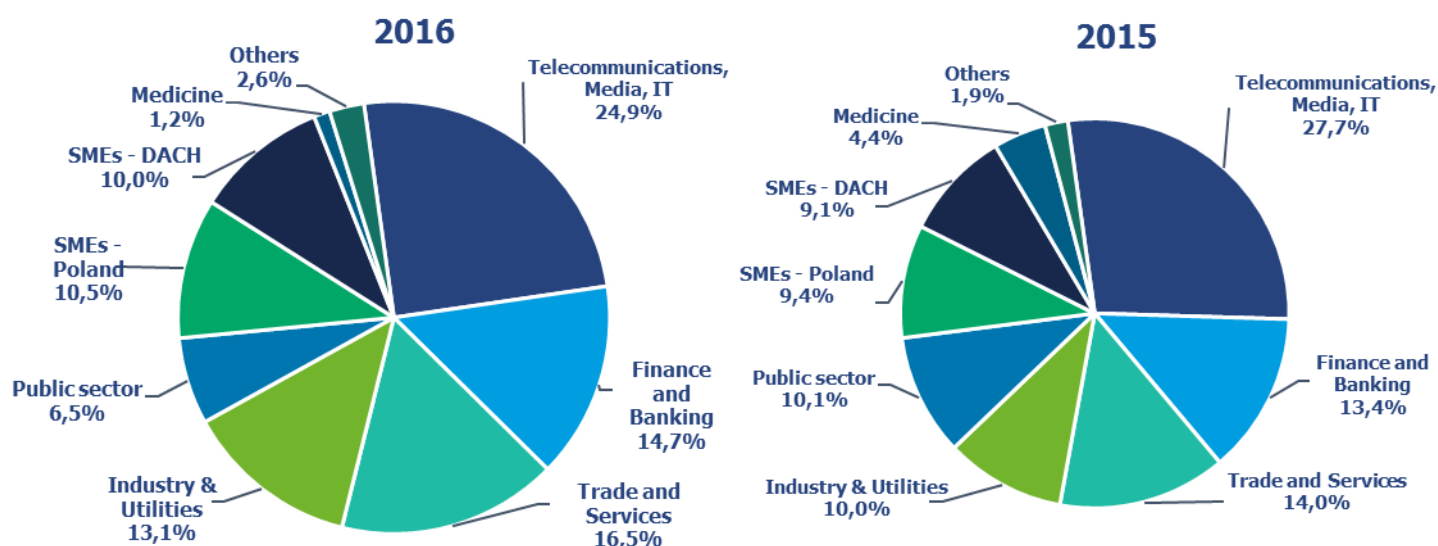
In 2016, the Group's sales in DACH region decreased by PLN 31.9 million, i.e. 11.9% compared to the previous year. Other foreign sales grew by PLN 115.5 million PLN, which is an increase of 37.2%. Share of other foreign sales in total Group's sales increased from 27.4% in 2015 to 38.3% in 2016.

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

	2016	%	2015	%	2014	%
Telecommunication, Media, IT	276,620	24.9%	313,284	27.7%	263,344	25.4%
Finance and Banking	163,811	14.7%	151,122	13.4%	138,744	13.4%
Trade and Services	183,314	16.5%	159,032	14.0%	117,798	11.3%
Industry & Utilities	146,100	13.1%	112,805	10.0%	94,109	9.1%
Public Sector	72,856	6.5%	114,240	10.1%	171,952	16.5%
Small and Medium Enterprises – Poland	116,566	10.5%	106,600	9.4%	99,463	9.6%
Small and Medium Enterprises – DACH	111,223	10.0%	102,547	9.1%	102,356	9.8%
Medical Sector	13,184	1.2%	49,940	4.4%	31,049	3.0%
Others	29,139	2.6%	22,010	1.9%	19,536	1.9%
Total	1,112,813	100.0%	1,131,580	100.0%	1,038,351	100.0%

Within 2016, there was a relevant drop in sales to customers in the public sector, that is of PLN 41.4 million, i.e. 36.2%, which is associated with a reduction of purchases by customers in this sector, due

to transition restrictions in access to EU funding, but also reduced supplies of proprietary finished products of the Group. The public sector was responsible for 6.5% of the Group’s revenues in the reporting period. Revenues from sales of the Comarch Group to customers in the TMT sector amounted to PLN 276.3 million, which represents a decrease of PLN 36.7 million (i.e. 11.7%) due to decrease in the number of supplies of third-party software on the domestic market and revenues from sales of proprietary solutions to customers in the DACH region, among others. Their share in total sales was 24.9%, therefore the TMT sector remains the largest sector in terms of sales revenue. Customers in finance and banking sector bought products and services with a value higher by PLN 12.7 million (i.e. 8.4%) than achieved in the corresponding period of the previous year. The share of this sector in total revenues amounted to 14.7%. Strong revenue growth was recorded in case of customers in the trade and services sector (by PLN 24.3 million, i.e. 15.3% - the share of this sector in total revenues increased to 16.5%), but also in case of customers in the industry&utilities sector, which revenues grew by PLN 33.3 million, i.e. 29.5% and accounted for 13.1% of the total sales. This results from significant sales achievements in these segments in international markets in terms of loyalty solutions and EDI. There was a stable development in sales to customers in the small and medium-sized enterprises in Poland (PLN 10.0 million, i.e. 9.3%). In case of MSP customers in the DACH region, the revenues increased by PLN 8.7 million, i.e. 8.5% in relation to the level of the previous year. The value of sales to customers in the medical sector within 12 months of 2016 amounted to PLN 13.2 million, which means a decrease of PLN 36.8 million, i.e. 73.6%. This results from the lack of the big regional projects related to informatisation of hospitals in 2016 and which had been present in 2015. An increase in other sales (PLN 7.1 million, i.e. 32.4%) is the result of the increased sales revenue from sports activities.



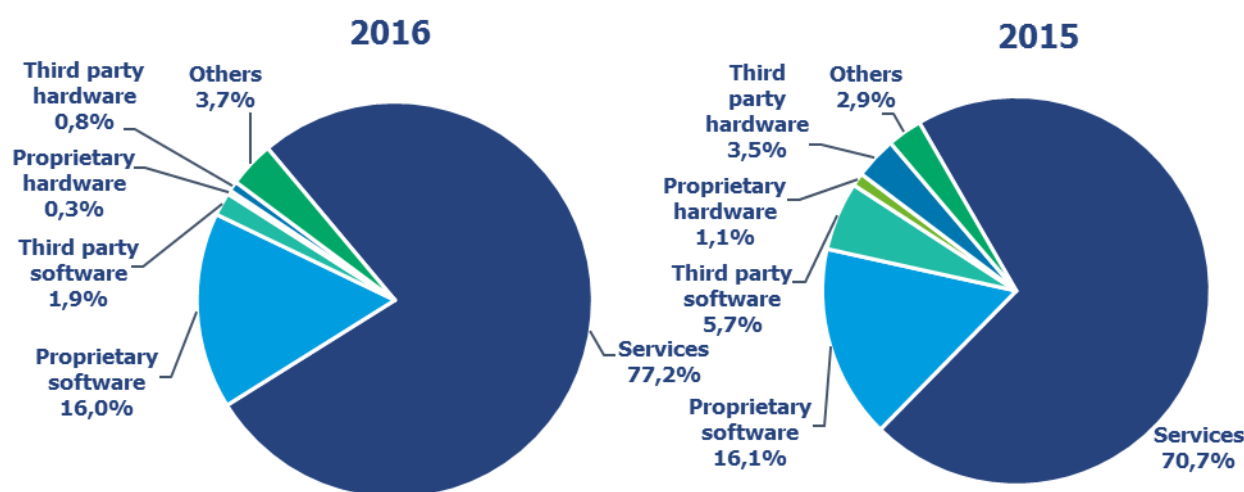
In particular quarters of 2016 the market sales structure maintained the stable level.

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

	2016	%	2015	%	2014	%
Services	859,367	77.2%	800,062	70.7%	736,227	70.9%
Proprietary Software	178,092	16.0%	182,286	16.1%	132,413	12.8%
Third party Software	21,086	1.9%	64,989	5.7%	51,979	5.0%
Finished goods	3,674	0.4%	11,804	1.1%	41,576	4.0%
Hardware	9,038	0.8%	39,723	3.5%	45,080	4.3%

Others	41,556	3.7%	32,716	2.9%	31,076	3.0%
Total	1,112,813	100.0%	1,131,580	100.0%	1,038,351	100.0%

Over 12 months of 2016, the Group's total sales of services and proprietary software grew by PLN 55.1 million, i.e. 5.6%). This is primarily a consequence of an increase in sales of services (an increase of PLN 59.3 million, i.e. 7.4%). Sales of proprietary software decreased by PLN 4.2 million, i.e. 2.3%. Total share of sales of services and proprietary software in total sales amounted to 93.2%, which is a record result for the Group. Total sales of third-party software and computer hardware decreased by PLN 74.6 million, i.e. 71.2%, and they amounted to PLN 30.1 million, which constitutes 2.7% in total sales. This is the result of the reduced deliveries of hardware and third-party software to customers in the domestic market. Within 2016, sales of finished goods decreased by PLN 8.1 million, i.e. 68.9% compared to the same period in 2015, due to the significant reduction of supplies of proprietary goods to customers in the public sector. Other sales grew by PLN 8.8 million, i.e. 27.0%, due to the increased revenues from medical and sports activities. Within 2016, products sales structure was characterized by continuous increase in sales of proprietary solutions. This is related to the ongoing transformation into the business model of services in sales of IT solutions, among others.



