



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

1.	Information about the Company	6
1.1.	Shareholders Holding at Least 5% of the Total Number of Votes at the General Meeting of Comarch S.A.	6
1.2.	Comarch S.A.'s Board of Supervisors and Management Board	7
2.	Basic Economics and Financial Values.....	9
2.1.	Selected Financial Data.....	9
2.2.	Employment and Production Capacity of Comarch S.A.....	10
2.3.	Comarch S.A. Stock Price Performance	11
3.	Products and Services Offered by Comarch in 2019	12
3.1.	Telecommunications Sector.....	12
3.2.	Finance, Banking and Insurance Sector.....	16
3.3.	ERP Sector	17
3.4.	Public Sector.....	19
3.5.	Services Sector	20
3.6.	Comarch e-Health	24
4.	Position of the Group in the IT Market and Information about Markets and Sources of Supply.....	24
5.	Sales Structure.....	24
5.1.	Przychody ze sprzedaży - struktura geograficzna (w tys. PLN).....	24
5.2.	Revenue from Sales – Market Structure (in thousands of PLN)	25
5.3.	Revenues from Sales – Products Structure (in thousands of PLN)	26
6.	Factors Essential for Development of the Issuer	26
6.1.	Internal Factors	26
6.2.	External Factors.....	27
7.	Other Significant Factors, including Risks and Threats	28
7.1.	Credit Risk.....	28
7.2.	Risk of Change in Interest Rates	28
7.3.	Risk of Fluctuation in the Exchange Rates	28
7.4.	Financial Liquidity Risk.....	28
8.	Perspectives of Development in the Company and Anticipated Financial Situation in 2020	28
9.	Financial Analysis	30
10.	Credits, Loans, Suretyships, Bank Guarantees	35
10.1.	Non-Revolving Credits	35
10.2.	Revolving Credits	36
10.3.	Loans.....	36
10.4.	Loans Granted by Comarch S.A.	38
10.5.	Suretyships.....	39
10.6.	Bank Guarantees.....	42
11.	The Most Important Events in 2019 and after the Balance-Sheet	43
11.1.	Contracts Significant for Issuers' Activities.....	43

11.2. Other	44
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	48
12.1. Capital Investments	48
12.2. Real Estates	48
13. Resolutions of the AGM and the Board of Supervisors	48
13.1. Corporate Governance Principles	48
13.2. Annual General Meeting – 26 th of June 2019.....	48
14. Operations on Comarch S.A. Shares	50
14.1. Purchase/Disposal Transactions on Comarch S.A. Shares.....	50
14.2. Managerial Option Program for Members of the Management Board.....	51
15. Other Events in 2019 and after the Balance Sheet Date	51
15.1. Dates of Periodical Financial Reports in 2019.....	51
15.2. The Management Board Statement regarding the Corporate Governance Principles.....	52
15.3. Dates of Periodical Financial Reports in 2020.....	52
15.4. Forward Contracts Concluded after the Balance Sheet Date	52
16. Achievements within Research and Development	52
17. Capital Affiliations of the Issuer	54
17.1. Capital Structure of the Comarch Group	54
17.2. Changes in Ownership and Organisational Structure in 2019.....	55
17.3. Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date	55
18. Branches of Comarch S.A.	55
19. Non-business Activities of Comarch S.A.	56
19.1. The Scope of the Comarch S.A.'s Impact on the Environment	56
19.2. Description of the Conducted Policy in the Field of Sponsorship and Charity	56
20. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions	57
21. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before	57
22. Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal.....	58
22.1. Deferred Tax Assets and Deferred Tax Provisions	58
22.2. Valuation of Exchange Differences and Financial Instruments Based on Exchange Rates	58
22.3. Write-offs due to Losses in Value in Subsidiaries.....	58
22.4. Received Dividends	58

22.5. Release of provisions due to contractual penalties and compensations.....	58
23. Changes in Methods of Company Management and Its Capital Group Management.....	58
24. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements.....	58
25. Systems that Control Employees Shares Programmes	59
26. Significant Legal, Arbitration or Administrative Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary with an Indication of the Subject Matter of the Proceedings, the Value of the Matter of the dispute, the Date of Initiation of the Proceedings, the Parties to the Initiated Proceedings and the Issuer's Opinion on the Matter.....	59

**PLN 57.6
million of net
profit**

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

**PLN 951.7
million of
sales revenue**

**5,000
professionals
employed**

**56
companies
worldwide**

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

**6.1% of net
margin**

1. Information about the Company

Name of the company:	Comarch Spółka Akcyjna („Company”)
Address of the company:	31-864 Kraków, Aleja Jana Pawła II 39 A
Telephone:	(12) 646 10 00
Fax:	(12) 646 11 00
Regon (the National Official Register of Business Entities):	350527377
Tax identification number (NIP):	677-00-65-406

This Report of Comarch S.A.'s Management Board regarding the activities in 2019 was prepared according to the Act passed on the 29th of September, 1994, on Accounting (unified text - Journal of Laws 2018, pos. 395 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 29th of March, 2018, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (unified text - Journal of Laws, 2018, No. 757).

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

Comarch S.A.'s share capital consists of 8,133,349 shares at total nominal value of PLN 8,133,349. According to the information possessed by Comarch S.A., as at 31st of December, 2019, shareholders holding at least 5% of votes at the Company's AGM are Janusz Filipiak, Elżbieta Filipiak, Nationale-Nederlanden OFE (open pension fund) + DFE DFE (voluntary pension fund) and MetLife OFE (open pension fund).

AT THE 31ST OF DECEMBER, 2019

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

AT THE 29TH OF APRIL, 2020

Shareholders	Number of shares	% of share capital	Number of votes at the Company's AGM	% of votes at the Company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak*	846,000	10.40	4,230,000	27.96
Other members of the Company's Management Board	84,904	1.05	122,504	0.81
Nationale-Nederlanden OFE + DFE	846,571	10.41	846,571	5.60

MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,517,750	43.25	3,517,750	23.25
Total	8,133,349	100.00	15,126,949	100.00

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

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

1.2. Comarch S.A.'s Board of Supervisors and Management Board

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

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

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

AT THE 29TH OF APRIL, 2020

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

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

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

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

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

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

AT THE 29TH OF APRIL, 2020

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

Marcin Warwas	Vice-President of the Management Board	10,608	10,608 PLN
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*) On 29th of January, 2020, Mr. Marcin Dąbrowski, head of the telecommunications sector, resigned from the position of Vice President of the Management Board of Comarch S.A. with effect from 29th of January, 2020. The company announced details in current report no. [RB-4-2020](#) (ENG: [RB-4-2020](#)), dated on 29th of January, 2020.

Michał Bajcar, Anna Kleszcz, Maria Smolińska, Iwona Kasprzyk, Dorota Klentak-Łyżwa, Jacek Lonc, Andrzej Zasadziński and Paweł Workiewicz are the Company's proxies.

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

None present.

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

None present.

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

Information is included in [note 40](#) of the financial statement.

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

None present.

