

## FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report Qsr 1 / 2016

quarter / year

(pursuant to §82 sec.2 and §83 sec. 1 of the Regulation issued by the Minister of Finance on 19 Feb. 2009 - Journal of Laws No. 33 Item 259) for issuers of securities managing production, construction, trade or services activities

for <u>1</u> quarter of financial year <u>2016</u>	from 2016-01-01 to 2016-03-31
including consolidated financial statement according to	International Financial Reporting Standards (IFRS)
in currency	PLN
and summary of financial statement according to	Act on Accounting (Journal of Laws 13.47.330)
in currency	PLN
date of publication	2016-05-16

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	243,156	246,333	55,822	59,374
II. Operating profit (loss)	12,266	18,929	2,816	4,562
III. Profit before income tax	10,732	22,416	2,464	5,403
IV. Net profit attributable to shareholders of parent company	7,177	18,771	1,648	4,524
V. Net cash flows from operating activities	38,223	16,990	8,775	4,095
VI. Net cash flows from investing activities	-18,866	-22,711	-4,331	-5,474
VII. Net cash flows from financing activities	-2,294	-283	-527	-68
VIII. Change in net cash flows	17,063	-6,004	3,917	-1,447
IX. Number of shares	8,133,349	8,125,590	8,133,349	8,125,590
X. Earnings (losses) per single share (PLN/EURO)	0.88	2.31	0.20	0.56
XI. Diluted earnings (losses) per single share (PLN/EURO)	0.88	2.31	0.20	0.56
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	161,218	182,017	37,011	43,871
XIII. Profit (loss) on operating activities	15,415	22,257	3,539	5,365
XIV. Gross profit (loss)	18,457	24,499	4,237	5,905
XV. Net profit (loss)	17,461	24,106	4,009	5,810
XVI. Net cash flows from operating activities	1,327	-4,217	305	-1,016
XVII. Net cash flows from investing activities	-14,919	-22,027	-3,425	-5,309
XVIII. Net cash flows from financing activities	-4,093	1,760	-940	424
XIX. Total net cash flow	-17,685	-24,484	-4,060	-5,901
XX. Number of shares	8,133,349	8,125,590	8,133,349	8,125,590
XXI. Earnings (losses) per single share (PLN/EURO)	6.28	7.15	1.44	1.72

XXII. Diluted earnings (losses) per single share (PLN/EURO)	6.28	7.14	1.44	1.72
<b>EQUITIES</b>				
XXIII. Equity attributable to shareholders (consolidated)	775,259	767,559	181,628	180,115
XXIV. Equity (parent company)	746,625	731,905	174,919	171,748

Euro exchange rates used for calculation of the selected financial data:

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2016 to 31.03.2016: 4.3559;
- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2015 to 31.03.2015: 4.1489;

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

- 31.03.2016: 4.2684;
- 31.12.2015: 4.2615.

Values of equities (positions XXIII, XXIV) were presented as at the end of first three months of the current year and as at the end of the previous year.

When presenting selected financial data from the quarterly financial statement, it should be properly described.

Selected financial data from the consolidated balance sheet (consolidated statement regarding the financial situation) or from the balance sheet respectively (statement regarding the financial situation) is presented as of the end of the current quarter and as of the end of the previous year, and this should be properly described.

This report should be presented to the Financial Supervision Authority, the Warsaw Stock Exchange and press agency pursuant to the law.

#### REPORT INCLUDES:

File	Description
Qsr_1_2016.pdf	Qsr 1 2016

#### SIGNATURES

Date	Name and surname	Position	Signature
2016-05-16	Konrad Tarański	Vice-President of the Management Board	
2016-05-16	Maria Smolińska	Proxy	

**Comarch Capital Group  
Consolidated Financial Statement  
for the period from 1 January 2016 to 31 March 2016**

# COMARCH

**Statement in accordance with the International Financial Reporting Standards**

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## I. Consolidated Balance Sheet

	Note	At 31 March 2016	At 31 December 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.2	432,807	422,566
Investment real estates	3.3	14,542	17,063
Goodwill	3.4	40,735	40,735
Other intangible assets	3.5	62,688	66,474
Non-current prepayments		1,107	819
Investments in associates	3.6	19,780	23,177
Other assets at fair value	3.9 a	1,083	79
Other investments		106	106
Deferred income tax assets	3.19	31,934	33,432
Other receivables		1,650	1,548
		<b>606,432</b>	<b>605,999</b>
<b>Current assets</b>			
Inventories	3.7	60,594	51,413
Trade and other receivables	3.10	307,752	385,375
Current income tax receivables		11,585	7,143
Long-term contracts receivables	3.14	41,428	32,440
Available-for-sale financial assets	3.8	-	-
Other financial assets at fair value – derivative financial instruments	3.9 a	5,326	664
Interest and shares		1	1
Cash and cash equivalents		238,978	221,793
		<b>665,664</b>	<b>698,829</b>
<b>TOTAL ASSETS</b>		<b>1,272,096</b>	<b>1,304,828</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's shareholders</b>			
Share capital	3.11	8,133	8,133
Other capitals		148,226	148,226
Exchange differences		7,032	6,509
Net profit (loss) for the current period		7,177	79,651
Retained earnings		604,691	525,040
		<b>775,259</b>	<b>767,559</b>
Minority interest		13,314	13,022
<b>Total equity</b>		<b>788,573</b>	<b>780,581</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	3.15	111,696	113,540
Other liabilities		83	83
Financial liabilities at fair value – derivative financial instruments	3.9 b	2,312	1,411
Other financial liabilities	3.16	33	33
Provision for deferred income tax	3.19	38,223	37,619
Provisions for other liabilities and charges	3.20	-	-
		<b>152,347</b>	<b>152,686</b>
<b>Current liabilities</b>			
Trade and other payables	3.13	140,808	150,898
Current income tax liabilities		6,449	13,010
Long-term contracts liabilities	3.14	11,323	26,176
Credit and loans	3.15	24,615	24,152
Financial liabilities at fair value – derivative financial instruments	3.9 b	410	1,639
Other financial liabilities	3.16	5,704	7,939
Provisions for other liabilities and charges	3.20	141,867	147,747
		<b>331,176</b>	<b>371,561</b>
<b>Total liabilities</b>		<b>483,523</b>	<b>524,247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,272,096</b>	<b>1,304,828</b>

## II. Consolidated Income Statement

	Note	Q1 2016	Q1 2015
<b>Revenue</b>		<b>243,156</b>	<b>246,333</b>
Cost of sales		(182,103)	(182,860)
<b>Gross profit</b>		<b>61,053</b>	<b>63,473</b>
Other operating income		5,079	1,822
Sales and marketing costs		(26,658)	(24,627)
Administrative expenses		(20,328)	(18,122)
Other operating expenses		(6,880)	(3,617)
<b>Operating profit</b>		<b>12,266</b>	<b>18,929</b>
Finance revenue-net		1,600	3,897
Share of profit/(loss) of associates		(3,134)	(410)
<b>Profit before income tax</b>		<b>10,732</b>	<b>22,416</b>
Income tax expense		(3,261)	(3,632)
<b>Net profit for the period</b>		<b>7,471</b>	<b>18,784</b>
<b>Attributable to:</b>			
<i>Shareholders of the parent company</i>		<i>7,177</i>	<i>18,771</i>
<i>Interests not entitled to control</i>		<i>294</i>	<i>13</i>
		<b>7,471</b>	<b>18,784</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)</b>			
- basic	3.22	0.88	2.31
- diluted	3.22	0.88	2.31

## III. Total Income Consolidated Statement

	3 months ended 31 March 2016	3 months ended 31 March 2015
<b>Net profit for the period</b>	<b>7,471</b>	<b>18,784</b>
<b>Other total income</b>		
Currency translation differences from currency translation in related parties	521	(1,368)
<b>Total other total income</b>	<b>521</b>	<b>(1,368)</b>
<b>Sum of total income for the period</b>	<b>7,992</b>	<b>17,416</b>
Attributable to the parent company's shareholders	7,700	17,414
Attributable to the interests not entitled to control	292	2

*Other total incomes comprise items that may be transferred to the profit and loss account in subsequent periods.*

#### IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
<b>Balance at 1 January 2015</b>	<b>8,125</b>	<b>148,226</b>	<b>6,917</b>	<b>67,894</b>	<b>457,146</b>	<b>12,385</b>	<b>700,693</b>
Transferring result for 2014	-	-	-	(67,894)	67,894	-	-
Increase in share capital	-	-	-	-	-	-	-
Profit of subsidiaries dedicated to general partners outside Group	-	-	-	-	-	-	-
Capital from valuation of the managerial option	-	-	-	-	-	-	-
<i>Currency translation differences<sup>1</sup></i>	-	-	(1,357)	-	-	(11)	(1,368)
<i>Profit/(loss) for the period<sup>2</sup></i>	-	-	-	18,771	-	13	18,784
Total income recognised in equity (1+2)	-	-	(1,357)	18,771	-	2	17,416
<b>Balance at 31 March 2015</b>	<b>8,125</b>	<b>148,226</b>	<b>5,560</b>	<b>18,771</b>	<b>525,040</b>	<b>12,387</b>	<b>718,109</b>
<b>Balance at 1 January 2016</b>	<b>8,133</b>	<b>148,226</b>	<b>6,509</b>	<b>79,651</b>	<b>525,040</b>	<b>13,022</b>	<b>780,581</b>
Transferring result for 2015	-	-	-	(79,651)	79,651	-	-
Increase in share capital	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Profit of subsidiaries dedicated to general partners outside Group	-	-	-	-	-	-	-
Capital from valuation of the managerial option	-	-	-	-	-	-	-
<i>Currency translation differences<sup>1</sup></i>	-	-	523	-	-	(2)	521
<i>Profit/(loss) for the period<sup>2</sup></i>	-	-	-	7,177	-	294	7,471
Total income recognised in equity (1+2)	-	-	523	7,177	-	292	7,992
<b>Balance at 31 March 2016</b>	<b>8,133</b>	<b>148,226</b>	<b>7,032</b>	<b>7,177</b>	<b>604,691</b>	<b>13,314</b>	<b>788,573</b>

## V. Consolidated Cash Flow Statement

	3 months ended 31 March 2016	3 months ended 31 March 2015
<b>Cash flows from operating activities</b>		
Net profit (loss)	7,471	18,784
Total adjustments	40,035	7,501
Share in net (gains) losses of related parties valued using the equity method of accounting	3,134	410
Depreciation	16,016	14,054
Exchange gains (losses)	(175)	645
Interest and profit-sharing (dividends)	782	1,169
(Profit) loss on investing activities	(2,536)	(662)
Change in inventories	(6,785)	(1,329)
Change in receivables	54,489	7,382
Change in liabilities and provisions excluding credits and loans	(24,617)	(14,168)
Other adjustments	(273)	-
Net profit less total adjustments	47,506	26,285
Income tax paid	(9,283)	(9,295)
<b>Net cash used in operating activities</b>	<b>38,223</b>	<b>16,990</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(15,400)	(14,522)
Proceeds from sale of property, plant and equipment	-	318
Purchases of intangible assets	(3,552)	(4,255)
Proceeds from disposal of investment in real estates and intangible assets	2,983	1
Expenses for purchase of financial assets	(1,984)	(300)
Expenses for investment in real estates	(638)	-
Purchases of available-for-sale financial assets	-	-
Other expenses (settlement of derivative instruments)	(316)	-
Proceeds from sales of available-for-sale financial assets	-	-
Granted loans	-	(3,730)
Repaid loans	5	233
Interest	61	191
Other proceeds from financial assets	-	-
Other investment proceeds	75	-
Other investment expenses	(100)	(647)
<b>Net cash used in investing activities</b>	<b>(18,866)</b>	<b>(22,711)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares and other equity instruments	-	-
Proceeds from credits and loans	10,050	6,173
Repayments of credits and loans	(11,726)	(5,808)
Interest on credit	(672)	(686)
Repaid loans	24	64
Received interest on loans	65	-
Granted loans	-	-
Dividends and other payments to owners	-	-
Repayment of finance lease liabilities	(23)	-
Other financial proceeds	-	1
Other financial expenses	(12)	(27)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,294)</b>	<b>(283)</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>17,063</b>	<b>(6,004)</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	221,781	232,436
Positive (negative) exchange differences in cash and bank overdrafts	124	(1,648)
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>238,968</b>	<b>224,784</b>
- including limited disposal	10,132	5,183



## VI. Supplementary Information

### 1. Information about Group Structure and Activities

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

#### 1.1 Organisational Structure of the Comarch Group

On the 31<sup>st</sup> of March, 2016, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG\*),
    - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
- Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (100%),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Espace Connecté Inc. with its registered office in Montreal in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Technologies Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),
- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch SRL with its registered office in Milan we Italy (100%),
- Comarch Malaysia SDN. BHD. with its registered office in Kuala Lumpur in Malaysia (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Pointshub, Inc. with its registered office in Rosemont, IL, USA (100%),
- Comarch AB with its registered office in Stockholm in Sweden (100%),
  - Comarch Argentina S.A. with its registered office in Buenos Aires in Argentina (100%),
  - Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
  - CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
  - Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
  - Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
    - Comarch Management sp. z o.o. SKA with its registered office in Krakow in Poland (25% votes held by CCF FIZ; 75% votes held by Comarch S.A.;

shares purchased by Comarch Management sp. z o.o. SKA to be redeemed don't give any votes),

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

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

On the 31<sup>st</sup> of March, 2016, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% votes held by Bonus Management sp. z o.o. II Activia SKA).
- Metrum Capital S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).
- Thanks Again LLC with its registered office in Tyrone, GA, USA (42,5% votes held by Comarch Pointshub, Inc.).