Over 2016, the products sales structure maintained the stable level.

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;

- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

6.2. External Factors

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the cloud computing model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Continued pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) Growing competition on the local labour market in IT sector in Krakow and other locations where the Company conducts its business;
- h) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- i) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The 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.

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, USD/PLN, GBP/PLN, CAD/PLN and BRL/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 a change of credit's currency from PLN to EUR performed lately). 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 2017

In 2016, the Group observed stable demand for IT products and services, while there were changes in its structure. The Company has observed a decrease in demand for IT solution generated by clients from public and medical sectors and increase in demand from other clients. Thus, its backlog ensures full use of its productive capacity in the following periods. Economic and political situation in Poland and abroad, as well as the situation on the labour market will still have a detrimental impact on situation on the financial results achieved by the Comarch Group in 2017. 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 in international markets additionally increases sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of Comarch. It also means the need to make numerous capital investment abroad Poland (principally through the establishment of foreign subsidiaries). Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments by medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. An opportunity for the Group is its high innovativeness and growth in demand for delivery of IT solutions in a service model - Comarch Group thanks to the wide range of its own products, owned infrastructure and human and capital resources can flexibly adapt to business models expected by customers.

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

- 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 employees 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;
- risks related to international terrorism, impeding the posting of employees in business travel in some regions of the world.

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		31		Change	
ASSETS	December	%	December	%	Change	Change
	2016		2015			%
Non-current assets						
Property, plant and equipment	501,111	34.7%	422,566	32.4%	78,545	18.6%
Investment real estates	15,626	1.1%	17,063	1.3%	(1,437)	(8.4%)
Goodwill	40,735	2.8%	40,735	3.1%	-	-
Other intangible assets	61,343	4.2%	66,474	5.1%	(5,131)	(7.7%)
Non-current prepayments	1,118	0.1%	819	0.1%	299	36.5%
Investment in associates	14,395	1.0%	23,177	1.8%	(8,782)	(37.9%)
Other assets at fair value	492	0.0%	79	0.0%	413	522.8%
Other investment	106	0.0%	106	0.0%	-	-
Deferred income tax assets	35,007	2.4%	33,432	2.5%	1,575	4.7%
Other receivables	3,914	0.3%	1,548	0.1%	2,366	152.8%
	673,847	46.6%	605,999	46.4%	67,848	11.2%
Current assets						
Inventories	76,555	5.3%	51,413	4.0%	25,142	48.9%
Trade and other receivables	406,721	28.1%	385,375	29.5%	21,346	5.5%
Current income tax receivables	5,210	0.4%	7,143	0.5%	(1,933)	(27.1%)
Long-term contracts receivables	39,960	2.8%	32,440	2.5%	7,520	23.2%
Available-for-sale financial assets	-	-	-	-	-	-
Other financial assets at fair value – derivative financial instruments	1,149	0.1%	664	0.1%	485	73.0%
Stock or shares	1	0.0%	1	0.0%	-	-
Cash and cash equivalents	235,834	16.3%	221,793	17.0%	14,041	6.3%
	765,430	53.0%	698,829	53.6%	66,601	9.5%
Available-for-sale financial assets	5,598	0.4%	-	-	5,598	-
Total assets	1,444,875	100.0%	1,304,828	100.0%	140,047	10.7%

As of the end of 2016, the value of Comarch Group's assets increased by PLN 140 million, i.e. 10.7%. Non-current assets increased by PLN 67.8 million, i.e. 11.2% compared to the previous year, mostly as a consequence of an increase in property, plant and equipment from PLN 422.6 million to PLN 501.1 million (an increase of 18.6% compared to the previous year). The share of particular items of non-current assets in the total structure of assets remained at a similar level to that in 2015. An increase of PLN 66.6 million, i.e. 9.5% in current assets is mostly a result of increases of PLN 21.3 million, i.e. 5.5% in trade receivables and of PLN 25.1 million, i.e. 48.9% in rough products and products in progress in inventories. At the end of the year, there was also an increase in long-term contracts receivables (an increase of PLN 7.5 million, i.e. 23.2%) as well as cash and cash equivalents (an increase of PLN 14 million, i.e. 6.3%). The share of particular items of current assets in the total structure of assets remained at a similar level to that in 2015.

EQUITY	31 December 2016	%	31 December 2015	%	Change	Change %
Capital attributable to the company's shareholders						
Share capital	8,133	0.6%	8,133	0.6%	0	0.0%
Other capital	143,041	9.9%	148,226	11.4%	(5,185)	(3.5%)
Exchange differences	18,524	1.3%	6,509	0.5%	12,015	184.6%
Net profit for the current period	73,034	5.1%	79,651	6.1%	(6,617)	(8.3%)
Retained earnings	604,691	41.9%	525,040	40.2%	79,651	15.2%
	847,423	58.7%	767,559	58.8%	79,864	10.4%
Minority interest	14,641	1.0%	13,022	1.0%	1,619	12.4%
Total	862,064	59.7%	780,581	59.8%	81,483	10.4%
LIABILITIES						
Non-current liabilities						
Credit and loans	146,331	10.1%	113,540	8.7%	32,791	28.9%
Other liabilities	5,278	0.4%	83	0.0%	5,195	6259.0%
Financial liabilities at fair value – derivative financial instruments	2,537	0.2%	1,412	0.1%	1,125	79.7%
Other financial liabilities	631	0.0%	32	0.0%	599	1871.9%
Deferred income tax liabilities	42,144	2.9%	37,619	2.9%	4,525	12.0%
	196,921	13.6%	152,686	11.7%	44,235	29.0%
Current liabilities						
Trade and other liabilities	154,493	10.7%	150,898	11.6%	3,595	2.4%
Current income tax liabilities	16,800	1.2%	13,010	1.0%	3,790	29.1%
Long-term contracts liabilities	40,044	2.8%	26,176	2.0%	13,868	53.0%
Credit and loans	28,469	2.0%	24,152	1.9%	4,317	17.9%
Financial liabilities at fair value – derivative financial instruments	2,350	0.2%	1,639	0.1%	711	43.4%
Other financial liabilities	6,530	0.5%	7,939	0.6%	(1,409)	(17.7%)
Provisions for other liabilities and charges	137,204	9.5%	147,747	11.3%	(10,543)	(7.1%)
	385,890	26.7%	371,561	28.5%	14,329	3.9%
Total liabilities and charges	582,811	40.3%	524,247	40.2%	58,564	11.2%
Total equity and liabilities	1,444,875	100.0%	1,304,828	100.0%	140,047	10.7%

In 2016, the share structure of equity and liabilities did not change significantly. Equity grew in 2016 by 10.4%, mostly as a result of taking into account net profit generated in 2016. There was a slight increase in the minority interest (PLN 14.6 million compared to PLN 13 million in 2015). The share of equity in total equity and liabilities maintained a similar level (59.7% in 2016 compared to 59.8% in 2015). Total liabilities and charges constituted 40.3% in total equity and liabilities compared to 40.2% in the previous year. Their value increased by PLN 58.6 million, i.e. 11.2%, compared to that in the previous year, mostly as a consequence of significant changes in the value of credits and loans (an increase of PLN 37.1 million, i.e. 27%), long-term contracts liabilities (an increase of PLN 13.9 million, i.e. 53%) and other liabilities (an increase of PLN 0.08 million, i.e. 5.2%). At the same time, the most significant decrease was in provisions for other liabilities and charges (a decrease of 7.1%, i.e. from PLN 147.8 million in 2015 to PLN 137.2 million in 2016). The share of other items of total liabilities and charges did not change significantly.

Debt analysis	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Debt ratio	12.1%	10.6%	11.7%	11.5%	11.4%
Debt/equity ratio	20.6%	17.9%	20.7%	21.0%	21.1%

Debt ratios increased as a result of intensive investment in real estates, mortgage credit and loans. The Group is financed with internal means (59.7%) and with external means (40.3%).

	2016	%	2015	%	Change	Change %
Revenue	1,112,813	100.0%	1,131,580	100.0%	(18,767)	(1.7%)
Cost of sales	(764,600)	(68.7%)	(791,442)	(69.9%)	26,842	(3.4%)
Gross profit	348,213	31.3%	340,138	30.1%	8,075	2.4%
Other operating income	39,063	3.5%	20,849	1.8%	18,214	87.4%
Sales and marketing costs	(131,330)	(11.8%)	(129,520)	(11.5%)	(1,810)	1.4%
Administrative expenses	(102,066)	(9.2%)	(93,246)	(8.2%)	(8,820)	9.5%
Other operating expenses	(36,987)	(3.3%)	(25,193)	(2.2%)	(11,794)	46.8%
Operating profit	116,893	10.5%	113,028	10.0%	3,865	3.4%
Finance revenue -net	(3,809)	(0.3%)	(1,650)	(0.1%)	(2,159)	130.8%
Share of profit / (loss) of associates	(8,307)	(0.7%)	(3,249)	(0.3%)	(5,058)	155.7%
Profit before income tax	104,777	9.4%	108,129	9.6%	(3,352)	(3.1%)
Income tax expense	(29,054)	(2.6%)	(27,859)	(2.5%)	(1,195)	4.3%
Net profit for the period	75,723	6.8%	80,270	7.1%	(4,547)	(5.7%)
Attributable to:						
Shareholders of the Parent Company	73,034	6.6%	79,651	7.0%	(6,617)	(8.3%)
<i>Interests not entitled to control</i>	<i>2,689</i>	<i>0.2%</i>	<i>619</i>	<i>0.1%</i>	<i>2,070</i>	<i>334.4%</i>

In 2016, the Comarch Group's sales revenue was lower by PLN 18.8 million, i.e. 1.7% year on year. The operating profit reached PLN 116.9 million and increased by 3.4% compared to 2015. In 2016, the net profit attributable to the Parent Company's shareholders decreased by 8.3% and amounted to PLN 73 million.