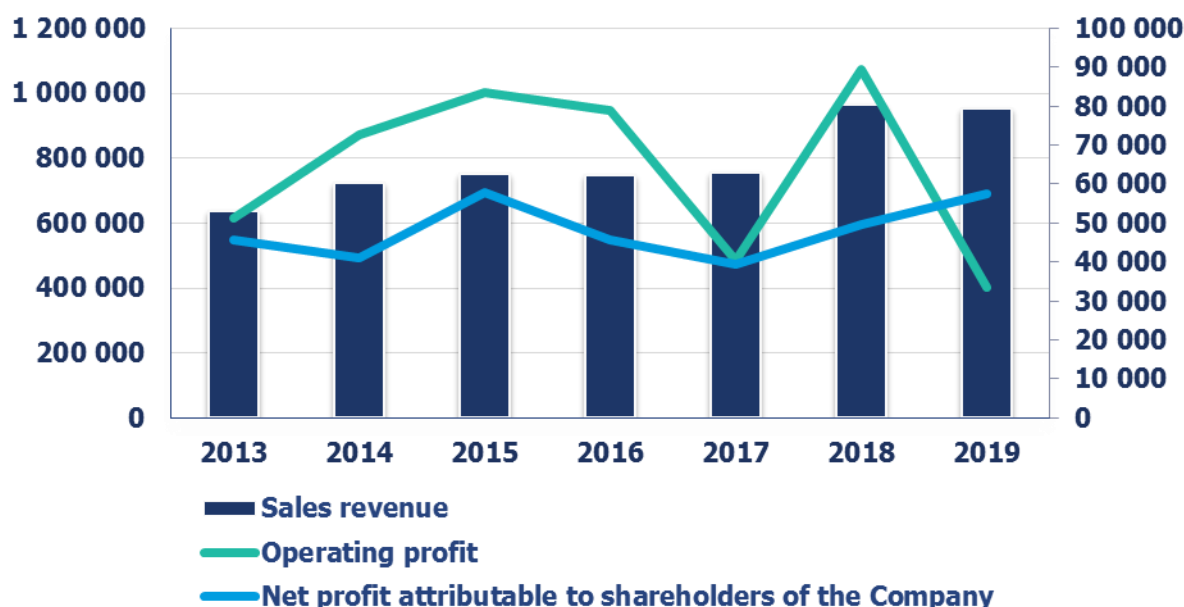
2. Basic Economics and Financial Values

2.1. Selected Financial Data

	2019	2018	2017	2016	2015
Revenues from sales	951,698	966,100	755,517	749,213	749,556
Revenues from sales of proprietary IT solutions	900,384	899,001	730,197	720,021	677,941
Operating profit	33,519	89,389	40,533	78,834	83,377
EBITDA*	78,141	132,825	78,585	114,135	114,881
Net profit	57,627	49,649	39,338	45,588	57,683
Profit per share (in PLN)	7.09	6.10	4.84	5.61	7.09
Assets	1,395,045	1,334,901	1,247,206	1,162,245	1,117,308
Book value	881,540	834,190	796,984	771,742	731,905
Book value per share (in PLN)	108.39	102.56	97.99	94.89	89.99

*) Operating profit + Depreciation

In 2019, the revenue from sales amounted to PLN 951,698 thousand and were lower by 1.5% compared to that in 2018. Operating profit amounted to PLN 33,519 thousand and was lower by 62.5% compared to that achieved in 2018. Net profit in 2019 was higher by PLN 7,978 thousand, i.e. by 16.1%.



In 2019, operating margin was 3.5%, while net margin was 6.1%.

2.2. Employment and Production Capacity of Comarch S.A

As at 31st of December, 2019, in Comarch S.A. there were 4,979 employees compared to 4,679 persons as at 31st of December, 2018.

Average employment in Comarch S.A. from 2015 to 2019 is presented in tables below:

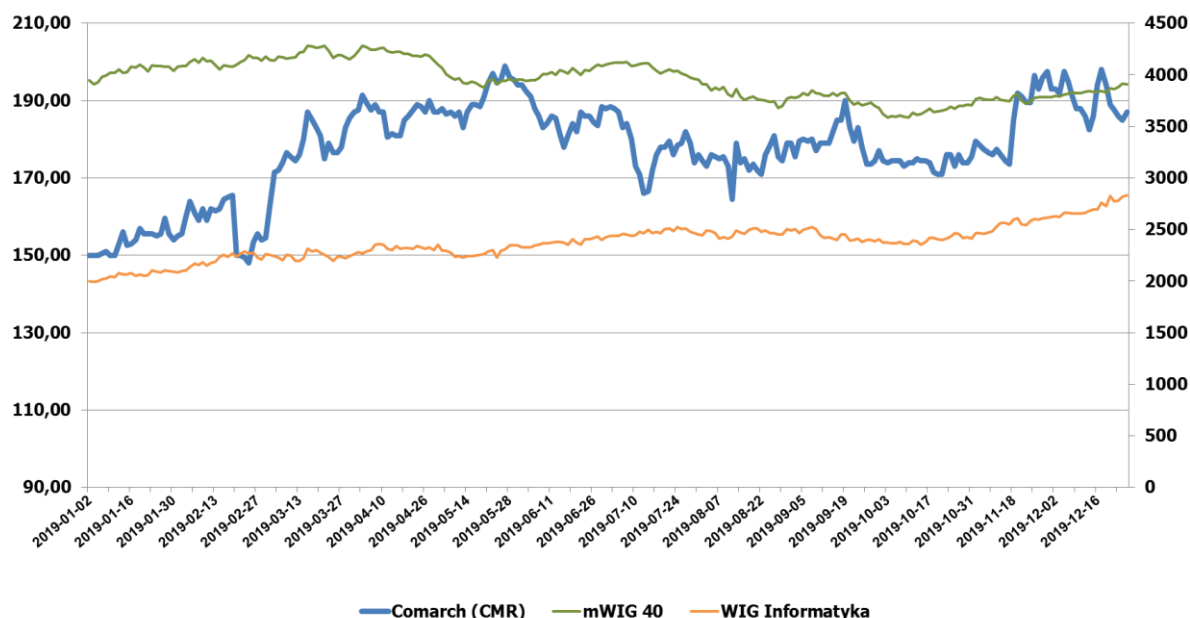
Average number of employees	2019	2018	2017	2016	2015
Employment agreement	4,057	3,753	3,492	3,416	3,121
Other form of employment	930	934	844	888	860
Total	4,987	4,687	4,336	4,304	3,981

Average number of employees	2019	2018	2017	2016	2015
Production employees and technical consultants	4,330	4,052	3,733	3,698	3,403
Marketing and sales	180	168	161	179	177
Management and administrative employees	414	407	372	353	340
Other	63	60	70	74	61
Total	4,987	4,687	4,336	4,304	3,981

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 19 branches located in urban

centres in Poland. As at 31st of December, 2019, 3,019 employees were employed in Krakow, 1,960 in other cities in Poland.

2.3. Comarch S.A. Stock Price Performance



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

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

Data in PLN	12 months ended 31 December 2019 / 31 December 2019	12 months ended 31 December 2018 / 31 December 2018
Closing rate at the balance sheet date	187.00	152.00
Average price during the reporting period	177.36	159.96
MIN price during the reporting period	148.00	129.00
MAX price during the reporting period	199.00	197.00
Average volume during the reporting period	3,123	3,236
Capitalization at the balance sheet date	1,520,936,263	1,236,269,049
Ratios for unconsolidated data		
P/E at the balance sheet date	26.39	24.90
P/BV at the balance sheet date	1.73	1.48
P/S at the balance sheet date	1.60	1.28

3. Products and Services Offered by Comarch in 2019

Comarch is a producer of innovative IT systems for key sectors of economy: telecommunications, finance and banking, public administration, medical, as well as large, small and medium-sized companies. A wide range of the Comarch offer includes ERP-class and financial and accounting systems, CRM systems and loyalty software, sales support, electronic document exchange, electronic banking, 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 Sector

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

IOT ECOSYSTEM

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

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

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

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

ENHANCING DIGITAL CUSTOMER JOURNEYS

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

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

recommendations and personalization engines – all of which greatly impact the entirety of the customer journey.

DIGITIZING ENTERPRISE CUSTOMERS

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

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

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

SUPPORT OF TELECOMMUNICATIONS SERVICES FOR LARGE COMPANIES OPERATING GLOBALLY

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

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

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

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

5G NETWORK OPERATIONS

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

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

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

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

SMART ANALYTICS OF NETWORK AND SERVICE & QUALITY MANAGEMENT

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

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

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

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

RESOURCE MANAGEMENT

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

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

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

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

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

SERVICE DESIGN & FULFILLMENT

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

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

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

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

PROFESSIONAL SERVICES

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

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

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

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

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

3.2. Finance, Banking and Insurance Sector

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

PRODUCTS

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

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

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

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

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

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

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

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

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

3.3. ERP Sector

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Comarch TNA (Time and Attendance) – is a modern system to record and manage working time, business trips, annual leaves, and other processes focused on company employees. It is a tool that facilitates manual recording of hours of remote working both on a web and mobile application. With it the employer knows what time an employee has started and ended their work, and also has an option of controlling an employee's availability in real time. In turn, an employee has a statement and evidence of hours of work that have been agreed with a superiors.

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

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

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

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

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

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

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

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

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

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

3.4. Public Sector

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

COMARCH ERGO - system supporting realization of public tasks connected with land management. It enables more than 60 registers and records to be run in the areas of geodesy, cartography, real estate management, spatial planning, road infrastructure management, construction, environmental protection, agricultural and forest land protection, protection of historical monuments and geoportals.