The associated companies are not consolidated. Shares are valued with equity method.

## 1.2 Activities Structure in the Comarch Group

The structure of activities of the Comarch Group is as follows:

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them,
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch Inc., Comarch Panama Inc., Comarch Canada, Corp., Comarch Espace Connecté Inc., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Software Spain S.L.U., Comarch Yazilim A.S., Comarch SRL, Comarch Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A. and Comarch Colombia S.A.S. acquire IT contracts in foreign markets and execute them in their entirety or in part,
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on

the Swiss market,

- Comarch Polska S.A. acquire IT contracts in domestic markets and execute them in their entirety or in part
- Comarch Technologies sp. z o.o. is responsible for the development of technologies related to the design and production of electronic devices and software,
- CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market,
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A, Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT,
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates,
- Comarch Healthcare S.A. produces and sells IT software related to medicine, medical devices, provides medical and diagnostic services, but also produces and sells complex IT solutions for medicine sector,
- Comarch Pointshub S.A. produces and implements loyalty software for the customers in small and medium sized enterprises,
- Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group,
- MKS Cracovia SSA is a sport joint stock company,
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation,
- Opso sp. z o.o. provides catering services,
- Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

### **1.3 Changes in Ownership and Organisational Structure in Q1 2016**

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

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

### **1.4 Changes in Ownership and Organisational Structure after the Balance Sheet Date**

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

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

## 2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the 3 months ended the 31<sup>st</sup> of March, 2016 and comparable data (the "Interim Consolidated Financial Statement") are prepared in accordance with International Accounting Standard ("IAS") 34 and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the date of preparing the Condensed Interim Consolidated Financial Statement.

This Interim Consolidated Financial Statement for the 3 months ended the 31<sup>st</sup> of March, 2016 does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from the 1<sup>st</sup> of January, 2015 until the 31<sup>st</sup> of March, 2015 ("the Interim IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement for the 3 months ended the 31<sup>st</sup> of March, 2016 does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from the 1<sup>st</sup> of January, 2015 until the 31<sup>st</sup> of December, 2015 (the notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended the 31<sup>st</sup> of December, 2015).

The Interim Consolidated Financial Statement for the period from 1<sup>st</sup> of January, 2016 until the 31<sup>st</sup> of March, 2016 includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the interim financial statement, only if it would also be appropriate to anticipate or defer such costs at the end of the year.

This Interim Consolidated Financial Statement for the period from 1<sup>st</sup> of January, 2016 until the 31<sup>st</sup> of March, 2016 is prepared in thousands of Polish zloty ("PLN") and was authorised for issuance by the Management Board on the 16<sup>th</sup> of May, 2016.

### **Standards and Interpretations to apply for the first time in 2016**

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

- **IFRS 11 "Joint Arrangements"**- Accounting for the acquisition of shares in joint operations - approved by the EU on 24<sup>th</sup> of November, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to IAS 1 "Presentation of Financial Statements"** - The initiative in relation to disclosures - approved by the EU on 18<sup>th</sup> of December, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> January, 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation - approved by the EU on 2<sup>nd</sup> of December, 2015 (effective for annual periods beginning on or after 1 January, 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants - approved by the EU on 23<sup>rd</sup> of November, 2015 (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions - approved by the EU on 17<sup>th</sup> of December, 2014 (effective for annual periods beginning on or after 1 February 2015),

- **Amendments to IAS 27 “Separate Financial Statements”** - Equity method in the separate financial statements - approved by the EU on 18<sup>th</sup> of December, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to various standards “Improvements to IFRS (period 2010-2012)”** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38). The purpose of these annual improvements is to resolve inconsistencies and clarify guidance or wording - approved by the EU on 17<sup>th</sup> of December, 2014 (effective for annual periods beginning on or after 1<sup>st</sup> of February, 2015),
- **Amendments to various standards “Annual Improvements (period 2012-2014)”** – adopted within the frame of annual improvements process to IFRS (IFRS 5, IFRS 7, IAS 19, and IAS 34). The purpose of these annual improvements is to resolve inconsistencies and clarify guidance or wording - approved by the EU on 15<sup>th</sup> of December, 2015 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016).

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

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

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the 16<sup>th</sup> of May, 2016, (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018),
- **IFRS 14 „Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016) - The European Commission has decided not to initiate the process of approval of this temporary standard for use in the EU until a final version of IFRS 14,
- **IFRS 15 "Revenue from Contracts with Customers"** and subsequent changes (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2018),
- **IFRS 16 " Leasing"** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2019),
- **Amendments to IFRS 10 “Consolidated Financial Statement”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in associates and joint ventures”** – investments units: use of the exemption from consolidation (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to IFRS 10 “Consolidated Financial Statement” and IAS 28 “Investments in associates and joint ventures”** – sales or contribution of assets between the investor and the associate or joint venture and the subsequent changes (date of entry into force of amendments has been postponed until the end of the research on the equity method),
- **Amendments to IAS 7 “Statement of cash flows”** - The initiative in relation to disclosures (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2017),
- **Amendments to IAS 12 “Income tax”** - Recognition of deferred income tax on unrealized losses (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2017),

The Management Board of the company anticipates that application of IFRS 15 may, in the future, impact the amounts and recognitions presented in the consolidated financial statement

of the Capital Group. However, there is no possibility to present any reliable estimations related to the impact of IFRS 15, as long as the Group conducts the detailed analysis of this issue. According to the parent company's estimates, other abovementioned standards, interpretation and amendments to standards would not significantly impact the financial statements, if applied as at the balance sheet date.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities have not been adopted by the EU.

According to the parent company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the financial statements, if applied as at the balance sheet date.

The consolidated financial statement of the Comarch Group for the 3 months ended the 31<sup>st</sup> of March, 2016 comprises the financial statements of the following companies:

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

Comarch AB	subsidiary	full	100.00%
Comarch Argentina S.A.	subsidiary	full	100.00%
Comarch Technologies sp. z o.o.	subsidiary	full	100.00%
CA Consulting S.A.	subsidiary	full	100.00%
Comarch Management sp. z o.o.	subsidiary	full	100.00%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00% in total number of investment certificates 8.82% held by CCF FIZ,
Comarch Management sp. z o.o. SKA	subsidiary	full	26.45% held by Comarch S.A., 64.73% purchased by Comarch Management sp. z o.o. SKA to be redeemed
Bonus Management sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SKA	subsidiary	full	100.00% held by CCF FIZ
Comarch Healthcare S.A.	subsidiary	full	77.08% held by CCF FIZ, 22.92% held by CASA Management and Consulting sp. z o.o. SKA
Comarch Polska S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Pointshub S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Infrastruktura S.A.	subsidiary	full	100.00% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100.00% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Comarch Swiss AG	subsidiary	full	100.00% held by CASA Management and Consulting Sp. z o.o. SK-A
CAMS AG	subsidiary	full	51% held by CASA Management and Consulting Sp. z o.o. SK-A
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SKA	subsidiary	full	50% held by Bonus Management sp. z o.o. SKA, 50% held by MKS Cracovia SSA
Opso sp. z o.o.	subsidiary	full	100.00%
MKS Cracovia SSA	subsidiary	full	66.11%

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

### 3. Notes to the Consolidated Financial Statement

#### 3.1. Segment Information

In the Comarch Group, the business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

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

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

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

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: "Poland", "DACH" (Germany, Austria and Switzerland), "Other countries". The "Sport Segment", the "Investment Segment" and the "Medicine Segment" operate solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

Comarch Group is highly diversified and not dependant on one single contractor. During the 3 months of 2016, the share of none of the customer exceeded 10% of the sale in Comarch Group's sales.

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

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



## Revenue, costs and financial result

3 months ended 31 March 2015	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	167,194	48,985	30,120	212	3,855	1,686	-	252,052
<i>including:</i>								
<i>revenues from sales</i>	162,531	48,434	29,788	76	3,818	1,686	-	246,333
<i>To customers in Telecommunication, Media, IT sector</i>	48,538	16,652	9,608	-	-	-	-	74,798
<i>To customers in Finance and Banking sector</i>	19,985	3,108	2,292	-	-	-	-	25,385
<i>To customers in Trade and services sector</i>	13,630	819	17,144	-	-	-	-	31,593
<i>To customers in Industry&amp;Utilities</i>	17,671	863	559	-	-	-	-	19,093
<i>To customers in Public sector</i>	34,462	-	185	-	-	-	-	34,647
<i>To customers in small and medium enterprises sector</i>	24,775	26,992	-	-	-	-	-	51,767
<i>To customers in Medicine sector</i>	3,029	-	-	-	-	1,686	-	4,715
<i>To other customers</i>	441	-	-	76	3,818	-	-	4,335
<i>other operating revenue</i>	1,579	216	18	-	9	-	-	1,822
<i>finance revenue</i>	3,084	335	314	136	28	-	-	3,897
Revenues per segment - sales to other segments	54,058	4,683	3,668	687	2,206	368	(65,670)	-
Revenues per segment - total*	221,252	53,668	33,788	899	6,061	2,054	(65,670)	252,052
Costs per segment relating to sales to external clients	143,328	44,934	33,624	714	3,876	2,750	-	229,226
Costs per segment relating to sales to other segments	54,058	4,683	3,668	687	2,206	368	(65,670)	-
Costs per segment - total*	197,386	49,617	37,292	1,401	6,082	3,118	(65,670)	229,226
Current taxes	(2,074)	(1,316)	(1,255)	(13)	-	-	-	(4,658)
Assets for the tax due to investment allowances and other tax relief	2,296	(1,021)	(1)	38	(286)	-	-	1,026
Share of segment in the result of parties valued using the equity method of accounting	(410)	-	-	-	-	-	-	(410)
Net result	23,678	1,714	(4,760)	(477)	(307)	(1,064)	-	18,784
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	23,678	1,597	(4,760)	(477)	(203)	(1,064)	-	18,771
<i>result attributable to minority interest</i>	-	117	-	-	(104)	-	-	13

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

Sales between specific segments are calculated based on market conditions.

3 months ended 31 March 2016	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment - sales to external clients	147,022	59,213	33,720	552	7,591	1,737	-	249,835
<i>including:</i>								
<i>revenues from sales</i>	143,391	59,126	33,811	81	4,759	1,988	-	243,156
<i>To customers in Telecommunication, Media, IT sector</i>	25,848	25,529	14,016	-	-	-	-	65,393
<i>To customers in Finance and Banking sector</i>	27,727	2,678	3,139	-	-	-	-	33,544
<i>To customers in Trade and services sector</i>	24,947	1,824	14,636	-	-	-	-	41,407
<i>To customers in Industry&amp;Utilities</i>	22,194	3,106	1,719	-	-	-	-	27,019
<i>To customers in Public sector</i>	14,668	445	297	-	-	-	-	15,410
<i>To customers in small and medium enterprises sector</i>	26,314	25,544	-	-	-	-	-	51,858
<i>To customers in Medicine sector</i>	1,167	-	-	-	-	1,988	-	3,155
<i>To other customers</i>	526	-	4	81	4,759	-	-	5,370
<i>other operating revenue</i>	1,523	340	357	-	2,859	-	-	5,079
<i>finance revenue</i>	2,108	(253)	(448)	471	(27)	(251)	-	1,600
Revenues per segment - sales to other segments	37,941	7,150	8,659	688	2,212	417	(57,067)	-
Revenues per segment - total*	184,963	66,363	42,379	1,240	9,803	2,154	(57,067)	249,835
Costs per segment relating to sales to external clients	123,905	54,643	46,645	684	7,099	2,993	-	235,969
Costs per segment relating to sales to other segments	37,941	7,150	8,659	688	2,212	417	(57,067)	-
Costs per segment - total*	161,846	61,793	55,304	1,372	9,311	3,410	(57,067)	235,969
Current taxes	(92)	(715)	(342)	(10)	-	-	-	(1,159)
Assets for the tax due to investment allowances and other tax relief	(902)	(2,080)	644	(14)	250	-	-	(2,102)
Share of segment in the result of parties valued using the equity method of accounting	(1,901)	-	(1,233)	-	-	-	-	(3,134)
Net result	20,222	1,775	(13,856)	(156)	742	(1,256)	-	7,471
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	20,222	1,731	(13,856)	(155)	491	(1,256)	-	7,177
<i>result attributable to minority interest</i>	-	44	-	(1)	251	-	-	294

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

Sales between specific segments are calculated based on market conditions.