Profitability analysis	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Margin on sales	31.3%	30.1%	29.6%	22.4%	22.1%

EBIT margin	10.5%	10.0%	9.5%	3.7%	3.5%
Gross margin	9.4%	9.6%	8.9%	3.9%	4.5%
Net margin	6.6%	7.0%	6.5%	2.7%	4.6%

In 2016, Comarch Group's activity was profitable. The margin on sales and the EBIT margin grew to the levels of 31.1% and 10.5%, respectively. Also, the gross margin and the net margin reached satisfactory levels and amounted to 9.4% and 6.6% respectively.

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

- change in sales structure consisting in even greater focus on the sale of proprietary Comarch software solutions and limiting sales of third-party solutions. As a result, total sales revenue decreased by PLN 18.8 million, i.e. 1.7%, while revenue from sales of proprietary solutions increased (services and proprietary software) by PLN 55.1 million, i.e. 5.6%, while revenue from sales of third-party solutions decreased by PLN 74.6 million, i.e. by 71.2%;
- high growth of revenue from sales of services and proprietary software to customers in the trade and services and industry sectors;
- significant decline in revenue from sales to customers in the public sector (by 36.2%) and the medical sector (by 73.6%), which was caused by the slowdown in the settlement of public tenders;
- significant decrease in sales of proprietary finished products - in 2016 it fell by 68.9% compared to the corresponding period of 2015, due to significantly reduced supplies of proprietary products to customers in the public sector;
- significant increase in operating costs, mostly remuneration costs related to an increase in number of employees; as a consequence, the basic remuneration fund in the presented period was higher by over 18% than in 2015,
- consideration of an associate - Thanks Again, LLC - in the financial results under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 8.3 million;
- high value of current income tax from legal entities, mainly related to the profitable activity of foreign subsidiaries in countries with high levels of CIT taxation - it caused a decrease in net profit by PLN 26.1 million;
- revenues from other operating activities of MKS Cracovia SSA in the amount of PLN 9.9 million, achieved mainly due to the disposal of non-financial fixed assets in the third quarter of 2016.

Costs associated with software development in the field of e-Health, telemedicine devices and new generation loyalty solutions (e.g. in cooperation with Thanks Again, LLC) 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:

- sales of IT solutions, most of which are developed in-house;
- sales development on international markets, especially in Western Europe and both Americas;
- stable improvement of operational performance through the ongoing improvement of procedures and cost rationalization;
- development of new technologies and business areas, especially in the medicine sector and Internet of Things (IoT);
- growing share in sales of IT in services model.

Liquidity analysis	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Current ratio	2.0	1.9	1.9	1.8	1.6
Quick ratio	1.7	1.7	1.6	1.5	1.4

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

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

Turnover Analysis

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

$$\text{Receivables Turnover Ratio} = \frac{(\text{Trade and Other Receivables}) * 360}{\text{Revenue}}$$

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

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

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

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

10.1. Non-Revolving Credits

Credits acquired by Comarch S.A.:

- a) an investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. It was taken out by 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5th of October, 2011, the company revaluated the remaining credit to be paid into euro. This credit has a variable interest rate amounted to EURIBOR1M+margin. As at 31st of December, 2016, the value of the credit to be repaid amounted to EUR 4,802 thousand, i.e. PLN 21,244 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as of the 31st of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29th of July, 2024.
- b) an investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28th of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years, i.e. until 2016, at a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. As at the 31st of December, 2016, the value of the credit to be repaid amounted to EUR 2,493 thousand, i.e. PLN 11,028 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as of the 31st of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 31st of October, 2018.
- c) an investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The credit was drawdown on the 7th of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+margin. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. In the second quarter of 2016 the credit was fully repaid.
- d) a nonrevolving operating credit from BZ WBK Bank S.A. with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is 31st of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31st of December, 2016, the value of the credit to be repaid amounted to EUR 3,899 thousand, i.e. PLN 17,249 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as of 31st of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 28th of June, 2019.
- e) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+margin. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. As at the 31st of December, 2016, the value of outstanding capital amounted to EUR 11,519 thousand, i.e. PLN 50,960 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as of 31st of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30th of November, 2023.
- f) an investment credit from Banku Handlowym w Warszawie S.A. with its registered office in Warsaw, for the financing and the refinancing no more than 75% of the net investment cost of the construction of the SSE7 office building in the Special Economic Zone in Krakow. The credit

amounts to PLN 44 million, i.e. EUR 55,144 thousand, according to the euro exchange rate of the contract date. The crediting period may last a maximum of 12 years, i.e. until 15th of May, 2028, the currency of the credit is EUR. This credit has a variable interest rate amounted to EURIBOR1M+margin. The credit should be commenced within 24 months from the date of signing the credit agreement, i.e. by 16th of May, 2018. The real estate mortgage (on which the investment is made), declaration of submission to enforcement, power of attorney to manage Comarch S.A. bank accounts in the Bank, cession of rights in the SSE7 building insurance policy, concluded after the completion of the investment are security for this credit. At 31st of December, 2016 the credit has not been activated. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29th of February, 2028.

- g) A non-revolving long-term credit in Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing current operations. The credit amounts to EUR 2,508 thousand, i.e. PLN 10,938 thousand at the date of the agreement. The crediting period is 43 months and lasts until the 16th of December, 2019. The credit was granted in EUR, the interest rate of the credit is based on a variable rate EURIBOR1M + margin. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16th of May, 2018. Securities for this credit are: declaration of submission to enforcement and power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. As at the 31st of December, 2016, the value of launched credit amounted to EUR 2,365 thousand, i.e. PLN 10,465 thousand. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30th of September, 2019.
- h) An investment credit agreement with DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing up to 100% of investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand as at the date of the agreement. The crediting period lasts until the 30th of December, 2023. The credit was granted in EUR and has a variable interest rate EURIBOR1M + margin. The credit was used in the first quarter of 2017. Securities for this credit are: registered pledge on devices which are the subject of financing to the amount of 150% of the credit, cession of rights under the insurance contract of devices, a declaration of submission to enforcement by Comarch S.A. and a power of attorney to manage Comarch S.A. bank accounts in DNB Bank Poland SA. As at the 31st of December, 2016, the credit has not been run.

Other companies in the Comarch Group have the following long-term credits:

- i) In the third quarter of 2011, Comarch Healthcare S.A. acquired an investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with implementation of project NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31st of December, 2011, and it was used in total. The crediting period lasts 7 years, i.e. until 2018. This credit has a variable interest rate WIBOR1M + margin. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 31st of December, 2016, the value of the credit to be repaid amounted to PLN 4,540 thousand (PLN 6,809 thousand as at the 31st of December, 2015).
- j) In the second quarter of 2013, Comarch AG acquired investment loan from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6,000 thousand, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate EURIBOR3M + margin. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31st of December, 2016, the value of the credit to be repaid amounted to EUR 1,862 thousand, i.e. PLN 8,238 thousand (EUR 3,103 thousand, i.e. PLN 13,225 thousand as at 31st of December, 2015).

- k) In second quarter of 2015, Bonus Development Sp. z o.o. SK-A took out a construction and investment credit in bank Polska Kasa Opieki Spółka Akcyjna ("PEKAO S.A.") with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to reconstruction of the former factory building and the construction of an adjacent office building in Łódź. The credit is granted in EUR and amounts up to PLN 38,800 thousand, which on the day of signing the agreement was equivalent to EUR 9,262 thousand. The crediting period is 15 years, until the 28th of June, 2030. The interest rate of the credit is based on a variable rate EURIBOR1M + margin. The loan is secured by the conventional mortgage on the property, on which construction works are being implemented, a statement of submission to enforcement, power of attorney to accounts maintained in bank PEKAO S.A., cession of rights in the bank guarantee for contract good performance and for warranty obligations, cession of rights in the insurance policies, cession of rights under the lease agreement concluded between the borrower and Comarch S.A., and a surety granted by Comarch S.A. together with a declaration of submission to execution and power of attorney to accounts of Comarch S.A. conducted by PEKAO S.A. The credit should be taken out by the 28th of June, 2017. As at the 31st of December, 2016, the value of drawn loan was EUR 8,172 thousand, i.e. PLN 36,155 thousand (EUR 1,161 thousand, i.e. PLN 4,946 thousand as at 31st of December, 2015).
- l) In the first quarter of 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed an investment credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing and refinancing of 100% of net costs of an investment related to construction of data centre in Lille, France, but no more than 83.5% of the total net costs of the whole investment. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18th of September, 2023, the interest rate of the credit is based on a variable rate EURIBOR3M + margin. The credit should be taken out by the 18th of September, 2017. The credit is secured by: the conventional mortgage established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSEIV building), a statement of Comarch S.A. of submission to enforcement, power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A., cession of rights in the insurance policy of SSEIV building. As at the 31st of December, 2016, the value of drawn loan was EUR 1,101 thousand, i.e. PLN 4,429 thousand.

As at the 31st of December, 2016, the Group had liabilities due to credits and loans in the amount of PLN 174,800 thousand.

In 2016, all covenants under the loan agreements concluded by companies in the Comarch Group were met. The Parent Company's Management Board expects no problems in meeting them in the future.

10.2. Revolving credits

Według stanu na dzień 31 grudnia 2016 r. Spółka dominująca - Comarch S.A. posiadała limity kredytowe w rachunku bieżącym w wysokości 40 000 tys. PLN.