The system has modular construction enables the exchange of information between local government units and cooperating parties, their faculties and employees. Comarch ERGO is a comprehensive solution allowing the launch of the Spatial Economy SSC electronic platform.

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

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

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

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

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

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

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

3.5. Services Sector

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

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

LOYALTY MANAGEMENT AND MARKETING SOLUTIONS

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

Available solutions:

Comarch Loyalty Management – system for managing loyalty programs, which supports B2C and B2B operators enabling launching of many programs on one platform and service of all areas related to running the program (customer registration, profile management, promotions based on various conditions, communication with participants, rewarding gifts and offers). The product is also targeted at transport and travel companies, in particular airlines. The platform supports loyalty programs of all types of carriers, both for individual clients (Frequent Flyer Programs) and in the B2B model. The system supports the creation of rules for calculating points, defining rewards and privileges.

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

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

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

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

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

Loyalty Consulting - services creating complete, innovative programs, attracting clients, increasing profits and building a stronger bond between the client and the brand (development of the strategy and

concept of the program, ways of rewarding, marketing communication, development of procedures and analysis of IT requirements).

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

DATA EXCHANGE AND DOCUMENT MANAGEMENT

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

Available solutions:

Comarch EDI (Electronic Data Interchange) – a B2B2G platform based on cloud technology, which enables fast and secure data exchange between a company and its trading partners. Provides streamlined data-flow processes throughout the entire supply chain, regardless of geographic region or business sector. More than 650 million documents processed annually.

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

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

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

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

COMARCH ICT

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

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

Available solutions:

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

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

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

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

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

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

- **Hosted Managed Services** - transforms the management of data centres and IT departments, providing the necessary technological flexibility and maximizing application performance and availability. We guarantee the suitable specialists, processes, security and technology in the local cloud and networks to optimize data centre services,
- **Comarch PowerHosting** - fully managed services for the IBM Power platform. The comprehensive service in the scope of supplying and maintaining the IBM Power platform is carried out in three models - a virtualized cloud, hosting client equipment in the Comarch Data Centre and remote services implemented on existing client equipment at its headquarters.

Mainframe Services - provides fully managed support and services for Mainframe class systems. Provides technical and business assistance in the process of installation, configuration and maintenance of Db2 products. In addition, we provide consultancy services in the field of capacity management, progress tracking and migration to higher versions of data management software.

3.6. Comarch e-Health

Comarch S.A. provides part of the Comarch Group solutions dedicated to the health market.

MIASTO ZDROWIA

"City of Health" is a service-IT platform, consisting of a set of mutually interconnected applications and IT systems. The service addressed to regions and cities is an effective tool for implementing regional health policy. The concept of "City of Health" focuses on residents as recipients and clients of provided health care services. It is the result of Comarch's practical experience in implementing regional platforms for healthcare.

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 S.A., 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 Company'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, Asia and South and North America. Sale in the Company is highly diversified, with no dependency on one major client. In 2019, the share of sale to none of the customer exceeded 10% of the Comarch S.A. sales.

Due to the specific nature of the industry, in which Comarch S.A. manages its operations, international concerns, which are producers of computer systems and programmer's tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In 2019, share of none of the product provider exceeded 10% of the value of Comarch S.A. sales.

5. Sales Structure

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

	2019	%	2018	%	2017	%
Domestic	531,270	55.8%	537,266	55.6%	404,925	53.60%
Export	420,428	44.2%	428,834	44.4%	350,592	46.40%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

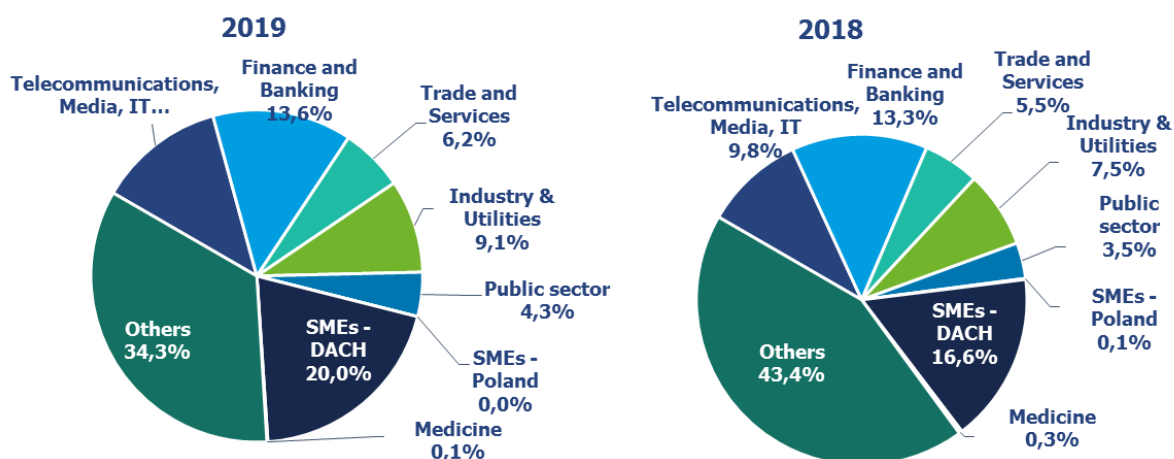
In 2019, revenue from the Company's sales decreased by PLN 14,402 thousand, i.e. by 1.5% compared to 2018. Export sales also decreased by PLN 8,406, i.e. by 2.0%. Revenue from domestic sales decreased by PLN 5,996 thousand, i.e. by 1.1%.

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

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

	2019	%	2018	%	2017	%
Telecommunication, Media, IT	118,502	12.4%	95,498	9.8%	88,762	11.7%
Finance and Banking	129,363	13.6%	128,770	13.3%	126,518	16.7%
Trade and Services	58,763	6.2%	52,681	5.5%	42,598	5.6%
Industry & Utilities	86,767	9.1%	72,734	7.5%	80,675	10.7%
Public Sector	40,636	4.3%	33,505	3.5%	31,522	4.2%
Medical Sector	405	0.0%	606	0.1%	434	0.1%
Small and Medium Enterprises	190,348	20.0%	160,419	16.6%	135,843	18.0%
Others	502	0.1%	2,456	0.3%	604	0.1%
Revenues from Subsidiaries	326,412	34.3%	419,431	43.4%	248,561	32.9%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

In 2019, a significant decrease was recorded in sales revenue to subsidiaries (of PLN 93,019 thousand, i.e. of 22.2%), which is mainly due to the reduced carried out by these entities on foreign markets, mainly in the Telecommunications sector. Last year, as in previous years, revenue from sales to customers from the SME sector increased significantly (an increase of PLN 29,929 thousand, i.e. of 18.7%), their share in total sales amounted to 20.0%. Sales to clients in the Telecommunication sector also increased significantly (an increase of PLN 23,004 thousand, i.e. of 24.1%), its share increased to 12.4%. A large increase in revenue also related to the industry & utilities sector (an increase of PLN 14,033 thousand, i.e. of 19.3%). Sales of Comarch S.A. to clients from the trade and services sector recorded an increase of PLN 6,082 thousand, i.e. of 11.5%, and its share increased to 6.2%. Sales to customers in the public sector also increased (by PLN 7,131 thousand, i.e. by 21.3%). The public sector was responsible for 4.3% of Comarch S.A.'s revenues in the reported period. Sales to the medicine sector and the financial and banking sector remained at similar levels to last year's.