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

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

The following table presents the assets and liabilities of particular segments, as well as investment expenditures and depreciation as at the 31<sup>st</sup> of March, 2015 and as at the 31<sup>st</sup> of March, 2016:

#### 31 March 2015 / 3 months ended 31 March 2015

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	712,468	226,678	105,934	110,819	43,638	11,418	1,210,955
Liabilities	344,359	113,272	17,063	1,316	8,201	8,635	492,846
Investment expenditures	15,917	2,286	353	4,201	233	464	23,454
Depreciation	8,184	4,493	211	210	212	744	14,054

#### 31 March 2016 / 3 months ended 31 March 2016

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	662,054	257,522	174,616	121,854	47,374	8,676	1,272,096
Liabilities	305,341	108,960	35,446	10,748	16,344	6,684	483,523
Investment expenditures	6,598	5,045	2,598	6,123	1,442	184	21,990
Depreciation	9,895	3,946	869	190	384	732	16,016

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: "Poland", "DACH" (Germany, Austria and Switzerland), and "Other countries". The "Sport Segment", the "Investment Segment" and the "Medicine Segment" operate solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

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

#### Revenues from basic sales - activities location

	3 months ended 31 March 2016	%	3 months ended 31 March 2015	%
Poland	150,219	61.8	168,111	68.2
DACH	59,126	24.3	48,434	19.7
Other countries	33,811	13.9	29,788	12.1
<b>TOTAL</b>	<b>243,156</b>	<b>100.0</b>	<b>246,333</b>	<b>100.0</b>

#### Assets – activities location

	31 March 2016	%	31 December 2015	%
Poland	839,871	66.0	876,925	67.2
DACH	257,522	20.3	243,805	18.7
Other countries	174,703	13.7	184,098	14.1
<b>TOTAL</b>	<b>1,272,096</b>	<b>100.0</b>	<b>1,304,828</b>	<b>100.0</b>

### Investments expenditures - activities location

	3 months ended 31 March 2016	12 months ended 31 December 2015	3 months ended 31 March 2015
Poland	14,347	94,587	20,815
DACH	5,045	10,459	2,286
Other countries	2,598	32,118	353
<b>TOTAL</b>	<b>21,990</b>	<b>137,164</b>	<b>23,454</b>

### 3.2. Property, Plant and Equipment

	31 March 2016	31 December 2015
Lands and buildings	299,505	293,642
Means of transport and machinery	85,210	85,288
Property, plant and equipment under construction	29,597	27,597
Others	15,068	15,938
Advance money for property, plant and equipment under construction	3,427	101
<b>Total</b>	<b>432,807</b>	<b>422,566</b>

Property, plant and equipment comprise mostly real estate and machinery owned by Group. As at the 31<sup>st</sup> of March, 2016, propriety of Group are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 56,760 m<sup>2</sup> of the total space, two office buildings in Warsaw at 2,582 m<sup>2</sup> of the total space and office buildings in Łódź, one office and storage building in Lille, and an office building and data centre in Dresden. Group owns also lands in the Special Economic Zone in Krakow at 3.01 ha of the total space. As at the 31<sup>st</sup> of March, 2016, property, plant and equipment under construction comprise mostly expenditures related to an investment in the Special Economic Zone in Krakow, involving the construction of an office building SSE7, Comarch Security Platform (SOC), redevelopment of former factory building and the construction of an adjacent office building in Łódź and expenditures related to modernization works of the storage building in Lille and adapting it to the function of the data center.

In Comarch Healthcare S.A. began to conduct the diagnostic and medical activity (Medical Center iMed24) in the first quarter of 2012 and commenced use of the diagnostic and medical equipment purchased in 2011. As at the 31<sup>st</sup> of March, 2016, the book value of this equipment amounted to PLN 7,775 thousand.

On the 16<sup>th</sup> of June, 2015 an agreement on the building investment in Łódź was made between Bonus Development spółka z ograniczoną odpowiedzialnością S.K.A., a subsidiary of Comarch S.A. and Skanska S.A. The subject of the agreement is the construction of office building together with the rebuilding and change of usage of the adjacent former factory building, located in Łódź, 76/78 Jaracza Street including traffic and technical infrastructure and the supply of building materials and machinery. The total space of the building will be 9,906.20 m<sup>2</sup>. The net value of the agreement amounts to PLN 38,800 thou. The planned completion date of the investment is the third quarter of 2016. Capital expenditures incurred in connection with the above mentioned agreement until the 31<sup>st</sup> of March, 2016, amounted to PLN 9,809 thousand.

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

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

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

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

### 3.3. Investment Real Estates

	31 March 2016	31 December 2015
Lands	6,660	9,815
Buildings	7,882	7,248
<b>Total</b>	<b>14,542</b>	<b>17,063</b>

As at the 31<sup>st</sup> of March, 2016, investment real estates comprise plots developed placed in Krakow and used for lease to the entities outside the Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside the Group, as well as a real estate located in Kostrzyń leased to the entities outside the Group.

### 3.4. Goodwill

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

	31 March 2016	31 December 2015
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG (A-MEA Informatik AG till 31 <sup>th</sup> of December, 2012)	8,413	8,413
<b>Total</b>	<b>40,735</b>	<b>40,735</b>

On the 31<sup>st</sup> of December, 2015, the Comarch Group ran a test for loss in value regarding goodwill. The methodology was described in detail in the financial statement for 2015.

### 3.5. Other Intangible Assets

	31 March 2016	31 December 2015
Costs of finished development works	669	2,135
Perpetual usufruct right	38,838	38,850
Licences and software	19,794	21,588
Other	3,387	3,901
<b>Total</b>	<b>62,688</b>	<b>66,474</b>

Other intangibles include valuation of assets, classified as intangible assets, related to acquisition of ESAProjekt sp. z o.o. in the amount of PLN 713 thousand, the value of relationships with customers in Comarch Swiss AG (formerly: A-MEA Informatik AG) in the amount of PLN 501 thousand and the right to use MKS Cracovia SSA players' cards in the amount of PLN 2,173 thousand.

In the first quarter of 2016 there was no necessity to upgrade the assets classified as intangible assets associated with the acquisition of companies ESAProjekt sp. o.o. and A-MEA Informatik AG.

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31,650 thousand is considered the intangible asset with unspecified period of use and is not depreciated. The company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the company is not obliged to meet any conditions, which would decide about extension of this right. The company does not expect incurring any major costs when renewal of perpetual usufruct right, having in mind current activities of the co-owner of the sports club, i.e. Krakow commune.

### 3.6. Investment in Associates

As at the 31<sup>st</sup> of March, 2016, Group had shares in associates.

<b>At 1 January 2015</b>	<b>567</b>	
Share in profit of Sointeractive S.A.	(103)	(10)
Acquiring shares and share in profit/loss of Metrum Capital S.A.	156	1
Granting a loan to Sointeractive S.A.	737	5
Acquiring shares and share in profit/loss of Thanks Again LLC	21,820	5
<b>At 31 December 2015</b>	<b>23,177</b>	<b>5</b>
<b>At 1 January 2016</b>	<b>23,177</b>	<b>5</b>
Share in profit of Sointeractive S.A.	22	(6)
Acquiring shares and share in profit/loss of Metrum Capital S.A.	(158)	1
Repayment of loan to Sointeractive S.A.	(82)	5
Acquiring shares and share in profit/loss of Thanks Again LLC	(3,179)	
<b>At 31 March 2016</b>	<b>19,780</b>	<b>1,2</b>

As at the 31<sup>st</sup> of March, 2016, investment in associates includes:

- interest and shares in Solnteractive S.A. acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SK-A. They constitute 42.98% of shares in the company (27.37% of votes),
- shares in Metrum Capital S.A. Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) in the total amount of PLN 484 thousand,
- shares in Thanks Again LLC (Comarch Pointshub, Inc. acquired 42.50% of shares, i.e. 42.50% of votes at the AGM, with total value of PLN 21,820 thousand - the nominal value of acquired shares PLN 30,831 thousand reduced by participation in current financial result and update of the value of shares),
- loans granted to Solnteractive S.A. by Comarch Infrastruktura S.A. and Comarch S.A. in the amount of PLN 655 thousand.

### 3.7. Inventories

	<b>31 March 2016</b>	<b>31 December 2015</b>
Raw materials	1,076	1,108
Work in progress	54,397	44,817
Commodities	4,349	5,021
Finished products	50	76
Prepayments for commodities	722	391
<b>TOTAL</b>	<b>60,594</b>	<b>51,413</b>

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 81,039 thousand (3 months ended the 31<sup>st</sup> of March, 2016), PLN 338,872 thousand (12 months ended the 31<sup>st</sup> of December, 2015), PLN 97,680 thousand (3 months ended the 31<sup>st</sup> of March, 2015).

Within the first quarter of 2016, the Comarch Group hasn't created write-offs that revaluated goods and materials. Group hasn't dissolved write-offs which had been created in the previous years.

### 3.8. Available-for-Sale Financial Assets

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

### 3.9. Derivative Financial Instruments

#### a) Assets

	31 March 2016	31 December 2015
Forward foreign exchange contracts – held-for-trading	6,409	743
Transaction on change of IRS	-	-
	<b>6,409</b>	<b>743</b>
<i>Current portion</i>	5,326	664
<i>Non-current portion</i>	1,083	79

#### b) Liabilities

	31 March 2016	31 December 2015
Forward foreign exchange contracts – held-for-trading	419	1,840
Transaction on change of IRS	2,303	1,210
	<b>2,722</b>	<b>3,050</b>
<i>Current portion</i>	410	1,639
<i>Non-current portion</i>	2,312	1,411

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro. As at the 31<sup>st</sup> of March, 2016, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at the 31<sup>st</sup> of March, 2016, amounted to EUR 26,575 thousand, USD 11,400 thousand, GBP 3,400 thousand and CAD 500 thousand. After the balance sheet date, the Comarch Group concluded forward contracts for sales EUR 3,900 thousand and USD 1,200 thousand.

On the 24<sup>th</sup> of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30<sup>th</sup> of September, 2013 from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 31<sup>st</sup> of October, 2018. As at the 31<sup>st</sup> of March, 2016, valuation of the IRS transaction amounted to minus PLN 276 thousand.

On the 27<sup>th</sup> of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevolving credit taken on the 4<sup>th</sup> of January, 2013, from Bank Zachodni WBK S.A. with its registered office in Wrocław. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 28<sup>th</sup> of June, 2019. As at the 31<sup>st</sup> of March, 2016, valuation of IRS transaction amounted to minus PLN 305 thousand.

On the 9<sup>th</sup> of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June, 2006, from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29<sup>th</sup> of July, 2024. As at the 31<sup>st</sup> of March, 2016, valuation of the IRS transaction amounted to minus PLN 916 thousand.

On the 23<sup>th</sup> of October, 2015, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 4<sup>th</sup> of December, 2013, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 8 years, i.e. till the 30<sup>th</sup> of November, 2023. As at the 31<sup>st</sup> of March, 2016, valuation of the IRS transaction amounted to minus PLN 806 thousand.