- credit limit in current account in bank Alior Bank Spółka Akcyjna (previously BPH S.A) with its registered office in Krakow in the amount of PLN 10,000 thousand. It can be used by the 31st of October, 2016. A blank promissory note and an authorization to manage Comarch S.A.'s accounts in Alior Bank Spółka Akcyjna (previously BPH S.A). Credit has a variable interest rate amounted to WIBOR1M+margin. As at the 31st of December, 2016, the credit was not used, as well as at the 31st of December, 2015.
- credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 30,000 thousand. It can be used by the 30th of June, 2018. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A. and a declaration of submission to enforcement are security for this credit. As at the 31st of December, 2016, the credit was not used, as well as at the 31st of December, 2015.

Other companies of the Comarch Group use the following revolving bank credits:

- In the first quarter of 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower) acquired nonrevolving credit from bank BGŻ BNP Paribas S.A with its registered office in Warsaw for financing of company's operations. The credit amounts to EUR 1,300 thousand, i.e. PLN 5,552 thousand, according to the euro exchange rate of the contract date. The crediting period may until 18th of November, 2017. Credit has a variable interest rate EURIBOR1M+margin. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A. and a declaration of submission to enforcement are security for this credit. As at the 31st of December, 2016, the value of the credit was EUR 160 thousand, i.e. PLN 708 thousand.

10.3. Loans

10.3.1. Loans Taken by Companies in the Comarch Group

Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o., in the fourth quarter of 2015, for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounted to PLN 6,266 thousand and drawdown was made in the first quarter of 2016. The loan reached its maturity date in September, 2016. The loan was not secured and was fully repaid in the third quarter of 2016.

Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o., in the third quarter of 2016, for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 12,980 thousand. Loan will reach its maturity date in October, 2021. The loan is not secured. As at the 31st of December, 2016, the value of the loan to be repaid amounted to PLN 10,415 thousand.

10.3.2. Loans Granted to Companies in Comarch Group

As at 31st of December, 2016, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company	Due date	Value	Currency	Interest	Value in PLN
Comarch Chile SpA	2019-12-31	1,200,000	USD	3.5640%	5,015,160
Comarch Yazilim A.S.	2018-06-30	250,000	EUR	2.0490%	1,106,000
Bonus Development Sp. z o.o. SK-A	2028-12-31	3,858,729	PLN	4.6200%	3,858,729
SoInteractive S.A.	2019-09-30	410,000	PLN	3.7900%	410,000
Total					10,389,889

The loan granted to Comarch Yazilim A.S. is covered by the revaluation write-offs.

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

As at the 31st of December, 2016, there are no unpaid loans as well as granted by companies of Comarch Group guarantees and sureties to members of the management and supervisory bodies and their related parties.

10.3.4. Loans Granted to Employees of Comarch Group

None present.

10.4. Suretyships

- a) Due to conclusion in August, 2010, of a contract with a customer by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. has granted a surety for the customer. This surety has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG. The value of the guarantee equals the value of the contract, i.e. approximately EUR 53,666 thousand. The financial conditions, that the surety was provided on, do not differ from the market conditions.
- b) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- c) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- d) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31st of December, 2021.
- e) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- f) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,682 thousand and is valid for the whole term of the contract.
- g) Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- h) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from Sachsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 263 thousand increased by interest for the period from the granting of the subsidy to its return. Taking the debt is valid till the 30th of August, 2018.
- i) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15th of May, 2020.
- j) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a

customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.

- k) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- l) Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.
- m) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- n) Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement in 2015, the total amount of granted surety is PLN 100 thousand and is valid till the 31st of May, 2017.
- o) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. approximately EUR 10 thousand monthly and is valid till the termination of the contract.
- p) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- q) Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The total amount of granted surety is PLN 50 thousand and is valid till the 31st of May, 2017.
- r) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- s) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and for a period of 5 years.
- t) Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until 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.
- u) Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus

Development Sp. o.o. SK-A funding in the amount of 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.

- v) Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, i.e. the 30th of August, 2018.
- w) Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety was granted up to the amount of PLN 10 thousand and is valid till the 14th of September, 2017.
- x) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- y) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- z) Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- aa) Due to conclusion of a contract by Comarch Inc., a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch S.A. granted a surety for Comarch Inc. The surety was granted up to the amount of USD 420 thousand and is expired due to termination of the contract.
- bb) 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.
- cc) 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.
- dd) 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 9,570 thousand and is valid for the duration of the contract.
- ee) 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.
- ff) Due to conclusion of a contract by Comarch SAS, a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch SAS was granted to the amount of EUR 2,414 thousand and is valid for the duration of the contract.

10.5. Bank Guarantees

On the 31st of December, 2016, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 37,671 thousand, whereas it was PLN 48,740 thousand on 31st of December, 2015.

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

On the 31st of December, 2016, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 392 thousand (PLN 1,734 thousand), whereas it was EUR 815 thousand (PLN 3,474 thousand) on the 31st of December, 2015.

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

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

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA (valid till the 31st of December, 2017), Comarch Healthcare S.A. (valid till the 31st of December, 2018), Comarch Malaysia SDN. BHD. (valid till the 31st of December, 2017) and without time limit, Comarch SAS (valid till the 4th of March, 2017), Comarch Argentina S.A. without time limit, and Comarch R&D S.à r.l. without time limit.

11. The Most Important Events in 2016 and after the Balance-Sheet Date

11.1. Contracts Significant for Issuers' Activities

The most important contracts signed in 2016 are:

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

On the 15th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. signed an agreement with SNC-LAVALIN S.A.S., for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building at 17 Rue Paul Langevin in Lezennes at the data center. The value of this agreement amounts to EUR 7,500 thousand net, i.e. PLN 32,118 thousand (exchange rate as of the date of signing the agreement). The planned completion date of this investment is the second quarter of 2017. The investment will be financed by a long-term loan. The Company announced about conclusion of the above-mentioned agreement in the current report no. 2/2016 dated the 15th of March, 2016.

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

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

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

2. On reconstruction of the SSE6 building (Studio 1) in the Special Economic Zone in Krakow. The subject of the contract is the reconstruction of the building from the warehouse to production purpose with road and technical infrastructure and the delivery of necessary materials and equipment. The contract value is PLN 4,350 thousand net. Completion of the investment was in the fourth quarter of 2016.

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

11.1.3. Investment Credit Agreement with BGŻ BNP Paribas

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

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

In connection with conclusion by Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower) on the 18th of March, 2016, a credit agreement with a bank BGŻ BNP Paribas S.A. (Comarch S.A. announced it in the current report 4/2016 dated the 18th of March, 2016), the value of contracts signed in the last 12 months between the entities of Comarch Group and entities of BNP Paribas Group exceeded 10% of the equity of Comarch S.A. as at the 31st of December, 2015, thus meeting the criterion of a significant contract. The highest value contract concluded with entities of BNP Paribas Group is Amendment No. 6 dated the 28th of May, 2015, to the contract for multipurpose credit line (hereinafter: the "Contract"). The value of the Contract is PLN 35,000 thousand. The Contract was concluded for a definite period until the 30th of May, 2016. The total value of all agreements concluded by the entities of Comarch Group with entities of BNP Paribas Group in the last 12 months amounted PLN 95,004 thousand. Comarch S.A. announced details in current report no. 5/2016 dated the 18th of March, 2016

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

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

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

cession of rights in the insurance policy of SSE7 building, concluded after the completion of the investment.

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

11.1.6. Conclusion of Significant Agreements with Telefonica Group

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

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

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

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

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

11.1.7. Investment Credit Agreement with DNB Bank Polska

The Management Board of Comarch S.A. announces that on the 19th of August, 2016, Comarch S.A. signed an investment credit agreement with bank DNB Bank Polska Spółka Akcyjna with its registered

office in Warsaw, for financing/refinancing 100% of net investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 30th of December, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 30th of December, 2016. The credit is secured by:

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

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

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

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

AFTER THE BALANCE SHEET DATE

11.1.9. Acquisition of Shares in Geopolis Sp. z o.o.

The Management Board of Comarch S.A. announced that on the 17th of March, 2017 Comarch S.A., has signed the letters of intent with Geopolis sp. z o.o. and it's shareholders aimed at setting conditions to carry out the following transactions:

- the disposal of 100% of shares in Geopolis sp. z o.o. for Comarch S.A.,
- the acquisition by Comarch S.A. of the whole copyrights to the ERGO software which belongs to the Geopolis sp. z o.o.,
- the recapitalization of Geopolis sp. z o.o. by Comarch S.A.

The above-mentioned transactions were to be carried out once the relevant conditions set out in the letters of intent had been fulfilled and the agreement on others terms had been reached until 31st of March, 2017. On 31st of March, 2017 it was announced that the deadline for fulfilment of the conditions set out in the letters of intent was postponed. On the 3rd of April, 2017, the conditions set out in letters of intent have been fulfilled. The total value of the transactions amounted to PLN 8.05 million.

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 surveying and cartographic resource database as well as geoportals. Acquiring of Geopolis sp. z o.o. will allow Comarch Group to expand the product portfolio dedicated to the public sector.

Comarch S.A. announced details in current reports no 2/2017 dated the 17th of March, 2017, no 4/2017 dated the 31st of March, 2017 and no 5/2017 dated the 4th of April, 2017.