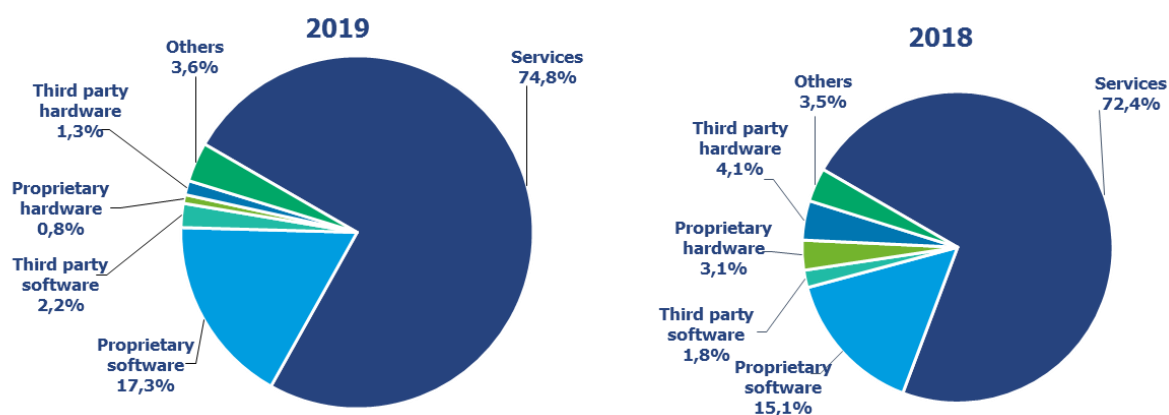


The structure of sales remained stable during the financial year.

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

	2019	%	2018	%	2017	%
Services	701,583	73.7%	662,341	68.6%	598,795	79.3%
Proprietary Software	187,475	19.7%	203,323	21.0%	130,237	17.2%
Third party Software	27,953	2.9%	14,850	1.5%	11,310	1.5%
Finished goods	11,326	1.2%	33,337	3.5%	1,165	0.2%
Hardware	15,080	1.6%	44,189	4.6%	6,808	0.9%
Others	8,281	0.9%	8,060	0.8%	7,202	0.9%
Total	951,698	100.0%	966,100	100.0%	755,517	100.0%

In 2019, as in the previous years, the largest part of the sales revenue of Comarch S.A. were services. It is related to the business model of services in sales of IT solutions adopted by Comarch. In 2019 there was an increase in sales of services of PLN 39,242 thousand, i.e. of 5.9%. Revenue from the sales of proprietary software decreased by PLN 15,848 thousand, i.e. by 7.8%. The share of services and proprietary software in total sales amounted to 93.4%. Revenue from the sales of third party software increased by PLN 13,103 thousand, i.e. by 88.2%, and sales of hardware decreased by PLN 29,109 thousand, i.e. by 65.9%, their combined share in total sales of Comarch S.A. remained at a relatively low level of 4.5%. The sales of finished goods were significantly lower than in 2018 (a decrease of PLN 22,011 thousand, i.e. of 66.0%), mainly as the result of a decreased supply of proprietary software to customers from the public sector.



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

6. Factors Essential for Development of the Issuer

6.1. Internal Factors

- Steady increase in export sales and significance of foreign sales;
- Position and reputation of the Company affecting the nature of clients acquired;
- Commercial operations of Comarch S.A. 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,
- e) Attractive training policy and attractive work conditions offered for employees of the Company;
 - f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through marketing campaigns, including sports marketing (MKS Cracovia SSA);
 - g) Necessity of continuous investment in human resources to maintain the Company's competitive edge in following years;
 - h) High levels of investment expenditure designated for research and development activity and development of new products and IT services;
 - i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

6.2. External Factors

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the cloud computing model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) increasing competition, affecting the reduction of margins achieved; competition between IT companies;
- f) constant pressure to increase wages in the IT industry; decreasing number of technical university graduates with IT education;
- g) increasing competition on the local job market in the IT sector in Krakow and other business locations of the Company;
- h) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- i) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The international economic situation, in particular in Europe, which influences the demand for IT products and services on this market, as well as the financial credibility of the customers in this region;
- k) The international political situation, including increasing risk of terrorist attacks in places of project management complicates their implementation;
- l) Epidemiological situation in the world, related to the SARS-CoV-2 coronavirus spread and COVID-19 incidents, which has an impact on the business activity of the Group and the financial condition of the Group's clients and the demand for IT products and services generated by them.

7. Other Significant Factors, including Risks and Threats

Comarch S.A. is exposed to the following main types of financial risk:

7.1. Credit Risk

Comarch S.A. 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 Company 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.

7.3. Risk of Fluctuation in the Exchange Rates

The Company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EUR/PLN, USD/PLN, GBP/PLN, CAD/PLN, BRL/PLN, CHF/EUR and RUB/PLN. At the same time, part of the Parent Company's costs are also expressed in, or related to exchange rates for foreign currencies. In individual cases, the 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 Company 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.

7.4. Financial Liquidity Risk

The Company 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 Company are fixed, while revenue from sales, as is typical for a services Company, fluctuates. The Company 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 Company and Anticipated Financial Situation in 2020

In 2019, the demand for IT services and IT products has been stable close to those in the previous year, however there were changes in its structure. The share of direct sales of the Company to end customers increased, while sales to the Company's subsidiaries decreased. The company observed an increase in demand for ERP solutions for SME sector and a stable demand for IT solutions from customers from other sectors. The Company's backlog now ensures full use of its production capacity in several subsequent periods.

The Company's operations in 2020 will be significantly affected by the epidemiological situation in the world, related to the SARS-CoV-2 coronavirus spread and COVID-19 incidents, which has an impact on

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

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

The development of the political and economic situation in Poland and in the world, as well as the situation on the labour market will also have a decisive impact on Comarch's operations and financial results in 2020. Thanks to consistently executed strategy of positioning itself on the market as a technological and product-based Company, Comarch's offer is very well diversified. Customer base is constantly expanding and a considerable part of them are international companies, what allows to continue the development of the Company. Dynamically developing activity of Comarch S.A. in international markets additionally increases sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of enterprise. It also means the need to make numerous capital investment abroad Poland (principally through the establishment of foreign subsidiaries). Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Company, especially on the level of IT investments by medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. An opportunity for the Company is its high innovativeness and growth in demand for delivery of IT solutions in a service model - Comarch S.A. 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 Company's operations are:

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

9. Financial Analysis

	31 December 2019	%	31 December 2018	%	Change	Change %
I. Non-current assets	735,752	52.7%	736,084	55.1%	-332	0.0%
Intangible assets	10,770	0.7%	11,048	0.8%	-278	-2.5%
Property, plant and equipment	331,755	23.8%	332,185	24.9%	-430	-0.1%
Long-term investment	384,927	27.6%	383,826	28.7%	1,101	0.3%
Non-current prepayments	8,300	0.6%	9,025	0.7%	-725	-8.0%
II. Current assets	659,293	47.3%	598,817	44.9%	60,476	10.1%
Inventories	62,751	4.5%	61,435	4.6%	1,316	2.1%
Current receivables	395,319	28.4%	376,939	28.3%	18,380	4.9%
Short-term investment	72,825	5.2%	70,762	5.3%	2,063	2.9%
Current prepayments	128,398	9.2%	89,681	6.7%	38,717	43.2%
TOTAL ASSETS	1,395,045	100.0%	1,334,901	100.0%	60,144	4.5%

As of the end of 2019, the value of the Company's assets increased by 4.5% compared to 2018, i.e. from PLN 1,334,901 thousand to PLN 1,395,045 thousand, as a result of an increase of current assets of PLN 60,476 thousand, i.e. of 10.1%. This increase was mainly due to an increase in the value of current prepayments (increase of PLN 38,717 thousand, i.e. of 43.2%), current receivables (increase of PLN 18,380 thousand, i.e. of 4.9%) inventories (increase of PLN 1,316 thousand, i.e. of 2.1%) and short-term investments (increase of PLN 2,063 thousand, i.e. of 2.9%).

The value of non-current assets remained at a level similar to last year. The structure of non-current assets did not change significantly. Value of long-term investments increased by PLN 1,101 thousand, i.e. by 0.3%. Non-current prepayments decreased by PLN 725 thousand, i.e. by 8.0%. Other non-current assets items, i.e. intangible assets and property, plant and equipment remained at the previous year's level.