### 3.10. Trade and Other Receivables

	31 March 2016	31 December 2015
Trade receivables	282,077	367,832
Write-off revaluating receivables	(27,852)	(23,366)
Trade receivables – net	254,225	344,466
Other receivables	26,375	23,594
Short-term prepayments	17,875	10,453
Other prepayments	4,024	2,687
Loans	2,732	2,712
Receivables from related parties	2,521	1,463
<b>Total</b>	<b>307,752</b>	<b>385,375</b>
<i>Current portion</i>	<i>307,752</i>	<i>385,375</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of customers. As at 31<sup>st</sup> of March, 2016, Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 5,980 thousand and dissolved write-offs which had been previously created and worth PLN 1,392 thousand in relation to payment of debts. These operations were presented in the income statement in other costs and operating revenues, respectively.

### 3.11. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
<b>At 1 January 2015</b>	<b>8,125,590</b>	<b>8,125,590</b>	-	<b>8,125,590</b>
<i>14 May 2015 registration of the share capital increase by the court</i>	<i>7,759</i>	<i>7,759</i>	-	<i>7,759</i>
<b>At 31 December 2015</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>
<b>At 31 March 2016</b>	<b>8,133,349</b>	<b>8,133,349</b>	-	<b>8,133,349</b>

The nominal value of one share is PLN 1.

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

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

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

- a) disposal for the benefit of persons who were shareholders of the company on 18 March 1998,
- b) disposal for the benefit of descendants of a disposer,



c) conveying property of a registered share as a result of succession.

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

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

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

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

**3.11.2. Changes in Share Capital in Q1 2016**

None present.

**3.11.3. Changes in Share Capital after the Balance Sheet Date**

None present.

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

None present.

**3.13. Trade and Other Payables**

	<b>31 March 2016</b>	<b>31 December 2015</b>
Trade payables	38,629	64,665
Advance payments received due to services	2,618	6,467
Liabilities to related parties	1,149	2,073
Liabilities due to social insurance and other tax charges	31,210	46,771
Investments liabilities	4,499	3,832
Revenues from the future periods	55,622	20,527
Other payables	4,011	4,959
Special funds (Social Services Fund and Residential Fund)	3,070	1,604
<b>Total</b>	<b>140,808</b>	<b>150,898</b>

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

**3.14. Long-term Contracts**

	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
a) revenues from completed contracts recognised in the reporting period	20,289	1,551
b) revenues from contracts not completed recognised in the reporting period	21,998	22,333
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	23,841	15,734
<b>Revenues due to long-term contracts recognised in the reporting period</b>	<b>66,128</b>	<b>39,618</b>

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognised results corresponds to revenues. At the end of the reporting period, long-term contracts were valued in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between the 31<sup>st</sup> of March, 2015 and the 31<sup>st</sup> of March, 2016 are presented below:

	At 31 March 2016	At 31 March 2015	
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	429,306	293,024	
Issued invoices	(399,201)	(272,692)	
	<b>30,105</b>	<b>20,332</b>	
	<b>Long-term contracts receivables</b>	<b>Long-term contracts liabilities</b>	<b>Net</b>
<b>Revenues from long-term contracts included in the reporting period</b>			
<b>Value at 1 January 2015</b>	<b>53,105</b>	<b>(48,507)</b>	<b>4,598</b>
<i>Change</i>	7,028	8,706	15,734
<b>Value at 31 March 2015</b>	<b>60,133</b>	<b>(39,801)</b>	<b>20,332</b>
<b>Value at 1 January 2016</b>	32,440	(26,176)	6,264
<i>Change</i>	8,988	14,853	23,841
<b>Value at 31 March 2016</b>	<b>41,428</b>	<b>(11,323)</b>	<b>30,105</b>

### 3.15. Credits and Loans

	31 March 2016	31 December 2015
<b>Non-current</b>		
Bank credits	111,696	113,540
Loans	-	-
	<b>111,696</b>	<b>113,540</b>
<b>Current</b>		
Bank overdraft	-	-
Loans	1,253	-
Bank credits	23,362	24,152
	<b>24,615</b>	<b>24,152</b>
<b>Total credit and loans</b>	<b>136,311</b>	<b>137,692</b>

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

In Q1 2016, the value of nonrevolving credits which were drawdown amounted to PLN 3,784 thousand, the value of the paid principal instalments of long-term bank credits amounted to PLN 6,712 thousand.

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

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

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

At 31 March 2016	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	13,286	11,799	76,203	35,493	136,781
Interest	(470)	-	-	-	(470)
	<b>12,816</b>	<b>11,799</b>	<b>76,203</b>	<b>35,493</b>	<b>136,311</b>

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

	31 march 2016	31 December 2015
Between 1 and 2 years	24,100	23,755
Between 2 and 5 years	52,103	53,920
Over 5 years	35,493	35,865
	<b>111,696</b>	<b>113,540</b>

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

	31 March 2016	31 December 2015
In Polish currency	7,463	6,785
In EUR (equivalence in PLN)	128,848	130,907
	<b>136,311</b>	<b>137,692</b>

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

	31 March 2016	31 December 2015
Bank credits	1.71%	1.73%
Loans	-	-

#### 3.15.1. Long-term Bank Credits

Comarch S.A. credit lines:

- An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts of PLN 44,000 thousand. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by the 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 5,267 thousand, i.e. PLN 22,408 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as at the 31<sup>st</sup> of December, 2015).
- An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 2,837 thousand, i.e. PLN 12,108 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as at the 31<sup>st</sup> of December, 2015).
- An investment credit from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The loan was run on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 55 thousand, i.e. PLN

233 thousand (EUR 218 thousand, i.e. PLN 930 thousand as at the 31<sup>st</sup> of December, 2015).

- d) A nonrevolving operating credit from BZ WBK Bank S.A. with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's current operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is the 31<sup>st</sup> of December, 2020. This credit has a variable interest rate. The real estate mortgage located in SEZ and cession of rights in the insurance policy are security for this credit. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 4,536 thousand, i.e. PLN 19,359 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as at the 31<sup>st</sup> of December, 2015).
- e) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56,000 thousand, i.e. EUR 13,323 thousand. The crediting period: 10 years, repayment will be made not later than on the 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. The loan was fully paid out until the 30<sup>th</sup> of September, 2015. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 12,768 thousand, i.e. PLN 54,499 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as at the 31<sup>st</sup> of December, 2015).

In the third quarter of 2011, Comarch Healthcare S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15,889 thousand and as at the 31<sup>st</sup> of December, 2011, it was used in total. The crediting period is 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to PLN 6,242 thousand (PLN 6,809 thousand as at the 31<sup>st</sup> of December, 2015).

In the second quarter of 2013, Comarch AG acquired investment loan from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6,000 thousand and its crediting period is until 2018. The loan was drawdown on the 25<sup>th</sup> of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to EUR 2,793 thousand, i.e. PLN 11,922 thousand (EUR 3,103 thousand, i.e. PLN 13,225 thousand as at the 31<sup>st</sup> of December, 2015).

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

March, 2016, the value of drawn loan was EUR 2,035 thousand, i.e. PLN 8,685 thousand (EUR 1,161 thousand, i.e. PLN 4,946 thousand as at the 31<sup>st</sup> of December, 2015).

On the 18<sup>th</sup> of March, 2016, Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as a co-borrower), signed an investment credit agreement with bank BGŻ BNP Paribas S.A. with its registered office in Warsaw, for financing and refinancing of 100% of net costs of an investment related to construction of data center in Lille, France, but no more than 83.5% of the total net costs of the whole investment, about which Comarch S.A. informed in current report no. RB-2- 2016 dated the 15<sup>th</sup> of March, 2016. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18<sup>th</sup> of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18<sup>th</sup> of September, 2017. The credit is secured by:

- a) the conventional mortgage of EUR 12,000 thousand, i.e. PLN 51,246 thousand (exchange rate as of the date of signing the agreement) established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSE4 building), the current value of the mortgage established on the first place on the SSE4 building in favor of bank BGZ BNP Paribas S.A. is PLN 53,815 thousand, the current market value of the SSE4 building is PLN 78,880 thousand.
- b) a statement of Comarch S.A. of submission to enforcement,
- c) power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A.,
- d) cession of rights in the insurance policy of SSE4 building.

Comarch S.A. announced details in current report RB-4-2016 dated the 18<sup>th</sup> of March, 2016.

### 3.15.2. Loans

On the 28<sup>th</sup> of December, 2015, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 6,266 thousand and drawdown was made in the first quarter of 2016. Loan will reach its maturity date in December, 2016. The loan is not secured. As at the 31<sup>st</sup> of March, 2016, the value of the credit to be repaid amounted to PLN 1,253 thousand.

### 3.15.3. Current credit lines (variable interest rate)

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

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10,000 thousand. It can be used by the 13<sup>th</sup> of December, 2016. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31<sup>st</sup> of March, 2016, the credit was not used, as well as at the 31<sup>st</sup> of March, 2015.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10,000 thousand. It can be used by the 31<sup>st</sup> of October, 2016. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of March, 2016, the credit was not used, as well as at the 31<sup>st</sup> of March, 2015.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24,014 thousand. It can be used by the 31<sup>st</sup> of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of March, 2016, the credit was not used, as well as at the 31<sup>st</sup> of March, 2015.

	<b>31 March 2016</b>	<b>31 December 2015</b>
Current credit lines granted, expiring within one year, including:	<b>44,014</b>	<b>44,033</b>
– used at the balance sheet date	-	-
– available at the balance sheet date	44,014	44,033

### 3.16. Other Financial Liabilities

	31 March 2015	31 December 2014
Liabilities due to finance lease	98	169
<i>Current portion</i>	65	136
<i>Non-current portion</i>	33	33
Liabilities due to dividend	-	-
<i>Current portion</i>	-	-
<i>Non-current portion</i>	-	-
Liabilities due to acquisition of shares	5,639	7,801
<i>Current portion</i>	5,639	7,801
<i>Non-current portion</i>	-	-
<b>Total</b>	<b>5,737</b>	<b>7,971</b>

Liabilities due to the Comarch Group's finance lease (excluding lease agreements between the companies in the Group) comprise liabilities of Comarch Healthcare S.A., a subsidiary of Comarch S.A., due to finance lease agreements for cars. As at the 31<sup>st</sup> of March, 2016, value of these liabilities amounted to PLN 98 thousand.

Liabilities due to acquisition of shares of an associate, Thanks Again LLC, relate to the obligations of Comarch Pointshub Inc., a subsidiary of Comarch S.A. The value of these obligations is PLN 5,639 thousand. Their settlement is scheduled till the 31<sup>st</sup> of August, 2016.

### 3.17. Liabilities due to Operating Lease

	Less than 1 year	Less than 5 years	Total
Liabilities due to lease agreements for usage places	20,219	39,182	59,401
Liabilities due to lease agreements for equipment and means of transport	791	808	1,599
<b>Total</b>	<b>21,010</b>	<b>39,990</b>	<b>61,000</b>

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

As at the 31<sup>st</sup> of March, 2016, the Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 1,599 thousand (PLN 1,606 thousand as at the 31<sup>st</sup> of December, 2015).

### 3.18. Contingent Liabilities

On the 31<sup>st</sup> of March, 2016, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 48,052 thousand, whereas it was PLN 48,740 thousand on the 31<sup>st</sup> of December, 2015.

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

On the 31<sup>st</sup> of March, 2016, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 815 thousand, i.e. PLN 3,479 thousand, whereas it was EUR 815 thousand, i.e. PLN 3,474 thousand on the 31<sup>st</sup> of December, 2015.

On the 31<sup>st</sup> of March, 2016, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand, i.e. PLN 69 thousand, whereas it was EUR 16 thousand, i.e. PLN 68 thousand on the 31<sup>st</sup> of December, 2015.

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

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

	<b>31 March 2016</b>	<b>31 December 2015</b>
Credit lines*	159,882	159,876
	<b>159,882</b>	<b>159,876</b>

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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 69,739 thousand. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of March, 2016 and are worth PLN 10,467 thousand. They include provisions for claims recognised in Q1 2016 and worth PLN 1,026 thousand. The Comarch Group is the party to the matters in disputes but not legal proceedings in which the potential total amount of third party claims is PLN 14,104 thousand. Third party claims in respect to matters at disputes were not covered by provisions. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims in legal proceedings or matters in disputes but not legal proceedings.

In the first quarter of 2016, the Comarch Group has not created impairment losses on receivables in connection with conducted legal proceedings or matters in disputes.