11.2. Other

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

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

11.2.2. Establishment of a Mortgages on Assets of Comarch S.A.

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

On the 16th of September, 2016, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, dated the 8th of September, 2016, on registration of a mortgage with a value of EUR 16,665,800, i.e. PLN 71,866,262,76, as at the date of registration of the mortgage, established on the property owned by Comarch S.A. located in the Special Economic Zone in Krakow. The current book value of the real estate amounts to PLN 19,140,932,01.

The basis for registration of above mentioned mortgage is an investment credit agreement dated the 17th of May, 2016, concluded between a bank Bank Handlowy w Warszawie S.A. and Comarch S.A.

The Company announced details in the current reports no 8/2016 dated the 17th of May, 2016 and no 24/2016 dated the 16th of September, 2016.

AFTER THE BALANCE SHEET DATE

11.2.3. Request of Bank Pekao S.A. for PLN 100 million from CA Consulting S.A. Due to Improper Performance of an Agreement

The Management Board of Comarch S.A. announced on 23rd of March, 2017 that, CA Consulting S.A., a subsidiary of Comarch S.A., received the request for payment from Bank Pekao S.A. In the issued letter, the Bank called on CA Consulting S.A. to pay the amount of PLN 100 million resulting from improper performance of the Comprehensive Comarch Internet Banking Agreement (CIB) of 23rd of December, 2005. According to the Bank's letter the improper performance of the Agreement consists in the failure to meet by CA Consulting S.A. the parameters defined in SLA.

In the opinion of the Issuer the request directed to CA Consulting S.A. has neither justification nor grounds in the provisions of the Agreement of 2005. According to the Issuer, exceeding the parameters of the SLA results from the reasons attributable to the Bank which are beyond the control of CA Consulting S.A., including in particular the fact that the volume of transactions processed by the System repeatedly exceeded the project assumptions set out in the Agreement, as well as the lack of sufficient Bank investment in the modernization of the infrastructure, necessary for the functioning of the CIB System over the last nine years. The large part of currently existing infrastructure comes from 2008 and it has the same computing power as at that time, which is currently not enough for proper operation of the System. CA Consulting S.A. has repeatedly informed the Bank about this fact, including in writing, informing about necessity of revitalization and modernization work aimed at increasing initial performance benchmarks, as well as performing works adjusting the System to the number of processed transactions, among others in the letter of January 2017 from the Management

Board of Comarch S.A. to the Management Board of Pekao S.A., as well as from the Management Board of CA Consulting S.A. to the managers of Pekao S.A.

In accordance with the provisions of the Agreement, total liability limit of CA Consulting S.A. in any given calendar year will not exceed 100% of the remuneration due to services specified in the Agreement and received by CA Consulting S.A. in the given calendar year. The amount of request exceeds several dozen times the above mention limit and is not justified in any way in the letter.

Comarch S.A. announces that CA Consulting S.A. is going to take the necessary legal steps to confirm the unreasonableness of the claim submitted by the Bank, and also is going to pursue the claim for breach of good name of the Company.

CA Consulting S.A. also informs that still provides services under the Agreement concluded with the Bank.

According to the Management Board of Comarch S.A. this situation will not have significant impact on the operations and financial standing of the Comarch Group.

The Company announced details in the current report no 3/2017 dated the 23rd of March, 2017.

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

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

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

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

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

AG acquired 199,800 shares at the nominal price of BRL 1 each and currently holds a 20% stake with a total value of BRL 200 thousand. The capital increase was registered on the 14th of April, 2016.

On the 4th of May, 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S. The target capital of the company amounts to COP 3,600,000,000 (i.e. PLN 4,726,800 at the exchange rate of 4.05.2016) and consists of 3,600,000 shares with a nominal value of COP 1,000 each. On the day of publication of the report, the share capital amounts to COP 182,000,000 (i.e. PLN 256,802 at the exchange rate of 31.12.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital).

On the basis of the agreement concluded on the 31st of August, 2016, Comarch AG returned shares of Comarch Software und Beratung AG borrowed from the entity outside the Group. On the 12th of December, 2016, Comarch AG purchased 166,719 shares of Comarch Software und Beratung AG from the entity outside the Group, which constituted 2.68% of the company's share capital. The value of the transaction amounted to EUR 1,430 thousand. As a result of the above transaction, Comarch AG owns 100% of Comarch Software und Beratung AG.

On the 18th of October, 2016, there was a breakdown of investment certificates of Comarch Corporate Finance Closed Investment Fund (CCF FIZ) in a ratio of 1:1,000 and thereby 1 investment certificate of the Fund before the split will correspond to 1,000 investment certificates after the split. After this operation, Comarch S.A. owned 4,000 investment certificates, instead of previous 4, which represented 100% of investment certificates in CCF FIZ. On the 22nd of December, 2016, within the allocation of CCF FIZ investment certificates from the new issue of Series B, Comarch S.A. acquired 17 CCF FIZ investment certificates Series B at the issue price of PLN 29,607 per one certificate, i.e. at total issue price of PLN 503,319. As a result of the allocation and acquisition of certificates Series B, as of the 31st of December, 2016, Comarch S.A. holds in total 4,017 CCF FIZ investment certificates, representing 100% of the total number of certificates.

On the 11th of November, 2016, an application was submitted to the registry authority for registration of the company Comarch Peru S.A.C. with its registered office in Lima, Peru. On the 14th of December, 2016, a company Comarch Perú S.A.C headquartered in Lima, Peru was registered. The share capital of the company amounts to PEN 165,000 (i.e. PLN 203,115 at the date of registration) and consists of 165,000 shares with a nominal value of PEN 1 each. Comarch AG holds a 95% of shares, while Comarch S.A. holds 5% of shares of Comarch Perú S.A.C.

On the 21st of November, 2016, there was an increase in share capital of Comarch Argentina S.A. from the amount of ARS 100,000 to ARS 3,298,195, i.e. ARS 3,198,195 (i.e. PLN 856,157 at the exchange rate as of the 21st of December, 2016) through the issue of 3,198,195 common, nominative, non-endorsable shares with a nominal value of ARS 1 for one share. Issued shares were acquired by existing shareholders of Comarch Argentina S.A., i.e. Comarch S.A. acquired 3,038,285 shares, while Comarch AG acquired 159,910 shares. As a result of the capital increase the percentage shareholding structure of Comarch Argentina S.A. has not changed - Comarch S.A. holds 3,133,285 shares (95% of the share capital), while Comarch AG holds 164,910 shares (5% of the share capital). Until the date of publication of this report the capital increase has not been registered.

12.2. Real Estates

On the 16th of June, 2015 an agreement on the building investment in Łódź was made between Bonus Development spółka z ograniczoną odpowiedzialnością S.K.A., a subsidiary of Comarch S.A. and Skanska S.A. The subject of the agreement is the construction of office building together with the rebuilding and change of usage of the adjacent former factory building, located in Łódź, 76/78 Jaracza Street including traffic and technical infrastructure and the supply of building materials and machinery. The total space of the building will be 9,906.20 m². The net value of the agreement amounts to PLN 37,883 thou. The investment was completed in the first quarter of 2017. Capital expenditures incurred in connection with the above mentioned agreement until the 31st of December, 2016, amounted to PLN 35,418 thousand.

The office building that was purchased by Comarch S.A.S. in Lille is the new office of the company. On the 15th of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. signed an agreement with SNC-LAVALIN S.A.S., for the realization of the construction investment in Lille, France. The subject of the contract is the alteration of the warehouse building at 17 Rue Paul Langevin in Lezennes in the data center. The value of this agreement amounts to EUR 7,500 thousand net, i.e. PLN 32,118 thousand (exchange rate as of the date of signing the agreement). Investment expenditures incurred in connection with the above-mentioned agreement until the 31st of December, 2016, amounted to EUR 1,384 thousand, i.e. PLN 6,122 thousand at the exchange rate at the 31st of December, 2016. The planned completion date of this investment is the second quarter of 2017. The investment is financed by a long-term bank credit.

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

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

The total value of contracts signed with the Budimex S.A. amounted to PLN 74,054 thousand net.

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

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 following tax allowances:

- During the first 6 years of commercial operations in the zone, the income from such activity is free from income tax,
- After this period of time, but not later than until the date specified in the permit, half of the income obtained is free from income tax.

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

As a result of Poland joining the European Union, an Act was passed on the 2nd of October, 2003, that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item

1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before the 1st of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until the 31st of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1st of January, 2001, is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid cannot exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. from the 22nd of March, 1999, to the 31st of December, 2006.

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

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

The company holds also another permit for operating in the special economic zone in Krakowski Park Technologiczny, issued in 2007, valid till the 31st of December, 2017.

In 2013 and in 2016, the Company obtained another three permits for operating in the special economic zone in Krakowski Park Technologiczny. That permits do not specify their validity date. At the same time the company emphasises that on the 23rd of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

Pursuant to IAS 12, unused tax relief as at the 31st of December, 2016, constitutes a deferred income tax asset. In the second quarter of 2016 the investment relief in respect of the permit obtained in 1999 was fully used. Limit of the unused investment relief in respect of the authorization obtained in 2007 as at the 31st of December, 2016, (discounted as at the permit date), is PLN 19,801 thousand. Limit of the unused investment relief in respect of the authorization obtained in 2013 as at the 31st of December, 2016, (discounted as at the permit date), is about PLN 29,000 thousand. Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over five years (including the year for which the financial statement is prepared).

14. Resolutions of the AGM and the Board of Supervisors

14.1. Corporate Governance Principles

Pursuant to the 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 announced in EBI current report no. 3/2016 that on the 16th of May, 2016, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2016 in which projects of the resolutions at the AGM, to be held on the 15th of June, 2016, are given positive opinions.