	31 December 2019	%	31 December 2018	%	Change	Change %
I. Equity	881,540	63.2%	834,190	62.5%	47,350	5.7%
Share capital	8,133	0.6%	8,133	0.6%	0	0.0%
Supplementary capital	717,950	51.5%	680,501	51.0%	37,449	5.5%
Revaluation reserve	97,085	6.9%	95,162	7.1%	1,923	2.0%
Other reserve capitals	745	0.1%	745	0.1%	0	0.0%
Previous years' profit (loss)	-	-	-	-	-	-
Net profit (loss)	57,627	4.1%	49,649	3.7%	7,978	16.1%
II. Liabilities and provisions for liabilities	513,505	36.8%	500,711	37.5%	12,794	2.6%
Provisions for liabilities	160,732	11.5%	144,309	10.8%	16,423	11.4%
Non-current liabilities	120,946	8.7%	152,343	11.4%	-31,397	-20.6%
Current liabilities	160,942	11.5%	157,089	11.8%	3,853	2.5%
Accruals	70,885	5.1%	46,970	3.5%	23,915	50.9%
TOTAL EQUITY AND LIABILITIES	1,395,045	100.0%	1,334,901	100.0%	60,144	4.5%

The value of equity increased in 2019 by 5.7% and its share in the liabilities structure and its share increased from 62.5% to 63.2% in 2018. The increase in equity is related to the transfer of retained profit for 2018 to supplementary capital and the net profit generated in 2019. Share capital, revaluation reserve and other reserve capitals maintained a level similar to the last year.

Liabilities and provisions for liabilities constituted 36.8% of total equity and liabilities versus 37.5% a year earlier. In 2019, the balance of current liabilities amounted to PLN 120,946 thousand and was lower by PLN 31,397 than in 2018. This decrease results mainly from regular repayments of bank credits related to those implemented by Comarch S.A. infrastructure investments. The value of other items of liabilities and provisions for liabilities increased. The value of accruals increased by PLN 23,915 thousand, i.e. by 50.9%. The value of provisions for liabilities increased by PLN 16,423 thousand, i.e. by 11.4% and the value of non-current liabilities increased by PLN 3,853 thousand, i.e. by 2.5% compared to 2018.

	2019	%	2018	%	Change	Change %
I. Net revenues from sales of products, finished goods and materials	951,698	100.0%	966,100	100.0%	-14,402	-1.5%
II. Cost of products, finished goods and materials sold	761,532	80.0%	719,140	74.4%	42,392	5.9%
III. Gross profit (loss) from sales (I-II)	190,166	20.0%	246,960	25.6%	-56,794	-23.0%
IV. Costs of sales	74,033	7.8%	73,067	7.6%	966	1.3%
V. Administrative costs	74,952	7.9%	55,517	5.7%	19,435	35.0%
VI. Profit (loss) on sales (III-IV-V)	41,181	4.3%	118,376	12.3%	-77,195	-65.2%
VII. Other operating revenues	14,260	1.5%	1,972	0.2%	12,288	623.1%
VIII. Other operating costs	21,922	2.3%	30,959	3.2%	-9,037	-29.2%

IX. Profit (loss) on operating activities (VI+VII-VIII)	33,519	3.5%	89,389	9.3%	-55,870	-62.5%
X. Financial revenues	45,416	4.8%	10,845	1.1%	34,571	318.8%
XI. Finance costs	11,538	1.2%	43,159	4.5%	-31,621	-73.3%
XII. Profit (loss) on business activities (IX+X-XI)	67,397	7.1%	57,075	5.9%	10,322	18.1%
XIII. Gross profit (loss) (XII)	67,397	7.1%	57,075	5.9%	10,322	18.1%
XIV. Income tax	9,770	1.0%	7,426	0.8%	2,344	31.6%
XV. Net profit (loss) (XIII-XIV)	57,627	6.1%	49,649	5.1%	7,978	16.1%

In 2019, Comarch S.A. generated PLN 951,698 thousand of sales revenue, which is a decrease of 1.5% compared to 2018. The Company's operating profit in 2019 amounted to PLN 33,519 thousand and the net profit was PLN 57,627. The value of other operating revenues increased significantly (by PLN 12,288 thousand, i.e. by 623.1%), mainly as a result of the release of provisions for compensations and contractual penalties. The value of other operating costs decreased in 2019 by PLN 9,037 thousand PLN, i.e. by 29.2%, mainly due to the lower value of provisions for compensations and contractual penalties.

Profitability Analysis	2019	2018	2017	2016	2015
Margin on sales	20.0%	25.6%	23.7%	29.3%	30.1%
EBIT margin	3.5%	9.3%	5.4%	10.5%	11.1%
Gross margin	7.1%	5.9%	5.9%	7.5%	8.9%
Net margin	6.1%	5.1%	5.2%	6.1%	7.7%
Return on assets	4.1%	3.7%	3.2%	3.9%	5.2%
Return on equity	7.0%	6.3%	5.2%	6.3%	8.6%

The margin on sales decreased from 25.6% to 20.0%. EBIT margin in 2019 decreased from 9.3% to 3.5%. Other indicators increased: gross margin from 5.9% to 7.1%, while net margin from 5.1% to 6.1%. Return on assets and return on equity increased and reached respectively 4.1% and 7.0%.

Liquidity analysis	2019	2018	2017	2016	2015
Current ratio	2.8	2.9	2.8	3.2	3.0
Quick ratio	2.0	2.2	2.1	2.6	2.5
Cash to current liabilities ratio	0.3	0.3	0.3	0.4	0.5

As in previous years, also in 2019 the Company was characterized by very good financial liquidity. In 2019, the ratios decreased slightly in relation to 2018. In the opinion of the Management Board, Comarch S.A. has no problems with meeting contracted financial liabilities on time. Temporarily free funds are invested by the Company in safe financial instruments such as bank deposits and shares in financial investment funds.

Turnover analysis	2019	2018	2017	2016	2015
Current asset turnover ratio	1.4	1.6	1.5	1.6	1.8
Receivables turnover ratio (days)	150	140	149	156	140
Inventories turnover ratio (days)	2	2	12	1	2
Liabilities turnover ratio (days)	111	131	159	137	128
Liabilities turnover excluding liabilities due to investment credit ratio (days)	64	67	80	70	72

Turnover ratios confirm the effective use of the Company's funds. In 2019, most rotation rates decreased. Receivables turnover ratio has slightly increased.

Debt analysis	2019	2018	2017	2016	2015
Debt ratio	36,8%	37,5%	36,1%	33,6%	34,5%
Debt ratio due to non-current credits	8,7%	11,4%	12,4%	10,4%	9,1%
Debt/equity ratio	58,3%	60,0%	56,5%	50,6%	52,7%

Due to the smaller increase in the value of liabilities in relation to equity, the debt ratio and debt/equity ratio slightly decreased compared to the previous year and remain at a safe level in 2019. Debt ratio due to non-current credits dropped from 11.4% to 8.7%. 63.2% of the Company's funds come from internal financing and 36.8% come from outside financing.

Methods of Calculation of Financial Ratios

Debt ratios

$$\text{debt ratio} = \frac{\text{liabilities and provisions for liabilities}}{\text{total equity and liabilities}}$$

$$\text{debt ratio due to non-current credits} = \frac{\text{non-current liabilities}}{\text{total equity and liabilities}}$$

$$\text{debt/equity ratio} = \frac{\text{liabilities and provisions for liabilities}}{\text{equity}}$$

Profitability Ratios

$$\text{margin on sales} = \frac{\text{gross profit from sales}}{\text{net revenues from sales of products, finished goods and materials}}$$

$$\text{EBIT margin} = \frac{\text{operating profit}}{\text{net revenues from sales of products, finished goods and materials}}$$

$$\text{gross margin} = \frac{\text{gross profit}}{\text{net revenues from sales of products, finished goods and materials}}$$

$$\text{net margin} = \frac{\text{net profit}}{\text{net revenues from sales of products, finished goods and materials}}$$

$$\text{return on assets} = \frac{\text{net profit}}{\text{total assets}}$$

$$\text{return on equity} = \frac{\text{net profit}}{\text{equity} - \text{net profit}}$$

Liquidity ratios

$$\text{current ratio} = \frac{\text{current assets}}{\text{current liabilities} + \text{accruals}}$$

$$\text{quick ratio} = \frac{\text{current investment} + \text{current receivables}}{\text{current liabilities} + \text{accruals}}$$

$$\text{cash to current liabilities ratio} = \frac{\text{current investment}}{\text{current liabilities} + \text{accruals}}$$

Turnover ratios

$$\text{current asset turnover ratio} = \frac{\text{Revenue}}{\text{current assets}}$$

$$\text{receivables turnover ratio} = \frac{(\text{Trade and Other Receivables}) * 360}{\text{Revenue}}$$

$$\text{inventories turnover ratio (days)} = - \frac{(\text{inventories} - \text{production in progress}) * 360}{\text{Costs of Sold Products, Goods and Materials}}$$

$$\text{liabilities turnover ratio (days)} = - \frac{(\text{current} + \text{non-current liabilities}) * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Costs of Sold Products, Goods and Materials}}$$

$$\text{liabilities turnover excl. liabilities due to invest. credit ratio (days)} = - \frac{\text{current liabilities} * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Goods and Materials}}$$

10. Credits, Loans, Suretyships, Bank Guarantees

10.1. Non-Revolving Credits

As at the 31st of December, 2019, Comarch S.A. had liabilities due to credits and loans in the amount of PLN 123,918 thousand.