**3.19. Deferred Income Tax**

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>A deferred income tax assets</b>		
- temporary differences	14,310	16,171
- basset due to a tax loss	7,763	6,820
- an asset due to activities in Special Economic Zone ("SEZ")	9,861	10,441
<b>Total</b>	<b>31,934</b>	<b>33,432</b>
- charged to financial result	31,934	33,432

In the first quarter of 2016, an asset due to activities in the SEZ, that was established on 31<sup>st</sup> of December, 2015, was dissolved in the amount of PLN 580 thousand. This asset will be successively dissolving over 2016, in proportion to the income achieved in the Special Economic Zone during this period.

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

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

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

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of March, 2016, constitutes a deferred income tax asset. Limit of the unused investment tax relief under the permit obtained in 1999 amounted to PLN 114 thousand as at the 31<sup>st</sup> of March, 2016 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2007 amounted to approx. PLN 23,787 thousand as at the 31<sup>st</sup> of March, 2016 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in 2013 amounted to approx. PLN 29,987 thousand as at the 31<sup>st</sup> of March, 2016 (after discounting at the permit date).

In the first quarter of 2016, the Group settled in part a deferred tax asset related to temporary differences that was established on the 31<sup>st</sup> of December, 2015 and worth PLN 3,837 thousand, as well as an asset due to temporary differences was recognised in the amount of PLN 1,976 thousand. An asset due to tax loss was recognised in the amount of PLN 943 thousand. The total effect of the above-mentioned operations on the net result of the first quarter of 2016 was minus PLN 1,498 thousand.

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Provision for deferred income tax</b>		
- temporary differences	9,070	7,665
- provision due to fair value valuation of assets recognised as a result of acquisition of Comarch SuB, ESAProjekt sp. z o.o. and A-MEA Informatik AG, and due to valuation of MKS Cracovia SSA's real estates	5,653	5,780
- provision due to valuation of certificates in CCF FIZ	23,500	24,174
<b>Total</b>	<b>38,223</b>	<b>37,619</b>
- charged to equity	5,430	5,430
- charged to financial result	32,570	31,839
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	223	350

Due to valuation of net assets of CCF FIZ, in the first quarter of 2016, the Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 674 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 1,578 thousand and dissolved in the amount of PLN 173 thousand. In the first quarter of 2016, the Group dissolved a provision due to acquisition of A-MEA Informatik AG (currently Comarch Swiss AG) and ESAProjekt sp. z o.o. (currently Comarch Healthcare S.A.) which was worth PLN 127 thousand. The total effect of the all above-mentioned operations on the net result of Q1 2016 was minus PLN 604 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 2,102 thousand.

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

### 3.20. Provisions for Other Liabilities and Charges

Current	Costs related to current period which will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Total
<b>At 1 January 2016</b>	<b>4,630</b>	<b>21,692</b>	<b>16,214</b>	<b>22,378</b>	<b>82,833</b>	<b>147,747</b>
Change:	2,935	(2,412)	2,291	6,718	(15,412)	<b>(5,880)</b>
- provisions created	4,364	3,254	2,493	8,947	12,263	<b>31,321</b>
- provisions used and dissolved	(1,429)	(5,666)	(202)	(2,229)	(27,675)	<b>(37,201)</b>
<b>At 31 March 2016</b>	<b>7,565</b>	<b>19,280</b>	<b>18,505</b>	<b>29,096</b>	<b>67,421</b>	<b>141,867</b>

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



### 3.21. Related-Party Transactions

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

	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
<b>Revenues from sales of goods:</b>		
SolInteractive S.A.	-	-
Thanks Again LLC	-	-
	<hr/>	<hr/>
	-	-
<b>Revenues from sales of services:</b>		
SolInteractive S.A.	199	106
Thanks Again LLC	3,632	-
	<hr/>	<hr/>
	<b>3,831</b>	<b>106</b>
	<hr/>	<hr/>
	<b>3,831</b>	<b>106</b>

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

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

#### 3.21.2. Purchase of Goods and Services

	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
<b>Purchases of goods:</b>		
SolInteractive S.A.	179	8
Thanks Again LLC	-	-
	<hr/>	<hr/>
	<b>179</b>	<b>8</b>
<b>Purchase of services:</b>		
SolInteractive S.A.		
<i>included in generation costs</i>	743	343
<i>included in other costs</i>	668	593
	<hr/>	<hr/>
	<b>1 411</b>	<b>936</b>
Thanks Again LLC		
<i>included in generation costs</i>	-	-
<i>included in other costs</i>	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	<b>1,590</b>	<b>944</b>

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

	<b>31 March 2016</b>	<b>31 March 2015</b>
<b>Receivables from related parties:</b>		
SolInteractive S.A.	352	233
Thanks Again LLC	2,058	1,120
	<b>2,410</b>	<b>1,353</b>
<b>Payables to related parties:</b>		
SolInteractive S.A.	1,149	2,073
Thanks Again LLC	-	-
	<b>1,149</b>	<b>2,073</b>

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

<b>PLN'000</b>	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
Purchases from personally related entities	661	136
Sales to personally related entities	32	38
Loans and interest on loans paid by personally related entities	-	200
Loans and interest on loans granted to personally related entities	-	3,180
Purchases from associates	1,590	944
Sales to associates	3,831	106
Loans and interest on loans repaid by associates	89	36
Loans and interest on loans granted to associates	-	300

**3.22. Earnings per Share**

	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
Net profit for the period attributable to equity holders of Group	7,177	18,771
Weighted average number of shares in issue	8,133,349	8,125,590
<b>Basic earnings per share (PLN)</b>	<b>0.88</b>	<b>2.31</b>
Diluted number of shares	8,133,349	8,133,349
<b>Diluted earnings per share (PLN)</b>	<b>0.88</b>	<b>2.31</b>

Basic earnings per share in the column "3 months ended 31 March 2016" is calculated by dividing the net profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2016, to the 31<sup>st</sup> of March, 2016 by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2016, to the 31<sup>st</sup> of March, 2016, where the number of days is the weight. Basic earnings per share in the column "3 months ended 31 March 2015" is calculated by dividing the net profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of March, 2015, by the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of March, 2015, where the number of days is the weight.

Diluted earnings per share in the column "3 months ended 31 March 2016" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2016, to the 31<sup>st</sup> of March, 2016 by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2016, to the 31<sup>st</sup> of March, 2016, where

the number of days is the weight. Diluted earnings per share in the column "3 months ended 31 March 2015" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of March, 2015, by the sum of the weighted average number of shares in issue between the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of March, 2015, where the number of days is the weight and diluted number of shares resulting from execution of the managerial option for 2014.

#### 4. Additional Notes

##### 4.1. Information about Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

##### 4.1.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5% of the Total Number of Votes at Comarch S.A. General Meeting as at 16 May 2016

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

##### 4.1.2. Changes In Significant Holdings of Comarch S.A. Shares in the Period Since the Previous Financial Report, i.e. since 29 April 2016

Entity	At 16 May 2016				At 29 April 2016			
	Shares	(%) in share capital	Number of votes	(%) in votes	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	2,674,488	32.88	6,246,488	41.30	2,674,488	32.88	6,246,488	41.30
Elżbieta Filipiak	846,000	10.40	4,230,000	27.96	846,000	10.40	4,230,000	27.96

##### 4.1.3. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 29 April 2016 and 16 May 2016

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the consolidated annual report for 2015 was published, i.e. on the 29<sup>th</sup> of April, 2016, and on the 16<sup>th</sup> of May, 2016, pursuant to the information possessed by the company:

Members of the Management Board and the Board of Supervisors	Position	At 16 May 2016		At 29 April 2016	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2,674,488	41.30	2,674,488	41.30
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96	846,000	27.96
Marcin Dąbrowski	Vice-President of the Management Board	0	0.00	0	0.00
Paweł Prokop	Vice-President of the Management Board	37,539	0.50	37,539	0.50
Andrzej Przewięźlikowski	Vice-President of the Management Board	0	0.00	0	0.00
Zbigniew Rymarczyk	Vice-President of the Management Board	32,867	0.22	32,867	0.22
Konrad Tarański	Vice-President of the Management Board	10,608	0.07	10,608	0.07
Marcin Warwas	Vice-President of the Management Board	10,608	0.07	10,608	0.07
<b>Number of issued shares</b>		<b>8,133,349</b>	<b>100.00</b>	<b>8,133,349</b>	<b>100.00</b>

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

### **4.2.1. Deferred Income Tax Asset**

In the first quarter of 2016, an asset due to activities in the SEZ that was established on the 31<sup>st</sup> of December, 2015, was dissolved in the amount of PLN 580 thousand. This asset will be successively dissolving over 2016, in proportion to the income achieved in the Special Economic Zone during this period.

In the first quarter of 2016, the Group settled in part a deferred tax asset related to temporary differences that was established on 31<sup>st</sup> of December, 2015, and worth PLN 3,837 thousand, as well as an asset due to temporary differences was recognized in the amount of PLN 1,976 thousand. An asset due to tax loss was recognized in the amount of PLN 943 thousand. The total effect of the above-mentioned operations on the net result of the first quarter of 2016 was minus PLN 1,498 thousand.

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

The influence of currency exchange rates on revenue and results of the Comarch Group in the first quarter of 2016 was moderate. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of March, 2015, increased revenue and operating result of the Comarch Group by PLN 1,819 thousand (while in the first quarter of 2015 decreased by PLN 1,826 thousand). Other exchange differences increased by PLN 3,351 thousand Comarch's result (while in the first quarter of 2015 increased by PLN 4,208 thousand). Total currency translation differences resulted in a decrease of PLN 1,532 in the Comarch Group's net result for the first quarter of 2016 (while in the first quarter of 2015 increased by PLN 2,382 thousand).

### **4.2.3. Write-off Revaluating Receivables**

In the first quarter of 2016, the Group recognized an impairment loss of trade receivables in the amount of PLN 5,980 thousand and reversed previously created write-off in the amount of PLN 1,392 thousand.

### **4.2.4. The impact of Thanks Again LLC on the results of the Comarch Group**

Taking into account Thanks Again LLC - an associate of Comarch S.A. - in the financial results of the first quarter of 2016 under the equity method resulted in a decrease in the net result of the Comarch Group by PLN 3,179 thousand, which is related to the current activity of Thanks Again LLC.

### **4.2.5. The fair value of financial instruments**

The fair value of instruments hedging currency risk and interest rate risk increased the net result of Comarch Group in the amount of PLN 5,994 thousand.

## **4.3. Other Events in Q1 2016**

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

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

- 1) Q4 2015 - on the 29<sup>th</sup> of February, 2016;
- 2) Q1 2016 - on the 16<sup>th</sup> of May, 2016;
- 3) Q2 2016 - Pursuant to §101 sec. 2 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, Comarch S.A. will not publish quarterly report for the second quarter of 2016;
- 4) Q3 2016 - on the 14<sup>th</sup> of November, 2016;
- 5) Annual report for 2015 - on the 29<sup>th</sup> of April, 2016;
- 6) Consolidated annual report for 2015 - on the 29<sup>th</sup> of April, 2016;
- 7) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2016 - on the 31<sup>th</sup> of August, 2016.

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

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

Comarch S.A. announced details in current report RB-5-2016 dated the 18<sup>th</sup> of March, 2016.

#### **4.4. Events after the Balance Sheet Date Not Included in the Financial Statement**

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

Between the 31<sup>st</sup> of March, 2016, and the 16<sup>th</sup> of May, 2016, Comarch S.A. concluded forward contracts for sales of EUR 3,900 thousand and USD 1,200 thousand. The total net value of open forward contracts as of the 16<sup>th</sup> of May, 2016, amounted to EUR 27,475 thousand, USD 11,500 thousand, GBP 2,900 thousand and CAD 500 thousand. The open forward contracts as of the 16<sup>th</sup> of May, 2016 were valued at plus PLN 1,885 thousand. The contracts will be settled within 23 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in Euro.

##### **4.4.2. Announcement of the Comarch S.A. Annual General Shareholders Meeting**

On the 16<sup>th</sup> of May, 2016, the Management Board of Comarch S.A. convened the Annual General Shareholders Meeting, to be held at 11:00 a.m. on the 15<sup>th</sup> of June, 2016, at ul. prof. Michała Życzkowskiego 23 in Krakow.