Pursuant to the detailed principle number II.Z.10 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board conveyed in EBI current report no. 2/2016 the report on the activities of the Supervisory Board of Comarch S.A., an assessment of the Company's situation in 2015 including assessment of the Company's internal system control and risk management in the Company, an assessment of the Company's compliance with the disclosure obligations concerning compliance with the corporate governance principles, as well as the report on the sponsorship or charity activities carry out of the Company.

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

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

On the 16th of May, 2016, pursuant to 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 11:00 o'clock on the 15th of June, 2016, at ul. Prof. Michała Życzkowskiego 23 in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402 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: 30th of May, 2016,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The Company's website and e-mail address.

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

b) Content of the Resolutions Passed at the AGM

The AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the Company's financial statement for the fiscal year 1.01.2015 - 31.12.2015;
- approving the report of the Management Board regarding the activities of the Company in 2015;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2015 - 31.12.2015;

- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2015;
- approving the activity report of the Company's Board of Supervisors for the fiscal year 2015, including assessment of the Company's situation;
- distribution of the Company's net profit for the fiscal year 1.01.2015 - 31.12.2015;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2015 - 31.12.2015;
- appointment of the Members of the Board of Supervisors:
 - Elżbieta Filipiak – Chairman of the Supervisory Board,
 - Maciej Brzeziński – Vice-Chairman of the Supervisory Board,
 - Robert Bednarski – Member of the Supervisory Board,
 - Danuta Drobnik – Member of the Supervisory Board,
 - Wojciech Kucharzyk – Member of the Supervisory Board,
 - Anna Ławrynowicz – Member of the Supervisory Board,
 - Anna Pruska – Member of the Supervisory Board.
- appointment of the Members of the Management Board:
 - Janusz Filipiak – Chairman 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.
- changes in the Company's Statute. Changes in the Company's Statute were registered by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register on the 29th of August, 2016 (current report no 23/2016 dated the 6th of September 2016).

The full content of the resolutions and details related to the appointment of the Members of the Board of Supervisors as well as appointment of the Members of the Management Board were published on in the current reports no. 9/2016, no. 10/2016 and 11/2016, dated the 15th of June, 2016.

c) Resolution of the AGM Regarding Dividend for 2015

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

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

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

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

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

15. Operations on Comarch S.A. Shares

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

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

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

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

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

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

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

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

AFTER THE BALANCE SHEET DATE

None present.

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

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

5,569,027 votes at the General Shareholders Meeting, which constitutes 36.82% of total votes at the General Shareholders Meeting of the Company.

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

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

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

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

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

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

15.3. 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 20.2 of the statement.

AFTER THE BALANCE SHEET DATE

None present except for those mentioned in point 20.3 of the statement.

17. Other Events in 2016 and after the Balance Sheet Date

17.1. Dates of Periodical Financial Reports in 2016

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19th of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. 1/2016 dated the 18th of January, 2016, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2016.

AFTER THE BALANCE SHEET DATE

17.2. Dates of Periodical Financial Reports in 2017

In the current report no. RB-1-2017 dated the 5th of January, 2017, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2017:

- Q4 2016 - on 1st of March, 2017
- Q1 2017 - on 22nd of May, 2017
- Q3 2017 - on 17th of November, 2017
- Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2017 - on 31st of August, 2017
- Annual report for 2016 - on 28th of April, 2017
- Consolidated annual report for 2016 - on 28th of April, 2017

17.3. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of January, 2017 and the 28th of April, 2017, Comarch S.A. concluded forward contracts for the sales of RUB 76,000 thousand. The total net value of open forward contracts as of the 28th of April, 2017 amounted to EUR 33,560 thousand, USD 17,300 thousand, GBP 100 thousand and RUB 64,000 thousand. The open forward contracts as of the 28th of April, 2017 were valued at plus PLN 14,706 thousand. The contracts will be settled within 33 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, as well as to secure cash flows from an investment loan granted in euro, but run in PLN.

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

The strategic development directions in the Comarch Group are:

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

19. Achievements within Research and Development

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

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 169.1 million, thus reached 15.2% of revenue in 2016. Comarch allocated their internal funds as well as acquired actively European funds.

Comarch S.A.

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

Under the **Operational Programme Intelligent Development** Measure 1.1 “R&D projects of enterprises”, Sub-Measure 1.1.2 “R&D works for the production of pilot/demonstration plant”, the “City of health” project was implemented.

Whereas under the Measure 2.1 Support for investment of R&D infrastructure of enterprises, it was implemented the project: “Research and development facility for Internet of Things”.



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Comarch Healthcare S.A.

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



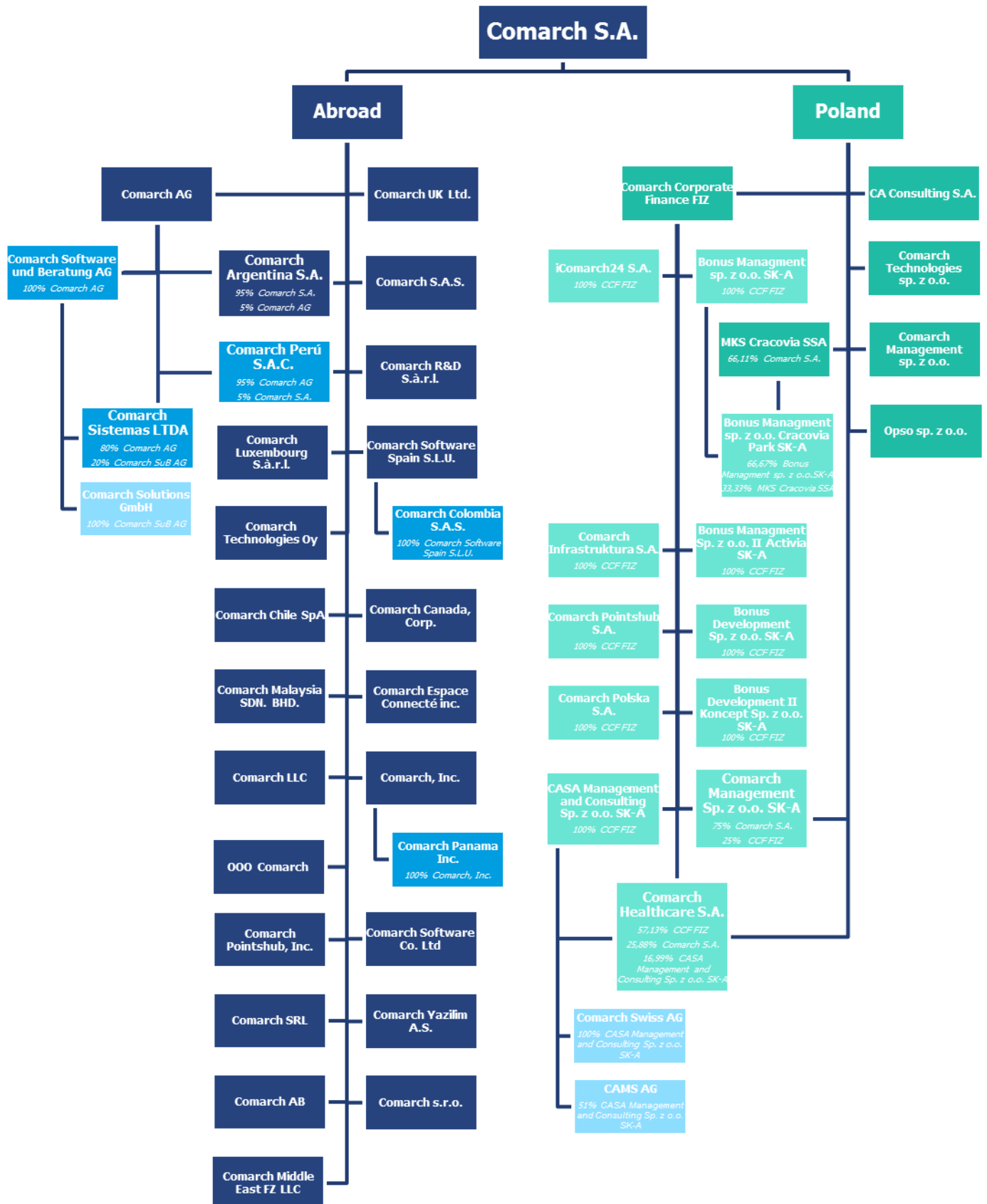
Within the Program of Applied Research the implementation of the project "Research on spatial navigation methods in endoscopic diagnosis of peripheral lung nodule" was continued, in which Comarch Healthcare S.A. is a partner.



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

20. Capital Affiliations of the Issuer

20.1. Capital Structure of the Comarch Group



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

20.2. Changes in Ownership and Organisational Structure in 2016

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

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

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

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

On the 4th of May, 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S. The target capital of the company amounts to COP 3,600,000,000 (i.e. PLN 4,726,800 at the exchange rate of 4.05.2016) and consists of 3,600,000 shares with a nominal value of COP 1,000 each. On the day of publication of the report, the share capital amounts to COP 182,000,000 (i.e. PLN 256,802 at the exchange rate of 31.12.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

On the 23rd of August, 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each. Shares of N series were acquired and paid in full by Comarch S.A. at the issue price of PLN 10 per share, i.e. at a total issue price of PLN 21,000,000, of which PLN 18,900,000 was transferred for the supplementary capital of Comarch Healthcare S.A. as a share premium. As a result of the above mentioned operations, the shareholders of Comarch Healthcare S.A. at the date of this report are CCF FIZ (57.13% of the share capital), Comarch S.A. (25.88% of the share capital) and CASA Management and Consulting sp. o.o. SKA (16.99% of the share capital).