In 2019, all covenants under the loan agreements concluded by Comarch S.A. were met. The Management Board of Comarch S.A. expects no problems in meeting them in the future

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

Comarch S.A. nonrevealing operating credit	Bank Handlowy w Warszawie S.A.	2,508	EUR	0 (1,188 as at 31 st of December, 2018)	EUR	0 (5,109 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin IRS till the 30 th of September, 2019	30 th of September, 2019	Declaration of submission to enforcement
Comarch S.A. Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,400 (1,751 as at 31 st of December, 2018)	EUR	5,961 (7,529 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	30 th of December, 2023	registered pledge on fixed assets being the subject of financing, assignment of rights under the insurance policy for financed fixed assets, declaration on submission to enforcement
Comarch S.A. Comarch infrastructure modernization program	CaixaBank S.A. Oddział w Polsce	3,500	EUR	3,499 (1,399 as at 31 st of December, 2018)	EUR	14,899 (6,016 as at 31 st of December, 2018)	PLN	EURIBOR1M + bank margin	23 rd of August, 2023	Declaration of submission to enforcement

10.2. Revolving Credits

As at the 31st of December, 2019, Comarch S.A. was granted limits on revolving overdraft facilities in the amount of PLN 60,000 thousand PLN, the limits were not used.

In 2019, all covenants under the loan agreements concluded by Comarch S.A. were met. The Management Board of Comarch S.A. expects no problems in meeting them in the future.

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

10.3. Loans

a) Loans Received by Comarch S.A. from Unrelated Entities

As at 31st of December, 2019, Comarch S.A. held liabilities due to unpaid capital of loans from unrelated entities in the amount of PLN 7,399 thousand.

Debtor / Subject of the funding	Financial Institution	Total amount of credit/loan		Amount to be paid				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			4,850 (7,463 as at 31 st of December, 2018)	PLN	fixed	1 st of March, 2022	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	17,691	PLN			0 (766 as at 31 st of December, 2018)	PLN	fixed	31 st of January, 2019	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,474	PLN			0 (737 as at 31 st of December, 2018)	PLN	fixed	1 st of July, 2019	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			1,944 (2,745 as at 31 st of December, 2018)	PLN	fixed	1 st of May, 2022	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	999	PLN			0 (999 as at 31 st of December, 2018)	PLN	fixed	1 st of December, 2019	-
Comarch S.A. Delivery of IT equipment related to IT project realized by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,814	PLN			605 (0 as at 31 st of December, 2018)	PLN	fixed	1 st of May, 2020	-

b) Loans Received by Comarch S.A. from Companies in the Comarch Group

As at 31st of December, 2019, the Comarch S.A. held liabilities due to unpaid capital of loans from related entities in the amount of PLN 19,139 thousand.

Company	Due date	The loan amount remaining to be repaid	Currency	Interest conditions	Value in PLN
Comarch Sistemas	2019-08-31	1,200	EUR	EURIBOR3M + margin	5,110
CA Consulting	2022-12-22	4,900	PLN	WIBOR3M + margin	4,900
Comarch Infrastruktura	2022-12-20	1,300	PLN	WIBOR3M + margin	1,300
Comarch Technologies	2022-12-20	2,200	PLN	WIBOR3M + margin	2,200
Comarch SRO	2022-12-20	500	PLN	WIBOR3M + margin	500
Comarch Technologies	2023-05-23	500	EUR	EURIBOR3M + margin	2,129
iComarch24	2023-07-18	1,500	PLN	WIBOR3M + margin	1500
Comarch Pointshub	2023-12-31	1,500	PLN	WIBOR3M + margin	1,500
Total					19,139

10.4. Loans Granted by Comarch S.A.

a) Loans Granted to Companies in Comarch Group

As at 31st of December, 2019, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company Company	Due date Due date	Value Value	Currency Currency	Interest conditions Interest conditions	Value in PLN Value in PLN
Bonus Development Sp zoo SKA	2029-01-31	3,001	PLN	WIBOR3M + margin	3,001
Comarch Polska SA	2023-06-25	9,000	PLN	WIBOR3M + margin	9,000
Comarch Healthcare	2023-11-26	5,000	PLN	WIBOR3M + margin	5,000
Comarch Saudi Arabia	2024-02-12	50	USD	LIBORUSD3M + margin	190
Comarch Saudi Arabia	2024-03-31	70	USD	LIBORUSD3M + margin	266
Comarch Polska S.A.	2024-04-30	9,000	PLN	WIBOR3M + margin	9,000
Comarch Healthcare	2024-07-30	1,500	PLN	WIBOR3M + margin	1,500
Comarch PTY LTD Australia	2024-10-29	200	AUD	fixed	532
Comarch Spain	2024-12-03	2,000	EUR	EURIBOR3M + margin	8,517
Comarch Saudi Arabia	2024-11-25	50	USD	LIBORUSD3M + margin	190
Total					37,196

b) Loans Granted to Employees of Comarch S.A.

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

c) Loans Granted to Members of the Management Board and Members of the Supervisory Board

As at 31st of December, 2019, there are no unpaid loans, as well as guarantees and sureties granted by Comarch S.A. to members of the Management Board, members of the Supervisory Board and their relatives.

10.5. Suretyships

- Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31st of December, 2021.
- Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,823 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from Sächsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 263 thousand increased by interest for the period from the granting of the subsidy to its return.
- Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15th of May, 2020.
- Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.

- Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement, the total amount of granted surety is PLN 100 thousand and is valid till the 31st of May, 2018.
- Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The surety has been renewed, the total amount of granted surety is PLN 50 thousand and is valid till the 31st of May, 2021.
- Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and for a period of 5 years.
- Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. z o.o. SK-A funding in the amount of PLN 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp. z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28th of June, 2030.
- Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, i.e. the 31st of October, 2019.

- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14th of September, 2019.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.
- Due to conclusion of by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Colombia S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch Colombia S.A.S. was granted to the amount of USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of the necessary licenses for the implementation of the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount of EUR 7,240 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., the contract for the purchase of IT equipment in order to perform a contract with one of the clients, a surety for liabilities of Comarch Polska S.A. was granted to the amount of PLN 3,660 thousand and is valid for the duration of the contract.

- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 2,095 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the Comarch NRM service, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 9,966 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Yuhan Hoesa, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the NW Next Generation service, a surety for liabilities of Comarch Yuhan Hoesa was granted to the amount of EUR 18,467 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for ERP, POS and MoS services, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,254 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the e-Care service, a surety for liabilities of Comarch AB was granted to the amount of EUR 1,151 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by COMARCH Middle East FZ-LLC, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses CLM, a surety for liabilities of COMARCH Middle East FZ-LLC was granted to the amount of USD 3,155 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and providing e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 784 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Japan KK, a subsidiary of Comarch S.A., the contract for the rent of office space, a surety for liabilities of Comarch Japan KK was granted to the amount of JPY 9,604 thousand by Comarch S.A. and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for delivery of BSSv7 platform, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 11,175 thousand by Comarch S.A. and is valid for the duration of the contract.

Due to conclusion of a contract by Comarch Swiss AG, a subsidiary of Comarch S.A., the contract for implementation of Convergent Billing together with license, a surety for liabilities of Comarch Swiss AG was granted to the amount of CHF 12,144 thousand by Comarch S.A. and is valid for the duration of the contract.

10.6. Bank Guarantees

On the 31st of December, 2019, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 90,725 thousand, whereas it was PLN 81,163 thousand on the 31st of December, 2018.

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

Comarch Polska S.A. (valid till 30th of June, 2020), Comarch Cloud S.A. (valid till 31th of December, 2020) and Sointeractive S.A. (valid till 31th of December, 2020).