The agenda of the Meeting includes among others:

- a) Consideration of the reports of the company's authorities and the company's financial statement and the Group's consolidated financial statement for the fiscal year 1.01.2015 - 31.12.2015.
- b) Adoption of resolution on approving the Company's financial statement and the report of the Management Board on the activities of Comarch S.A. for the fiscal year 1.01.2015 - 31.12.2015;
- c) Adoption of resolution on approving the consolidated financial statement and the report of the Management Board on the activities of Comarch Group for the fiscal year 1.01.2015 - 31.12.2015;
- d) Approving the report of the Board of Supervisors regarding activities of the Board of Supervisors in 2015 and regarding assessment of the Company's situation, the report regarding the audit of the Company's financial statement and of the Management Board's report regarding Comarch S.A.'s activities for the fiscal year 1.01.2015 - 31.12.2015, the report regarding the audit of the Capital Group's consolidated financial statement and of the Management Board's report regarding Comarch Capital Group's activities for the fiscal year 1.01.2015 - 31.12.2015;
- e) Adoption of resolution on distribution of the Company's net profit for the fiscal year 1.01.2015 - 31.12.2015;
- f) Acknowledging the fulfilment of duties by the members of the Management Board in the fiscal year 1.01.2015 - 31.12.2015;
- g) Acknowledging the fulfilment of duties by the members of the Board of Supervisors in the fiscal year 1.01.2015 - 31.12.2015;
- h) Election of the Supervisory Board's members;
- i) Election of the Management Board's members;
- j) Changes in the company's Statute.

Comarch S.A. announced details in current report RB-6-2016 dated the 16<sup>th</sup> of March, 2016.

**4.5. The Management Board's Position on the Execution of Previously-Published Forecasts for the Current Year, in the Bright of Results Presented in the Quarterly Report**

The Management Board did not forecast any results for Q1 2016.

**4.6. Significant Legal, Arbitration or Administrative Proceedings**

In the first quarter of 2016, Group's parties did not sue and were not sued in proceedings which fulfill the criterion specified in § 87 Act 7 point 7a) and 7b) of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state.

**4.7. Information about Transactions with Related Parties on Terms Different from Market Conditions**

None present.

**4.8. Information about Suretyships, as well as Guarantees Provided by the Issuer and Its Subsidiaries**

- a) Due to conclusion in August, 2010, of a contract with a customer by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. has granted a surety for the customer. This surety has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG. The value of the guarantee equals the value of the contract, i.e. approximately EUR 53,666 thousand. The financial conditions, that the surety was provided on, do not differ from the market conditions.
- b) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- c) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- d) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,833 thousand and is valid until the 31<sup>st</sup> of December, 2021.
- e) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- f) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,682 thousand and is valid for the whole term of the contract.

- g) Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- h) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from Sachsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 263 thousand increased by interest for the period from the granting of the subsidy to its return. Taking the debt is valid till the 30<sup>th</sup> of August, 2018.
- i) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BGŻ BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6,000 thousand, on the 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9,000 thousand and is valid till the 15<sup>th</sup> of May, 2020.
- j) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.
- k) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- l) Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.
- m) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- n) Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement in 2015, the total amount of granted surety is PLN 100 thousand and is valid till the 31<sup>st</sup> of May, 2016.
- o) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. approximately EUR 10 thousand monthly and is valid till the termination of the contract.
- p) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- q) Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract

by CA Consulting S.A. The total amount of granted surety is PLN 50 thousand and is valid till the 31<sup>st</sup> of May, 2016.

- r) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- s) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and is valid 5 years.
- t) Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfillment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- u) Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. o.o. SK-A funding in the amount of EUR 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 28<sup>th</sup> of June, 2030.
- v) Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., for IT Out-Tasking Services, Comarch S.A. granted a surety for liabilities of Comarch Chile SpA resulting from this contract. The surety was granted up to the amount of EUR 200 thousand and is valid till the termination of the project, ie. the 30<sup>th</sup> of August, 2018.
- w) Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety was granted up to the amount of PLN 10 thousand and is valid till the 15<sup>th</sup> of September, 2015.
- x) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- y) Due to purchase of a license from one of the clients by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for this purchase. The surety was granted up to the amount of EUR 225 thousand and is valid till the 31<sup>st</sup> of December, 2015.
- z) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- aa) 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.



#### **4.9. Other Information Significant for the Assessment of Means and Employees, Financial Rating, Financial Results and Their Changes and Information Significant for the Assessment of the Possibility of the Execution of Obligations by the Issuer**

As of the 31<sup>st</sup> of March, 2016, Comarch S.A. and its subsidiaries have not signed any currency options contracts.

In the first quarter of 2016, Comarch S.A. did not apply hedge accounting on the basis of §88 MSR 39 "Financial instruments: treatment and evaluation", nor on the basis of the Minister of Finance's regulation from the 12<sup>th</sup> of December, 2001, on the detailed methods of recognition, evaluation and extent of disclosure of financial instruments and the way financial instruments are presented.

### **5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the First Quarter of 2016 and Factors Which Will Substantially Impact Results over the Course of at least the Next Quarter**

#### **5.1. Revenues and Financial Results**

In the first quarter of 2016, the Comarch Group generated revenue in the amount of PLN 243.2 million. They were lower by PLN 3.2 million, i.e. 1.3% than those achieved in the first quarter of 2015. Operating result amounted to PLN 12.3 million and was lower by PLN 6.7 million, i.e. 35.2% than in Q1 2015. Net result attributable to the shareholders of the parent company was PLN 7.2 million and decreased by PLN 11.6 million, i.e. 61.8% compared to the first quarter of 2015. The EBIT margin was +5.0% and net margin amounted to +3.0%. During the described period, the Comarch Group generated EBITDA in the amount of PLN 28.3 million (lower by PLN 4.7 million than in the first quarter of 2015).

Levels of revenues, EBIT margin and net margin achieved by the Group in Q1 2016 were lower than those in the first quarter of 2015 as a result of, inter alia:

- a) Significant decrease in sales to customers from public sector in Q1 2016,
- b) Significant decrease in sales of own finished goods – in Q1 2016 it decreased by PLN 13.1 million, i.e. 99.6% in relation to Q1 2015 due to lack of supplies of finished goods to customers from public sector (in Q1 2015 the Group realized this type of delivery in the amount of approx. PLN 13 million),
- c) Decrease in sales revenue to customers from telecommunications sector caused by lack of supplies of third-party software of significant value in this period (in Q1 2015 The Group realized this type of delivery in the amount of over PLN 20 million),
- d) High dynamics of sales revenues to customers in the trade and services sector, finance and banking sector and industry&utilities sector sustained through long-term agreements signed in previous periods,
- e) Significant increase in operating costs, especially costs of remuneration, related to a large increase in employment during 2015 (increase by 826 employees), resulting in increase in salary fund by over 20% in the reporting period comparing to Q1 2015,
- f) taking into account an associated company - Thanks Again LLC - in the financial results of Q1 2016 using the equity method resulted in a decrease in the net result of the Comarch Group by PLN 3.2 million,
- g) Valuation of exchange rate differences and fair value of instruments hedging currency risk and interest rate risk increased the Group's net result by PLN 4.5 million.

Costs related to manufacturing of *e-Health* software, telemedicine equipment and operating of the modern medical and diagnostic centre in Krakow will have significant effect on increase in operating costs and worsening of the current financial result of the Comarch Group, however they will contribute to increasing revenues generated in this business segment in the future.

In the first quarter of 2016, the employment in the Comarch Group hasn't changed significantly. Group focused on achieving the target productivity by workers employed during the previous year. As at the 31<sup>st</sup> of March, 2016, the Comarch Group (excluding MKS Cracovia SSA) hired 4,992 persons, i.e. 45 persons less than as at the 31<sup>st</sup> of December, 2015 and 697 persons more than as at the 31<sup>st</sup> of March, 2015.

Good financial results, achieved on the Company's core activity, despite the slowdown observed in the public sector, confirm the effectiveness of Group's strategy – a strategy that is based on:

- a) diversification of business activity between different business sectors and different markets,
- b) sales of IT solutions, most of which are developed in-house,
- c) sales development on international markets,
- d) the stable improvement of operational performance through the ongoing improvement of procedures and cost rationalisation,
- e) development of new technologies and business areas, especially in the medicine segment,
- f) growing share in sales of IT in services model.

The Comarch Group actively looks for new markets (for example in South America and Asia), continues investment in new IT products and services, as well as development of its IT infrastructure. The very good financial standing of the Comarch Group ensures securing its activities during the unsteady macroeconomic situation both in Poland and worldwide. Group is aware of incurring high costs for new products development and activities on foreign markets in order to further enhance Group's future competitiveness.

## 5.2. Sales Structure

### Products sales structure

In the first quarter of 2016, the Group reported sales of services significantly higher than a year before - increase by PLN 32.2 million, i.e. 19.6%. This is a result of the implementation of a large number of contracts in foreign markets concluded in previous periods. Revenues from sales of proprietary software increased by PLN 4.4 million, i.e. 15.7%. Revenues from sales of third party software decreased by PLN 21.4 million, i.e. 86.8%, which is a result of reduced deliveries of third party software to customers in the telecommunications sector in the domestic market (in Q1 2015, the Group realized this type of delivery in the amount of over PLN 20 million). Sales of third party computer hardware dropped by PLN 4 million, i.e. 74.3%. Sale of own finished products in Q1 2016 was marginal, it decreased by PLN 13.1 million, i.e. 99.6% compared to Q1 2015, due to lack of supplies of own finished products to customers in the public sector (in Q1 2015, the Group realized that type of delivery of approx. PLN 13 million). In Q1 2016 the other sales fell by PLN 1.2 million, i.e. 11.6%, as a result of a decrease in sales of consumables for finished products sold by the Group.

Products sales structure	Q1 2016	%	Q1 2015	%	Change in PLN	Change %
Services	196,699	80.9%	164,506	66.8%	32,193	19.6%
Proprietary software	32,267	13.3%	27,897	11.3%	4,370	15.7%
Third party software	3,256	1.3%	24,702	10.0%	-21,446	-86.8%
Finished goods	48	0.0%	13,106	5.3%	-13,059	-99.6%
Hardware	1,383	0.6%	5,372	2.2%	-3,989	-74.3%
Others	9,503	3.9%	10,750	4.4%	-1,247	-11.6%
<b>Total</b>	<b>243,156</b>	<b>100.0%</b>	<b>246,333</b>	<b>100.0%</b>	<b>-3,177</b>	<b>-1.3%</b>

## Market Sales Structure

In the first quarter of 2016, there was a significant decrease in sales (PLN 19.2 million, i.e. 55.5%) to customers in the public sector, which is associated with a reduction of purchases by customers in this sector, due to the temporary limitation to the access to finance from EU funds, and as a result, reduced supply of own finished products by the Group. Sales to customers in the trade and service increased by PLN 9.8 million, i.e. 31.1% compared to Q1 2015, mainly due to the implementation of new contracts in foreign markets acquired in previous periods. Revenues from sales of the Comarch Group to customers in the TMT sector decreased by PLN 9.4 million (i.e. 12.6%) compared to Q1 2015, as a result of reduced supply of third-party software on the domestic market, partially offset by an increase in sales in foreign markets, mainly in Western Europe and South America. Customers in finance and banking sector bought products and services with a value higher by PLN 8.2 million (i.e. 32.1%) than achieved in the corresponding period of the previous year. This is due to the acquisition of new customers in foreign markets. The decrease in revenues from sales to customers in the medical sector (by PLN 1.6 million, i.e. 33.1%) is the result of a lower number of projects related to computerization of health care. Sales to customers in the industry and utilities sector increased compared to Q1 2015 by PLN 7.9 million, i.e. 41.5%, as a result of increased delivery of services for one of the national power companies. Revenues from sales to customers in the small and medium-sized enterprises sector in Poland increased by PLN 1.5 million, i.e. 6.2%, while in the DACH region fell by PLN 1.4 million, i.e. 5.4%. Sales to other customers increased in Q1 2016 by 1.0 PLN million, i.e. 23.9%, mainly due to increased revenues of MKS Cracovia SSA.

Market sales structure	Q1 2016	%	Q1 2015	%	Change in PLN	Change %
Telecommunications, Media, IT	65,393	26.9%	74,798	30.4%	-9,405	-12.6%
Finance and Banking	33,544	13.8%	25,385	10.3%	8,159	32.1%
Trade and Services	41,407	17.0%	31,593	12.8%	9,814	31.1%
Industry & Utilities	27,019	11.1%	19,093	7.7%	7,926	41.5%
Public sector	15,410	6.4%	34,647	14.1%	-19,237	-55.5%
Small and Medium-Sized Enterprises – Poland	26,314	10.8%	24,775	10.0%	1,539	6.2%
Small and Medium-Sized Enterprises – DACH	25,544	10.5%	26,992	11.0%	-1,448	-5.4%
Medicine	3,155	1.3%	4,715	1.9%	-1,560	-33.1%
Others	5,370	2.2%	4,335	1.8%	1,035	23.9%
<b>Total</b>	<b>243,156</b>	<b>100.0%</b>	<b>246,333</b>	<b>100.0%</b>	<b>-3,177</b>	<b>-1.3%</b>

## Geographical Sales Structure (customers)

In the first quarter of 2016, the Group's export sales was PLN 148.0 million and grew by PLN 34.6 million, i.e. 30.6% compared to those in Q1 2015. In Q1 2016 export sales reached 60.9% of total sales revenues.