On the basis of the agreement concluded on the 31st of August, 2016, Comarch AG returned shares of Comarch Software und Beratung AG borrowed from the entity outside the Group. On the 12th of December, 2016, Comarch AG purchased 166,719 shares of Comarch Software und Beratung AG from the entity outside the Group, which constituted 2.68% of the company's share capital. The value of the transaction amounted to EUR 1,430 thousand. As a result of the above transaction, Comarch AG owns 100% of Comarch Software und Beratung AG.

On the 18th of October, 2016, there was a breakdown of investment certificates of Comarch Corporate Finance Closed Investment Fund (CCF FIZ) in a ratio of 1:1,000 and thereby 1 investment certificate of the Fund before the split will correspond to 1,000 investment certificates after the split. After this operation, Comarch S.A. owned 4,000 investment certificates, instead of previous 4, which represented 100% of investment certificates in CCF FIZ. On the 22nd of December, 2016, within the allocation of CCF FIZ investment certificates from the new issue of Series B, Comarch S.A. acquired 17 CCF FIZ investment certificates Series B at the issue price of PLN 29,607 per one certificate, i.e. at total issue price of PLN 503,319. As a result of the allocation and acquisition of certificates Series B, as of the 31st of December, 2016, Comarch S.A. holds in total 4,017 CCF FIZ investment certificates, representing 100% of the total number of certificates.

On the 11th of November, 2016, an application was submitted to the registry authority for registration of the company Comarch Peru S.A.C. with its registered office in Lima, Peru. On the 14th of December, 2016, a company Comarch Perú S.A.C headquartered in Lima, Peru was registered. The share capital of the company amounts to PEN 165,000 (i.e. PLN 203,115 at the date of registration) and consists of 165,000 shares with a nominal value of PEN 1 each. Comarch AG holds a 95% of shares, while Comarch S.A. holds 5% of shares of Comarch Perú S.A.C.

On the 21st of November, 2016, there was an increase in share capital of Comarch Argentina S.A. from the amount of ARS 100,000 to ARS 3,298,195, i.e. ARS 3,198,195 (i.e. PLN 856,157 at the exchange rate as of the 21st of December, 2016) through the issue of 3,198,195 common, nominative, non-endorsable shares with a nominal value of ARS 1 for one share. Issued shares were acquired by existing shareholders of Comarch Argentina S.A., i.e. Comarch S.A. acquired 3,038,285 shares, while Comarch AG acquired 159,910 shares. As a result of the capital increase the percentage shareholding structure of Comarch Argentina S.A. has not changed - Comarch S.A. holds 3,133,285 shares (95% of the share capital), while Comarch AG holds 164,910 shares (5% of the share capital). Until the date of publication of this report the capital increase has not been registered.

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

On the 19th of March, 2017, Comarch Saudi Arabia Co. with its registered office in Riyadh in Saudi Arabia was registered with a share capital of SAR 1 million consisting of 1,000 shares with a value of SAR 1,000 each. Comarch S.A. holds 95% of shares and Comarch Infrastruktura S.A. holds other 5% of shares.

On 27th of March, 2017, the Extraordinary General Meeting of Comarch Healthcare S.A. has adopted a resolution about the increase of the share capital by PLN 2,000 thousand, i.e. from PLN 8 114,806.00 thousand to PLN 10,114,806.00 thousand. Comarch Software und Beratung AG acquired in its entirety a new share issue, i.e. 2 million shares with a nominal value of PLN 1.00 and an issue price of PLN 10.00 per share.

On 3rd of April, 2017 Comarch S.A. acquired 100% of shares of Geopolis sp. z o.o., acquired the whole copyrights to the ERGO software which belongs to the Geopolis sp. z o.o. and committed itself to recapitalization of Geopolis sp. z o.o. The total value of the transactions amounted to PLN 8.05 million. 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 surveying and cartographic resource database as well as geoportals. Acquiring of Geopolis sp. z o.o. will allow Comarch Group to expand the product portfolio dedicated to the public sector.

20.4. Characteristics of Companies in the Comarch Group

The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A is 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 Software (Shanghai) Co. Ltd. and Comarch Saudi Arabia Co. acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
 - Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
 - Comarch Polska S.A. acquires IT contracts in domestic market, mostly in public sector and executes them in their entirety or in part;
 - Comarch Technologies sp. z o.o. is responsible for developing technologies related to design and production of electronic devices and related software;
 - CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
 - Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty conducts investment activity (through its subsidiaries) in the scope of new technologies and services, as well as investment activities on capital market;
 - Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A., Bonus Management sp. z o.o. II Activia SK-A and Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;
 - The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;
 - Comarch Healthcare S.A. manufactures and sells software related to medicine, medical devices, and provides medical and diagnostics services, as well as manufactures and delivers comprehensive IT solutions for medical sector;
 - Comarch Pointshub S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
 - Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
 - iComarch24 S.A. conducts IT projects related to e-accounting and e-commerce, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
 - Geopolis sp. z o.o. produces and implements integrated GIS systems in public administration units.
 - MKS Cracovia SSA is a sport joint stock company;
 - „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activity in relation to sport;
 - Opso sp. z o.o. provides catering services;
 - Comarch s.r.o. is currently not operating.

PARENT COMPANY

Company: **Comarch Spółka Akcyjna COMARCH**
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a
Regon (Polish National Official Register of Business Entities): 350527377
NIP (Polish Identification Tax Number): 677-00-65-406

The Parent Company - shares of the company are admitted to trading in the Warsaw Stock Exchange and are held, according to the knowledge of the company as at the date of preparation of this report, by Janusz Filipiak (32.88% of shares), Elżbieta Filipiak (10.40% of shares), members of the Management Board (1.13%).

The company has branches in Krakow, Warsaw, Poznań, Gdańsk, Wrocław, Katowice, Gliwice, Rzeszów, Bielsko-Biała, Białystok, Łódź, Lublin, Tarnów, Kielce and Tirana (Albania).

SUBSIDIARIES

Company: **Comarch AG COMARCH**

Address: Chemnitzer Str. 59b, 01187 Dresden, Germany
VAT ID: DE 206 522075

The company's share capital is EUR 15,000,000.00. It consists of 15,000,000 ordinary bearers' shares of nominal value of EUR 1 each, held by Comarch S.A. Total number of votes resulting from Comarch AG shares amounts to 15,000,000. Comarch S.A. holds 100% shares and votes at the company's general annual meeting. The company's business is the sale and implementation of IT solutions Comarch on the DACH market. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch AG is Comarch S.A.'s subsidiary.

Company: **Comarch Software und Beratung AG (Comarch SuB) 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 S.A.S. COMARCH**
Address: 17 rue Paul Langevin, 59260 Lezennes, France
VAT ID: FR 20500252606

Comarch S.A. holds 100% of Comarch SAS shares, that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch SAS amounts to EUR 3,308,429. On 10th of December, 2015 the share capital was lowered to cover losses from previous years and at the same time share capital was increased to the amount of EUR 3,308,429. On the 10th of December, 2015, the company sold its shares of Comarch R&D SARL to Comarch S.A. The company's business is the sale and implementation of Comarch IT solutions in the French-speaking market. Pursuant to the Act on Accounting dated the 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 nº 1.089
Vila Gertrudes, Sao Paulo, Brasil
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. Comarch AG holds 80% of Comarch Sistemas LTDA shares that constitute 80% of the share capital and 80% of votes at the meeting of shareholders and Comarch Software und Beratung AG holds remaining 20% of Comarch Sistemas LTDA shares. Pursuant to the Act on Accounting dated the 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. 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. 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

The company's share capital is AED 200,000 and is divided into 200 shares of AED 1,000 each (as at the 28th of December, 2016, AED 1 is worth PLN 1,1497). 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. Comarch S.A. acquired a share of MYR 1. Comarch S.A. owns 100% share in the share capital, which entitle to 100% votes at the AGM. The company's business is the sale and implementation of Comarch IT solutions in the Asian market. Pursuant to the Act on Accounting dated the 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 500,000 and is divided into 50,000 shares of nominal value of EUR 10 each. Comarch S.A. holds 100% of shares in the company's share capital and 100% votes at the AGM of the company. The company's business is the sale and implementation of Comarch IT

solutions in the Spanish-speaking markets. Pursuant to the Act on Accounting dated the 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/ Stambuł, Turkey
VAT ID: 2110683747

The company's share capital is TRY 600,000 (1 TRY amounts to PLN 1.1867 as of the 31st of December, 2016) 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 700,000. Comarch S.A. holds 100% of the company's shares. The company's business is the sale and implementation of Comarch IT solutions in the Italian market. Pursuant to the Act on Accounting dated the 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 30th of December, 2016, UAH 1 amounts to PLN 0.1542). 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: **OOO Comarch COMARCH**
Address: Prechistensky Pereulok 14 building 1, 119034 Moscow, Russia
VAT ID: INN/KPP 7704545099/770401001

The company's share capital is worth RUB 1,200,000 and it corresponds to 1 share at nominal value of RUB 1,200,000 (as at the 30th of December, 2016, RUB 1 amounts to PLN 0.068). 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 is currently not operating. 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 (formerly Comarch Oy) COMARCH**
Address: Tekniikantie 14
02150 Espoo, Finland

VAT ID: FI23730145

The company's share capital is worth EUR 50,000 and is divided into 50,000 shares of nominal value of EUR 1. Total number of votes resulting from all company's shares amounts to 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the Finnish market. Pursuant to the Act on Accounting dated 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 in the British market. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch UK is Comarch S.A.'s subsidiary.