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

11.1. Contracts Significant for Issuers' Activities

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

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

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

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

AFTER THE BALANCE SHEET DATE

11.1.3. 2CSI Shares Purchase Agreement

The Management Board of Comarch S.A. informed in current report no. [RB-6-2020](#) (ENG: [RB-6-2020](#)) dated on the 23rd of April, 2020, about the signing on the 23rd of April, 2020 of the purchase agreement by Comarch S.A. of 100% shares in the company CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. with its registered office in Cergy, France (hereinafter referred to as the "2CSI"), providing IT solutions and services for medical entities on the French market. As part of the transaction, Comarch S.A. will acquire 500,000 2CSI shares from the company's existing shareholders with a nominal value of EUR 1 each. 2CSI shares will be acquired at a unit price of EUR 4.20 (four euros and twenty cents), i.e. PLN 19.09 per share, and the total value of the transaction is EUR 2,100,000 (two million, one hundred thousand euros), i.e. PLN 9,543,240.

11.2. Other

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

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

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

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

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

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

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

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

in the current report [RB-4-2018](#) (ENG: [RB-4-2018](#)), dated 2nd of March, 2018. In connection with the bank being requested to withdraw from the bank guarantee Comarch Group created a reserve of PLN 24,203,340.40, which resulted in reduction in the operating result and net result of the Comarch Group for 2018.

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

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

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

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

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

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

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

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

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

The Management informed in the current report no. [RB-27-2019](#) (ENG: [RB-27-2019](#)) dated on the 13th of November, 2019, about receiving on the 13th of November, 2019, from the bank CaixaBank S.A., a branch in Poland, information about the receipt of a statement from ZUS about the withdrawal of the

request from a good performance guarantee regarding the ZUS KSI contract. In connection with the withdrawal of the request from the bank guarantee, the Comarch Group released provisions in amount of PLN 24,203 thousand, which increased the operating result and net result of Comarch S.A. in the third quarter of 2019.

11.2.6. Opinion of the Supervisory Board Regarding Dividend for 2018

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

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

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

11.2.7. Selection of the Entity Authorized to Audit and Review Financial Statements of Comarch S.A.

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

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

AFTER THE BALANCE SHEET DATE

11.2.8. Resignation of the Managing Person

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

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

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

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

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

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

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

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

11.2.10. Settlement with One of the Clients

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

After implementing the settlement terms, Comarch S.A. will dissolve the provision in the amount of PLN 5,294,000, which will be included in the financial statements for the first quarter of 2020, and the value of potential, total claims of third parties in which Comarch S.A. is a party sued in legal proceedings will decrease by PLN 26,387 thousand.

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

Comarch S.A. does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, the Group 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 Company will continue investment projects which will enable further expansion of the Company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, but also with bank credits.

12.1. Capital Investments

All capital investments are described in point [17.2.](#)

12.2. Real Estates

In 2019, no land property purchases were made.

13. Resolutions of the AGM and the Board of Supervisors

13.1. Corporate Governance Principles

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

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

13.2. Annual General Meeting – 26th of June 2019

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

On the 27th of May, 2019, pursuant to article 395, 399 § 1, article 402 with index 1 and 402 with index 2 of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the Company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 10:00 o'clock on the 26th of June, 2019, at ul. Prof. Michała Życzkowskiego 33 in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402 with index 2 of the Code of Commercial Companies and Partnerships, the Company's Management Board has presented information on participation in the Company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 12th of June, 2019,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The Company's website and e-mail address.

The Company announced details in current report no. [RB-11-2019](#), ENG: [RB-11-2019](#), dated the 27th of May, 2019.

b) Content of the Resolutions Passed at the AGM

The AGM passed the resolutions related to:

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

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

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

c) Resolution of the AGM Regarding Dividend for 2018

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

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

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

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

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

Accordingly, to the list of shareholders participating the Annual General Meeting of Comarch S.A. on the 26th of June, 2019, Elżbieta Filipiak, Janusz Filipiak and MetLife OFE manager by MetLife PTE S.A. held at least 5% of the total number of votes represented at this Meeting:

- Janusz Filipiak – 893,000 shares which gave 4,465,000 votes at the AGM, which constituted 50.60% of the all votes at this AGM and which constituted 29.52% of the total number of votes;
- Elżbieta Filipiak – 846,000 shares which gave 4,230,000 votes at the AGM, which constituted 47.93% of the all votes at this AGM and which constituted 27.96% of the total number of votes;
- MetLife OFE manager by MetLife PTE S.A. – 1,000,000 shares which gave 1,000,000 votes at the AGM, which constituted 9.30% of the all votes at this AGM and which constituted 5.56% of the total number of votes.

The total number of votes from all issued Comarch S.A. shares is 15,126,949. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26th of June, 2019, held shares giving 10,756,775 votes, which constituted 71.11% of the total number of votes. The Company announced details in current report no. [RB-16-2019](#) (ENG: [RB-16-2019](#)) dated the 26th of June, 2019.

14. Operations on Comarch S.A. Shares

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

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

On the 4th of March, 2019, the Management Board of Comarch S.A. received from the person discharging managerial responsibilities (Paweł Prokop) notification of the transaction referred to in art. 19 par. 1 of Regulation No. 596/2014 of the European Parliament and of the Council of the 16th of April, 2014 on market abuse. The notification concerned the purchase of 70 ordinary bearer shares on the regulated market on the basis of the weighted average price of PLN 157.00 per 1 share, which value amounted

to PLN 10,990, on the 4th March, 2019. The company announced details in current reports no. [RB-4-2019](#) (ENG: [RB-4-2019](#)) dated on the 4th March 2019.

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

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

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

AFTER THE BALANCE SHEET DATE

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

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

14.2. Managerial Option Program for Members of the Management Board

None present.

15. Other Events in 2019 and after the Balance Sheet Date

15.1. Dates of Periodical Financial Reports in 2019

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

[RB-1-2019](#)) dated the 4th of January, 2019, Comarch S.A. Management Board presented terms of periodical financial reports in 2019.

15.2. The Management Board Statement regarding the Corporate Governance Principles

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

AFTER THE BALANCE SHEET DATE

15.3. Dates of Periodical Financial Reports in 2020

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

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

15.4. Forward Contracts Concluded after the Balance Sheet Date

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

16. 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 192,678 thousand, thus reached

20.2% of revenue in 2019. Comarch allocated their internal funds, as well as acquired actively European funds.

Comarch S.A.