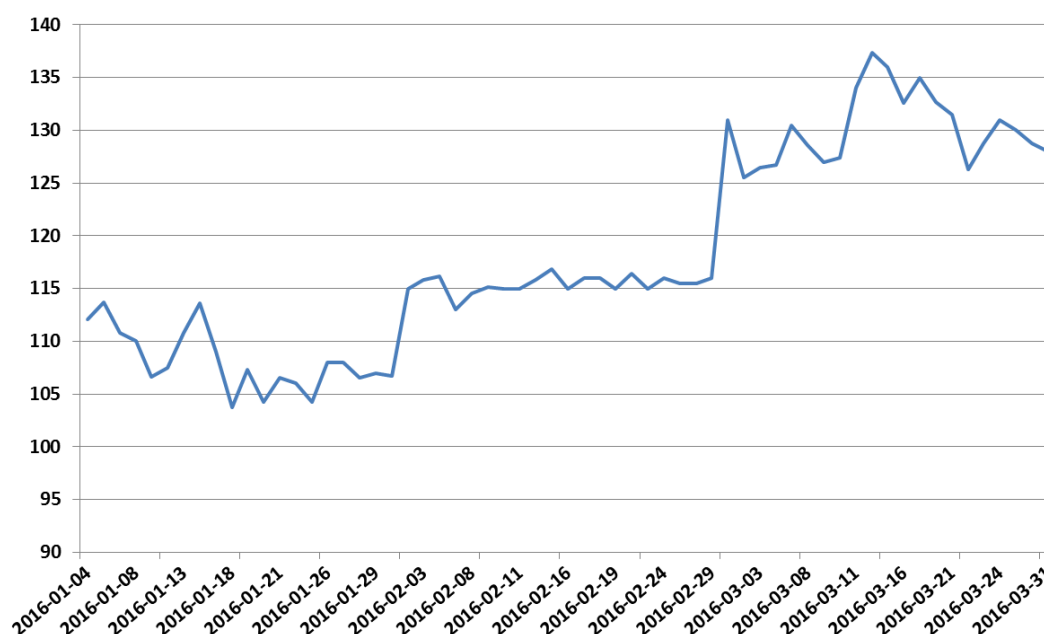
Domestic sales significantly decreased and amounted to PLN 95.2 million (less by PLN 38.8 million, i.e. 28.4% than in Q1 2015). Reasons for decline in domestic sales are:

- significant drop of sales revenues (PLN 19.2 million, i.e. 55.5%) to customers in the public sector, which is associated with a reduction of purchases by customers in this sector, due to the temporary limitation in access to EU funding and also as a result of reduced supply of own finished products of the Group;
- reduced deliveries of third party software to customers in the telecommunications sector in the domestic market (in Q1 2015, the Group realized this type of delivery in the amount of over PLN 20 million).

Geographical sales structure	Q1 2016	%	Q1 2015	%	Change in PLN	Change %
Domestic (Poland)	95,151	39.1%	132,969	54.0%	-37,818	-28.4%
Export	148,005	60.9%	113,364	46.0%	34,641	30.6%
<b>TOTAL</b>	<b>243,156</b>	<b>100.0%</b>	<b>246,333</b>	<b>100.0%</b>	<b>-3,177</b>	<b>-1.3%</b>

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

#### Q1 2016



On the 31<sup>st</sup> of March, 2016, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange amounted to PLN 128.00 and increased by 12.2% compared to PLN 114.05 on the 31<sup>st</sup> of December, 2015. Group's results and Comarch S.A. stock price in the next quarters will depend in large part on the development of sales of Comarch proprietary products and services shaped by the condition of the economy on the Polish and the European markets, the financial situation of medium-sized and large enterprises (which constitute the basis of Group's clients), exchange rates of currencies and the rate of increase in the remuneration of IT employees.

### 5.4. Events in the First Quarter of 2016 that Greatly Impacted the Current Activities of the Comarch Group

#### 5.4.1. Launch of Infrastructure Investments of Significant Value

In the first quarter of 2016 the Group started investments in infrastructure, which will have a significant impact on the level of capital expenditures and debt levels of the Group in subsequent periods. Details are described in section 3.2 of this report.

#### 5.4.2. Impairment Losses on Receivables

In the first quarter of 2016, the Group recognized impairment losses of trade receivables in the amount of PLN 5,980 thousand. The largest item is a qualification of receivables amounting to PLN 3,980 thousand of counterparties in the Asian market, worsening the operating result and the net result of the Comarch Group in the first quarter of 2016 by PLN 3,980 thousand.

#### 5.4.3. Obtaining a permit to operate in the Special Economic Zone in Krakow

In the first quarter of 2016, Comarch S.A. obtained two further permits to operate in Special Economic Zone in Krakow.

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

Taking into account an associate - Thanks Again LLC - in the financial results of the first quarter of 2016 under the equity method resulted in a decrease in the net result of the Group Comarch by PLN 3,179 thousand. This amount is related to the current activity of Thanks Again LLC.

**5.5. Events after the Balance Sheet Date that Greatly Impacted the Current Activities of the Comarch Group**

**5.5.1. Opinion of the Supervisory Board and the Recommendation of the Management Board of Comarch S.A. on the Distribution of Net Profit for 2015**

On the 16<sup>th</sup> of May, 2016, the Supervisory Board approved the recommendation of the Management Board of Comarch S.A. on the distribution of net profit for 2015. The Management Board of Comarch S.A. by adopting Resolution No. 2/5/2016 dated the 16<sup>th</sup> of May, 2016, recommended to the Annual General Meeting of Comarch S.A. an allocation of net profit earned in the financial year from the 1<sup>st</sup> of January, 2015, to the 31<sup>st</sup> of December, 2015, in the amount of PLN 57,682,617.41 to supplementary capital. The Company announced details in current report no RB-7-2016 dated the 16<sup>th</sup> of May, 2016.

## VII. Quarterly Summary of Comarch S.A. Financial Statement for the First Quarter of 2016

I. Balance Sheet (PLN'000)	31 March 2016	31 December 2015	31 March 2015
<b>ASSETS</b>			
<b>I. Non-current assets</b>	<b>690,734</b>	<b>689,344</b>	<b>630,637</b>
1. Intangible assets	9,574	10,469	7,021
2. Property, plant and equipment	260,098	258,116	246,609
3. Non-current investments	412,932	412,612	369,247
3.1. Non-current financial assets	383,603	382,917	338,454
a) in related parties	382,520	382,838	338,118
b) in other entities	1,083	79	336
3.2 Real estates	29,286	29,652	30,750
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	8,130	8,147	7,760
4.1 Deferred income tax assets	7,041	7,348	7,228
4.2 Other accruals	1,089	799	532
<b>II. Current assets</b>	<b>378,232</b>	<b>427,964</b>	<b>377,006</b>
1. Inventories	33,270	27,746	20,453
2. Current receivables	242,231	291,780	249,859
2.1 from related parties	130,855	148,591	120,725
2.2 from other entities	111,376	143,189	129,134
3. Current investments	57,820	71,127	65,354
3.1 Current financial assets	57,820	71,127	65,354
a) in related parties	190	110	1,030
b) in other entities	5,022	632	2,356
- interest and shares	1	1	1
- granted loans	-	-	363
- other current financial assets	5,021	631	1,992
c) cash and cash equivalents	52,608	70,385	61,968
4. Short-term prepayments	44,911	37,311	41,340
<b>Total assets</b>	<b>1,068,966</b>	<b>1,117,308</b>	<b>1,007,643</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>	<b>746,625</b>	<b>731,905</b>	<b>689,401</b>
1. Share capital	8,133	8,133	8,125
2. Supplementary capital	562,292	562,292	521,244
3. Revaluation reserve	100,311	103,052	94,132
4. Other reserve capitals	745	745	745
5. Capital from merger settlement	-	-	-
6. Previous years' profit (loss)	57,683	-	41,049
7. Net profit (loss)	17,461	57,683	24,106
<b>II. Liabilities and provisions for liabilities</b>	<b>322,341</b>	<b>385,403</b>	<b>318,242</b>
1. Provisions for liabilities	125,138	140,669	102,617
1.1 Provision for deferred income tax	25,438	25,412	23,321
1.2 Other provisions	99,700	115,257	79,296
a) current	99,700	115,257	79,296
2. Non-current liabilities	97,578	101,209	101,631
2.1 to related parties	2,851	3,530	942
2.2 to other entities	94,727	97,679	100,689
3. Current liabilities	90,500	131,535	104,927
3.1 to related parties	21,897	22,928	16,101
3.2 to other entities	65,690	107,152	86,166
3.3 Special funds	2,913	1,455	2,660
4. Accruals	9,125	11,990	9,067
4.1 Other accruals	9,125	11,990	9,067
a) current	9,125	11,990	9,067
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,068,966</b>	<b>1,117,308</b>	<b>1,007,643</b>

Book value	746,625	731,905	689,401
Number of shares	8,133,349	8,133,349	8,125,590
Book value per single share (PLN)	91.80	89.99	84.84
Diluted number of shares	8,133,349	8,133,349	8,133,349
Diluted book value per single share (PLN)	91.80	89.99	84.76

<b>II. Income Statement</b>	<b>Q1 2016</b>	<b>Q1 2015</b>
<b>For the periods 01.01 – 31.03.2015 and 01.01 – 31.03.2014 (PLN'000)</b>		
<b>I. Net revenues from sales of products, goods and materials, including:</b>	<b>161,218</b>	<b>182,017</b>
- revenues from related parties	33,236	45,485
1. Net revenues from sales of products	150,053	144,677
2. Net revenues from sales of goods and materials	11,165	37,340
<b>II. Costs of products, goods and materials sold, including:</b>	<b>120,730</b>	<b>134,313</b>
- to related parties	6,211	8,577
1. Manufacturing cost of products sold	111,329	98,058
2. Value of products, goods and materials sold	9,401	36,255
<b>III. Gross profit (loss) on sales</b>	<b>40,488</b>	<b>47,704</b>
IV. Costs of sales	13,280	14,044
V. Administrative expenses	8,805	8,933
<b>VI. Profit (loss) on sales</b>	<b>18,403</b>	<b>24,727</b>
<b>VII. Other operating revenues</b>	<b>359</b>	<b>1,275</b>
1. Profit on disposal of non-financial non-current assets	-	61
2. Other operating revenues	359	1,214
<b>VIII. Other operating costs</b>	<b>3,347</b>	<b>3,745</b>
1. Loss on disposal of non-financial non-current assets	25	-
2. Cost of works financed in part with subsidies	2,594	2,866
3. Revaluation of non-financial assets	-	-
4. Other operating costs	728	879
<b>IX. Profit (loss) on operating activities</b>	<b>15,415</b>	<b>22,257</b>
<b>X. Financial revenues</b>	<b>6,040</b>	<b>3,359</b>
1. Interest, including:	340	505
- from related parties	201	132
2. Dividends and share in profits	-	-
- from related parties	-	-
3. Profit on disposal of investment	-	-
4. Other	5,700	2,854
<b>XI. Finance costs</b>	<b>2,998</b>	<b>1,117</b>
1. Interest	628	434
- from related parties	40	33
2. Revaluation of investments	-	-
3. Loss on disposal of investment	315	647
4. Other	2,055	36
<b>XII. Profit (loss) on business activities</b>	<b>18,457</b>	<b>24,499</b>
<b>XIII. Gross profit (loss)</b>	<b>18,457</b>	<b>24,499</b>
XIV. Income tax	996	393
<b>XV. Net profit (loss)</b>	<b>17,461</b>	<b>24,106</b>
Net profit (loss) (annualised)	51,038	58,100
Weighted average number of shares	8,132,437	8,125,590
01.04.2014 – 31.03.2015		
Earnings (losses) per single share (PLN)	6.28	7.15
Diluted weighted average number of shares 01.04.2014 – 31.03.2015	8,132,437	8,133,349
Diluted earnings (losses) per single share (PLN)	6.28	7.14