Company: **Comarch Chile SpA COMARCH**
Address: Apoquindo N° 3650, piso 12 Santiago, Chile
VAT ID:

The company's share capital is CLP 161 million (as at the 30th of December, 2016, CLP 1 amounts to PLN 0.6268). 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 30th of December, 2016, SEK 1 amounts to PLN 0.4619). 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, 2° Floor, Buenos Aires, Argentina
CUIT: 30-71425465-7

The company's share capital is ARS 3,499,580 (as at the 28th of December, 2016, ARS 1 amounts to PLN 0.2719). 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 Technologies sp. z o.o. COMARCH**
Address: **(Polish law limited liability company)** Technologies
31-864 Krakow,
Aleja Jana Pawła II 39 a
Regon (Polish National Official Register of Business Entities): 300075359
NIP (Polish Identification Tax Number): 2090000305

The company's share capital is PLN 50,000 and is divided into 500 shares of PLN 100 each. They entitle to 500 votes at the company's annual general meeting. Comarch S.A. holds 100% shares which entitle to 100% votes at the company's annual general meeting. Comarch Technologies sp. o.o. is engaged in the development of secure solutions for end-to-end hardware and software for B2B customers. The basis for development is the experience gained in the field of prototyping, production and quality control of solutions in the area of consumer electronics and industries like automotive, medical and finance & banking. Pursuant to the Act on Accounting dated the 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 300,000 and consists of 3,000 shares of nominal value of PLN 100 each. They entitle to 3,000 votes. Comarch S.A. holds 100% of Comarch Management sp. z o.o. shares entitling to 100% of votes at the shareholders' meeting of the company. The subject matter of activities of Comarch Management sp. z o.o. are investment activities on capital and IT market. Pursuant to the Act on Accounting dated the 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)
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 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**
Address: 31-008 Kraków, ul. Rynek Główny 15
Regon (Polish National Official Register of Business Entities): 120641766
NIP (Polish Identification Tax Number): 676-23-69-528

The company's share capital is PLN 2,879,400 and is divided into 2,876,400 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 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)**
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)**
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 800,000 and is divided into 800,000 shares with nominal value of PLN 1 each. Bonus Management spółka z ograniczoną odpowiedzialnością SKA holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). Bonus Management sp. z o. o. Cracovia Park SKA conducts investment activities in real estates and related to sports and recreation. Pursuant to the Act on Accounting dated the 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)**


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)**

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).

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 10,114,806 and is divided into 10,114,806 shares of nominal value of PLN 1. These shares entitles to a total of 10,114,806 votes at the general meeting of shareholders. CCF FIZ holds 45.83% of the company's shares (45.83% of votes), Comarch S.A. holds 20.76% of the company's shares (20.76% of votes), Comarch Software und Beratung AG holds 19.77% of the company's shares (19.77% of votes) and CASA Management and Consulting sp. z o.o. SKA holds 13.63% of shares (13.63% of votes). The company is one of the leading Polish manufacturers and suppliers of comprehensive solutions for the health sector, conducts IT projects related to telemedicine, as well as owns the Medical Center iMed24. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Healthcare S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Polska S.A.  (joint stock company)**

Address: 31-864 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 Pointshub S.A. (joint stock company)**

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

Company: **Comarch Infrastruktura S.A. (joint stock company)**
Address: 31-864 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)**
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: **Comarch Swiss AG**
Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland
VAT ID: 472274

The company's share capital is CHF 300,000 and is divided into 300 registered shares of nominal value of CHF 1,000 each. They entitle to 300 votes at the general meeting. 100% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. The company sells the Comarch Group's products in Switzerland. Pursuant to the Act on Accounting dated the 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**
Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland
VAT ID: CHE-273.360.056

The company's share capital is CHF 100,000 and is divided into 1,000 registered shares of nominal value of CHF 100 each. They entitle to 1,000 votes at the general meeting. 51% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. Pursuant to the Act on Accounting dated the 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: **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 21,840,100 PLN and is divided into 218,401 shares. Comarch S.A. holds 144,381 shares and 144,381 votes at the AGM of MKS Cracovia SSA that constitute 66.11% of the company's share capital. The company conducts sports activities. Pursuant to the Act on Accounting dated the 29th of September, 1994, MKS Cracovia SSA is Comarch S.A.'s subsidiary.

Company: **Comarch Colombia SAS COMARCH**
Address: Calle 72 NO 10-07 Of 603 Bogota D.C.
Bogota, Colombia
VAT ID: NIT 900967807-1

The company's share capital is COP 182,000,000. 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 SAC. 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 165,000 of which PEN 8 250 was paid by Comarch S.A. and the other PEN 156 750 by Comarch AG. 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 Saudi Arabia Co. COMARCH**
Address: 1st Floor, The Plaza Complex, Olaya Street, Olaya, P.O. Box 84421,
Riyadh 11671, Kingdom of Saudi Arabia
License No.: 210380472112

The company's share capital is SAR 1,000,000. Comarch SA holds 95% of Comarch Saudi Arabia Co. shares and Comarch Infrastruktura S.A. holds remaining 5% of Comarch Saudi Arabia Co. shares. Pursuant to the Act on Accounting dated the 29th of September, 1994, Comarch Saudi Arabia Co. is Comarch S.A.'s subsidiary.

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 SA 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 surveying and 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.

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).

Company: **Thanks Again LLC** 

Address: 1015 Tyrone Road, Suite 820, Tyrone, GA 30290
Regon (Polish National Official Register of Business Entities): 120629191
NIP (Polish Identification Tax Number): 676-23-66-843

Comarch S.A. holds 42.5% of Thanks Again LLC shares (42.5% of votes). Thanks Again LLC is an operator of loyalty systems for airports in North America. Pursuant to the Act on Accounting dated the 29th of September, 1994, Thanks Again LLC is Comarch S.A.'s associate (through Comarch Pointshub Inc.).

21. Non-Financial Data Report

On 28th of April, 2017 the Company has published on the website www.comarch.pl Consolidated Non-Financial Data Report for 2016.

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 Group has not published the results forecast for 2016.

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 Asset

Over 2016, dissolved in part an asset due to activities in the SEZ that was worth PLN 10,441 thousand and established as at the 31st of December, 2015. At the same time, the Parent Company recognised an asset in the amount of PLN 9,936 thousand. This asset will be gradually resolved over 2017 in proportion to achieved income, due to activities in SEZ in this period of time.

During 2016, the Group settled in part a deferred tax asset related to temporary differences, that was presented on the 31st of December, 2015, and worth PLN 8,859 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 6,782 thousand. An asset due to tax loss was recognised and dissolved in the amount of PLN 4,157 thousand. The total effect of the above-mentioned operations on the net result of 2016 was + PLN 1,575 thousand.

24.2. Valuation of Currency Translation Differences

The influence of currency exchange rates on revenue and results of the Comarch Group in 2016 was moderate. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31st of December, 2016, increased revenue and operating result of the Comarch Group by PLN 6,795 thousand (while for 2015 increased by PLN 1,590 thousand). Other exchange differences decreased by PLN 3,796 thousand Comarch's result (while for 2015 increased by PLN 481 thousand). Total currency translation differences resulted in an increase of PLN 2,999 thousand in the Comarch Group's net result for 2016 (while for 2015 increased by PLN 2,008 thousand).

24.3. Write-off Revaluing Receivables

As at the 31st of December, 2016, the Group recognized an impairment loss of trade receivables in the amount of PLN 31,275 thousand and reversed previously created write-offs in the amount of PLN 23,092 thousand due to the settlement of debts. These operations were included respectively in other operating income and expenses in the profit and loss account.

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

Taking into account Thanks Again, LLC - an associate of Comarch S.A. - in the financial results of 2016 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 8,145 thousand (while for 2015 decreased by PLN 9,060 thousand), of which PLN 8,415 thousand is related with the current activity of Thanks Again LLC. There was no revaluation of the value of the acquired shares (PLN 5,584 thousand for 2015).

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

With resolution no. 1/06/2015, dated the 26th of June, 2015, the Supervisory Board of Comarch S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. to audit and review the financial statements of Comarch S.A. Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k., with its registered seat in Warsaw at ul. Jana Pawła II 19, is registered at no. 73 in the list of entities entitled to audit financial statements. Comarch S.A. has used the services of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. within the scope of reviewing the financial statements for the first 6 months of 2006-2009 and 2011-2014, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A for 2006- 2009 and 2011-2014.

A two-year agreement was concluded within the scope of:

- Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2015 and the first 6 months of 2016;
- Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A for 2015 and 2016.

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
2016			
Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.			
1.	Obligatory audit of annual financial statements for 2016	-	135 000,00 PLN

2.	Review of half-year financial statement for H1 2016 and agreed additional costs related to consolidation process	80 000,00 PLN	-
3.	Tax advisory services for Comarch S.A.	-	-
4.	Other services for Comarch S.A.	8 000,00 PLN	-
5.	Other services for other entities in Comarch Group	15 000,00 PLN	-

2015

Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.

1.	Obligatory audit of annual financial statements for 2015 and agreed additional costs related to consolidation process	135 000,00 PLN	-
2.	Review of half-year financial statement for H1 2015 and agreed additional costs related to consolidation process	80 000,00 PLN	-
3.	Tax advisory services for other entities in Comarch Group	32 052,65 PLN	-
4.	Other services for other entities in Comarch Group	36 050,00 PLN	-

28. Systems that Control Employees Shares Programmes

None present.

29. Significant Legal, Arbitration or Administrative Proceedings

29.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities

None present.

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

None present.

Kraków, 28th of April, 2017

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

Comarch S.A.

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