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

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



Fundusze Europejskie
Inteligentny Rozwój

Unia Europejska
Europejski Fundusz
Rozwoju Regionalnego



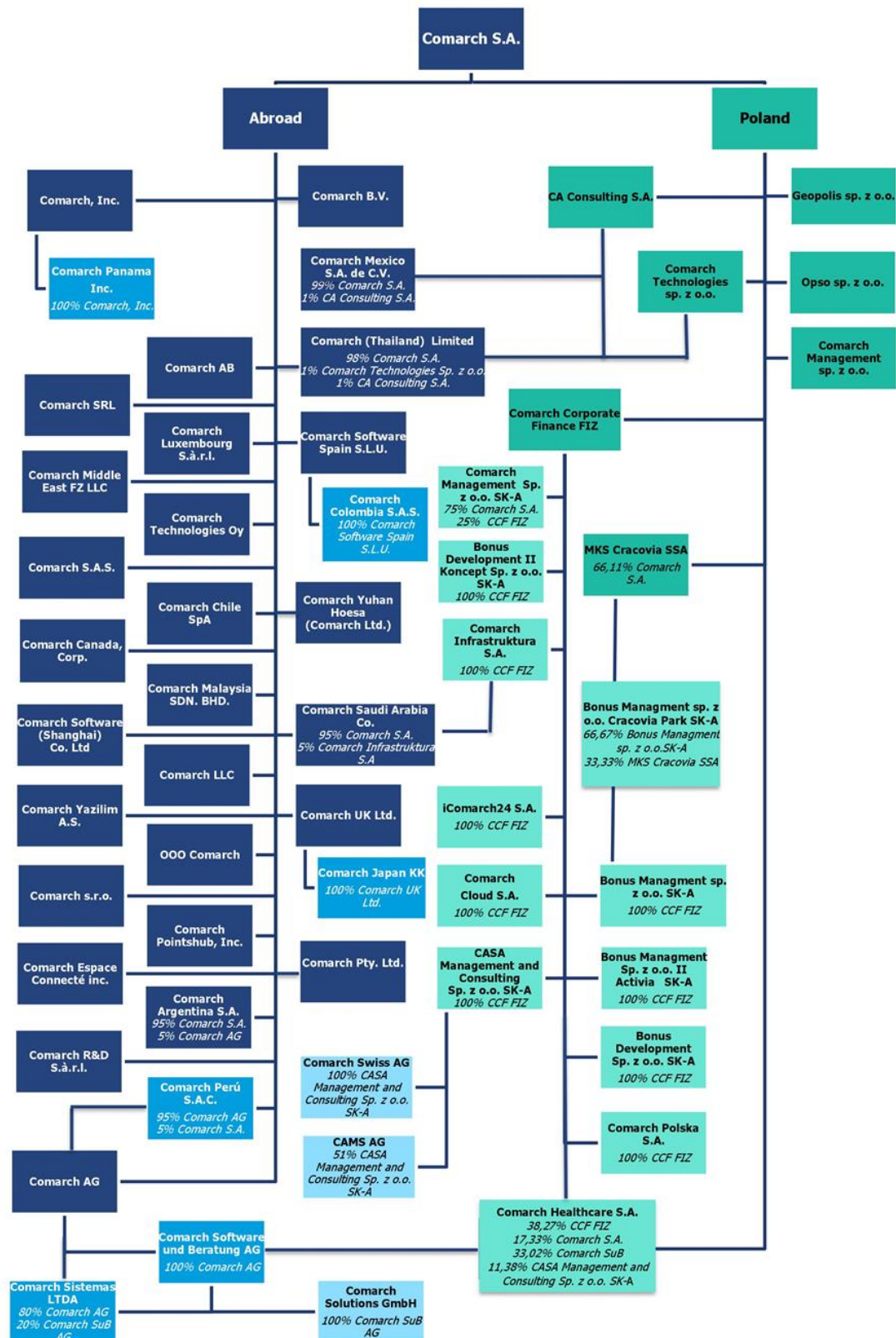
Under the **Horizon 2020** Program, a contract for financing the "LIVING INNOVATION - Implementing RRI through co-creation of smart futures with industry and citizens" - LIV.IN." project was implemented.



Komisja Europejska

17. Capital Affiliations of the Issuer

17.1. Capital Structure of the Comarch Group



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

17.2. Changes in Ownership and Organisational Structure in 2019

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

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

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

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

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

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

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

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

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

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

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

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

18. Branches of Comarch S.A.

As at the 31st of December, 9 Comarch S.A. had branches in the following cities: Tirana (branch in Albania), Białystok, Bielsko-Biała, Częstochowa, Gdańsk, Gliwice, Katowice, Kielce, Kraków, Lublin, Łódź, Płock, Poznań, Opole, Rzeszów, Tarnów, Toruń, Warszawa, Włocławek and Wrocław.

Activities conducted in branches are related to the basic activities of the Company.

19. Non-business Activities of Comarch S.A.

19.1. The Scope of the Comarch S.A.'s Impact on the Environment

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

Through its activities, the Comarch S.A. exerts particular influence on the following groups of stakeholders:

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

Comarch S.A. provides a detailed description of its impact in the annual report on non-financial information. In this document, the Company assesses the level of significance of aspects of its impact in management, environmental, social and employee areas, assigning to them performance indicators related to Comarch operations prepared in accordance with the guidelines of the Non-Financial Information Standard (SIN) developed by the Reporting Standards Foundation and the Association of Stock Exchange Issuers. The report identifies the principles and policies used by the Comarch Group in relation to social, labour, environmental, human rights and anti-corruption issues. The report also contains information on human resources broken down by age, sex, form and place of employment, as well as data on suppliers and recipients, and thus about processes used within the supply chain

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

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

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

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

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

In the field of culture

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

In the field of education and popularization of science

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

In terms of local communities and the natural environment

- involvement of employees from Polish Comarch companies in the organization of Christmas collections for people in need;
- organization of a charity event by Comarch employees on the occasion of World Animal Day, thanks to which Comarch managed to support shelters and organizations working for homeless animals in several Polish cities;
- sponsorship of the Czyżyny Festival - a family outdoor event for the residents of the Krakow district, in which Comarch headquarters is located. The iMed24 medical centre belonging to the Comarch Capital Group appeared at an event with a stand, conducting health-promoting activities;
- continuation of the project of greening the capital of Małopolska together with the Management of the City Greenery in Krakow.

In the field of sport and healthy lifestyle

For 25 years Polish companies of the Comarch Group have been involved in the promotion of sport among young people and residents of the Małopolska province, mainly through the sponsorship of the Cracovia Sport Club. The company promotes also a healthy and active lifestyle among its employees. In Poland, Comarch encourages employees to come by bicycle to work, providing bicycle infrastructure and occasional bicycle-related activities. Comarch also encourages its employees to participate in external sports events, and the income from many of them is transferred to social purposes.

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

None present.

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

The Company has not published the results forecast for 2019.

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

22.1. Deferred Tax Assets and Deferred Tax Provisions

In 2019, an asset was established due to temporary differences in income tax in the amount of PLN 228 thousand and at the same time settled an asset in the amount of PLN 350 thousand, a deferred tax provision was established for temporary differences in the amount of PLN 647 thousand and the provision for deferred tax due to temporary differences in the amount of PLN 44 thousand was settled. The total impact of the above operations on the result of 2019 was minus PLN 725 thousand.

The provision for deferred tax related to the valuation of investment certificates in CCF FIZ in the amount of PLN 451 thousand was increased. This provision, as well as the valuation of certificates, is accounted for with revaluation capital.

22.2. Valuation of Exchange Differences and Financial Instruments Based on Exchange Rates

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of December, 2019, decreased revenue and operating profit of Comarch S.A. by PLN 858 thousand (while during the corresponding period in 2018 increased by PLN 6,044 thousand). Exchange rate differences from other activities increased the result of Comarch S.A. by PLN 1,290 thousand (while during the corresponding period in 2018 decreased by PLN 5,245 thousand). The valuation of financial instruments and realised transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments, increased Comarch S.A.'s net result by PLN 5,856 thousand (while in the corresponding period of 2018 they decreased it by PLN 1,067 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of Comarch S.A. in 2019 amounted to plus PLN 6,288 thousand (minus PLN 268 thousand in 2018).

22.3. Write-offs due to Losses in Value in Subsidiaries

As at 31st of December, 2019, Comarch S.A. created write-offs for impairment of shares in subsidiaries in the total amount of PLN 7,845 thousand, of which PLN 5,900 thousand refers to shares in Comarch Healthcare S.A., and the amount of PLN 1,945 thousand PLN of shares in Geopolis Sp. z o.o.

22.4. Received Dividends

In 2019, Comarch S.A. received dividends from subsidiaries (mainly from Comarch UK) in the amount of PLN 37,140 thousand.

22.5. Release of provisions due to contractual penalties and compensations

The settlement with ZUS regarding the ZUS KSI contract resulted in the dissolution of provisions established in 2018, thus increasing the operating result and net result of Comarch S.A. in 2019 by PLN 14,040 thousand.

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

None present.

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

On the 27th of May, 2019, the Management Board of Comarch S.A. informed that the Supervisory Board, acting pursuant to Art. 19 sec. 2 point 5) of the Articles of Association of the Company chose - as an entity authorized to audit the financial statements of the Company and the consolidated financial statements of the Comarch Capital Group - BDO Spółka z ograniczoną odpowiedzialnością sp. K., Ul.

Postępu 12, 02-676 Warszawa (KRS 0000729684), and agreed to enter into agreements with this entity by Comarch S.A. in the scope of:

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

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

Details of the remuneration of entities authorized to audit financial statements have been included in [note 46](#) of the financial statement in additional explanatory notes to the SA-R report 2019 of Comarch S.A.

25. Systems that Control Employees Shares Programmes

None present.

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

None present.

Information on the potential total amount of third party claims against the Comarch S.A. in connection with legal proceedings and matters in disputes, but not legal proceedings can be found in [note 33](#) consolidated financial statements.

Krakow, 29th of April, 2020

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

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