<b>III. Changes in Equity (PLN'000)</b>	<b>3 months ended 31 March 2016</b>	<b>12 months ended 31 December 2015</b>	<b>3 months ended 31 March 2015</b>
I. Opening balance of equity	731,905	677,089	677,089
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	731,905	677,089	677,089
1. Opening balance of share capital	8,133	8,125	8,125
1.1 Changes in share capital	-	8	-
a) increases (due to)	-	8	-
- shares issue	-	8	-
<b>1.2 Closing balance of share capital</b>	<b>8,133</b>	<b>8,133</b>	<b>8,125</b>
2. Opening balance of due payments for share capital	-	-	-
<b>2.1 Closing balance of due payments for share capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
3. Opening balance of supplementary capital	562,292	521,244	521,244
3.1 Changes in supplementary capital	-	41,048	-
a) increases (due to)	-	41,048	-
- profit-sharing for the previous years	-	41,048	-
b) decreases (due to)	-	-	-
<b>3.2 Closing balance of supplementary capital</b>	<b>562,292</b>	<b>562,292</b>	<b>521,244</b>
4. Opening balance of revaluation reserve	103,052	105,926	105,926
4.1 Changes in revaluation reserve	-2,741	-2,874	- 11,794
a) increases (due to)	643	674	2,766
- provision for deferred income tax due to certificates valuation	643	674	2,766
- balance sheet valuation of investment certificates	-	-	-
b) decreases (due to)	3,384	3,548	14,560
- balance sheet valuation of investment certificates	3,384	3,548	14,560
- provision for deferred income tax due to certificates valuation	-	-	-
<b>4.2 Closing balance of revaluation reserve</b>	<b>100,311</b>	<b>103,052</b>	<b>94,132</b>
5. Opening balance of capital from merger	-	-	-
<b>5.1 Closing balance of capital from merger</b>	<b>-</b>	<b>-</b>	<b>-</b>
6. Opening balance of other reserve capitals	745	745	745
<b>6.1 Closing balance of other reserve capitals</b>	<b>745</b>	<b>745</b>	<b>745</b>
7. Opening balance of previous years' profit	57,683	41,049	41,049
a) changes to adopted accounting principles (policies)	-	-	-
7.1 Opening balance of previous years' profit after adjustments	57,683	41,049	41,049
a) decreases (due to)	-	41,049	-
- transferring the result from the previous years to capital	-	41,049	-
- payment of dividend	-	-	-
<b>7.2 Closing balance of previous years' profit</b>	<b>57,683</b>	<b>-</b>	<b>41,049</b>
8. Result for q1 2015 (opening balance)	19,239	-	-
8.1 Net result for the period	17,461	57,683	24,106
<b>8.2. Net result</b>	<b>17,461</b>	<b>57,683</b>	<b>24,106</b>
<b>II. Closing balance of equity</b>	<b>746,625</b>	<b>731,905</b>	<b>689,401</b>
III. Equity including proposed profit-sharing (loss coverage)	746,625	731,905	689,401



#### IV. Cash Flow Statement

For the period 01.01– 31.03.2015  
 and 01.01-31.03.2014 (thousands of PLN)

	3 months ended 31 March 2016	3 months ended 31 March 2015
<b>A. Cash flows from operating activities</b>		
I. Net profit (loss)	17,461	24,106
II. Total adjustments	-16,134	-28,323
1. Depreciation	8,810	7,298
2. Exchange gains (losses)	75	467
3. Interest and profit sharing (dividends)	800	497
4. (Profit) loss on investing activities	25	-45
5. Change in provisions	-14,888	-24,296
6. Change in inventories	-5,523	393
7. Change in receivables	44,460	12,616
8. Change in current liabilities, excluding credits and loans	-39,428	-15,901
9. Change in prepayments and accruals	-10,465	- 9,352
10. Other adjustments	-	-
<b>III. Net cash used in operating activities (I+/-II) – indirect method</b>	<b>1,327</b>	<b>-4,217</b>
<b>B. Cash flows from investing activities</b>		
I. Inflows	1,252	88
1. Disposal of property, plant and equipment and intangible assets	262	57
2. From financial assets, including:	990	31
a) in related parties	990	31
- repaid loans	961	-
- repaid interests on loans	-	31
- received loans	29	-
- received interests	-	-
b) in other entities	-	-
- other proceeds from financial assets	-	-
3. Other investment proceeds	-	-
II. Outflows	-16,171	- 22,115
1. Purchase of property, plant and equipment and intangible assets	-8,829	-13,793
2. Expenses for investment in real estates	-5	-
3. For financial assets, including:	-7,337	-8,322
a) in related parties	-7,021	-7,674
- purchase of financial assets	-4,114	-211
- granted non-current loans	-2,228	-7,463
- repayment of loans from related parties	-422	-
- repayment of interests on loans from related parties	-257	-
b) in other entities	-316	-648
4. Other investment expenses	-	-
<b>III. Net cash used in investing activities (I-II)</b>	<b>-14,919</b>	<b>-22,027</b>
<b>C. Cash flows from financing activities</b>		
I. Inflows	6,288	6,237
1. Credits and loans	6,265	6,161
2. Net proceeds from shares issue	-	-
3. Repaid loans	20	64
4. Interest received on paid loans	3	12
5. Other financial inflows	-	-
II. Outflows	-10,381	-4,477
1. Dividends and other payments to owners	-	-
2. Expenses due to profit sharing but other than those to owners	-	-
3. Repayment of loans and credits	-9,806	-3,937
4. Interest	-575	-540

5. Granted loans	-	-
6. Other financial expenses	-	-
<b>III. Net cash (used in)/generated from financing activities (I-II)</b>	<b>-4,093</b>	<b>1,760</b>
<b>D. TOTAL net cash flow (A.III+/-B.III+/-C.III)</b>	<b>-17,685</b>	<b>-24,484</b>
E. Balance sheet change in cash and cash equivalents, including:	-17,776	-24,937
- change in cash and cash equivalents due to exchange differences	-91	-453
F. Cash and cash equivalents opening balance	70,383	86,896
<b>H. Closing balance of cash and cash equivalents (F+/-E), including:</b>	<b>52,607</b>	<b>61,959</b>
- limited disposal	4,004	1,915

## V. Additional Information and Commentary

### 1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on 29<sup>th</sup> of September, 1994, on Accounting (unified text - Journal of Laws, 2013, pos. 330 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws, 2009, No. 33 pos. 259 and subsequent changes).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from the 1<sup>st</sup> of January, 2015, until the 31<sup>st</sup> of December, 2015. If this financial statement for the 3 months ended the 31<sup>st</sup> of March, 2016 was prepared according to IFRS, the financial results would amount to PLN 16,858 thousand.

Earnings according to Act on Accounting	17,461
Depreciation of perpetual usufruct	(23)
Assets due to activity in the SEZ	(580)
<b>Profit according to IFRS</b>	<b>16,858</b>

### 2. Information about Significant Changes in Estimated Values, Including Information about Corrections due to Provisions, Provision and Deferred Income Tax Assets Mentioned in the Act on Accounting and about Write-Offs that Revaluated Asset Items

As at the 31<sup>st</sup> of March, 2016, Comarch S.A. didn't recognise new write-offs that revaluated goods and materials. The company didn't dissolve write-offs which had been created in previous years.

No hedges were made on inventories owned by the company.

As at the 31<sup>st</sup> of March, 2016, in relation with payments of receivables, Comarch S.A. dissolved revaluating write-offs worth PLN 882 thousand and recognised write-offs worth PLN 1,020 thousand that revaluated bad debts.

As at the 31<sup>st</sup> of March, 2016, Comarch S.A. recognised provisions for contractual penalties and other claims in the amount of PLN 8 thousand. The Company dissolved provision which had been created in the previous years and amounted to PLN 38 thousand.

Due to the fact that the Company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In the first quarter of 2016, an asset due to temporary differences in income tax worth PLN 541 thousand was recognised. A tax asset worth PLN 848 and recognised as at the 31<sup>st</sup> of December, 2015, was dissolved in part. A provision for deferred income tax due to temporary differences was recognised in the amount of PLN 680 thousand and a provision in the amount of PLN 11 thousand was dissolved. The total effect of these operations on the result of Q1 2016 was minus PLN 976 thousand.

Provision for deferred income tax related to valuation of investment certificates in CCF FIZ was diminished by PLN 643 thousand. This provision as well as certificates valuation are settled with revaluation reserve.

### 3. Selected Notes to the Summary Financial Statement

<b>3.1. NON-CURRENT FINANCIAL ASSETS</b>	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2015</b>
a) in subsidiaries and correlated parties	382,370	382,688	337,968
- interest or shares	232,310	230,402	199,655
- loans granted	24,054	23,052	20,445
- other securities	124,900	128,284	117,273
- other non-current financial assets, including:	1,106	950	595
- interest on granted loans	1,106	950	595
b) in associates	150	150	150
c) in other entities	1,083	79	336
<b>Non-current financial assets, TOTAL</b>	<b>383,603</b>	<b>382,917</b>	<b>338,454</b>

<b>3.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)</b>	<b>3 months ended 31 March 2016</b>	<b>3 months ended 31 March 2015</b>
<b>a) Opening balance</b>	<b>382,917</b>	<b>345,891</b>
- interests or shares	230,552	199,594
- granted loans	23,052	13,956
- other securities	128,284	131,833
- other non-current assets (interest on granted loans)	950	508
- others	79	-
<b>b) increases (due to)</b>	<b>4,385</b>	<b>7,138</b>
- purchases of shares in subsidiaries	1,908	211
- loans granted to subsidiaries	1,266	6,383
- loans granted to other entities	-	-
- due interest to non-current loans	207	151
- balance sheet valuation of non-current loans	-	57
- valuation of forward contracts	1,004	336
<b>c) decreases (due to)</b>	<b>3,699</b>	<b>14,575</b>
- repayment of third parties' loans	20	-
- transferring loans from related parties from non-current to current loans	80	-
- repayment of interests on subsidiaries' loans	31	31
- valuation of participation units in CCF FIZ	3,384	14,560
- balance sheet valuation of interest on loans	8	1
- balance sheet valuation of loans and exchange differences realised in relation to repaid loans and from the balance sheet valuation	160	-
- creating write-offs revaluating loans	4	-49
- creating write-offs revaluating interest	12	32
<b>d) Closing balance</b>	<b>383,603</b>	<b>338 454</b>

3.3. CURRENT FINANCIAL ASSETS	31 March	31 December	31 March
	2016	2015	2015
a) in subsidiaries and correlated parties	190	110	1,030
- loans granted	190	110	1,030
- other financial assets	-	0	-
b) in other entities	5,022	632	2,356
- loans granted	-	0	363
- interest or shares	1	1	1
- other current financial assets, including:	5,021	631	1,992
- forward contracts	5,021	631	1,992
c) cash and cash equivalents	52,608	70,385	61,968
- cash in hand and at banks	52,607	70,383	61,959
- other monetary assets	1	2	9
<b>TOTAL current financial assets</b>	<b>57,820</b>	<b>71,127</b>	<b>65,354</b>

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

During the first quarter of 2016, Comarch S.A. reached favourable financial results. Revenue from sales amounted to PLN 161.2 million and was lower by PLN 20.8 million, i.e. 11.4% compared to the Q1 2015. Net sales of products constituted 93.1% of total Company's sales and were higher by PLN 5.4 million, i.e. 3.7% compared to the first quarter of the previous year. In the Q1 2016, the Company's operating profit amounted to PLN 15.4 million and net profit was PLN 17.5 million. EBIT margin amounted to 9.6% and net margin was 10.8%.

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

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

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

Over 2015, Comarch Capital Group revenue structure was as follows: 24% of annual sales were achieved in the first quarter, 22% in the second quarter, 20% in the third quarter and 34% in the fourth quarter. In the Company's opinion, over 2016, Group's revenue structure will be similar to that observed in the previous year.

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

As at the 31<sup>st</sup> of March, 2016, Comarch S.A. didn't recognise new write-offs that revaluated goods and material. The Company didn't dissolve write-offs which had been created in previous years.

#### 8. Information about Revaluating Write-Offs in Relation to Impairment of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and about Reversal Referred to Them

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>At 1 January 2015</b>	<b>37,933</b>	<b>2,914</b>	-	-	<b>40,847</b>
Change:	-	-	-	-	-
-creation	-	-	-	-	-
-dissolution	-	-	-	-	-
<b>At 31 March 2015</b>	<b>37,933</b>	<b>2,914</b>	-	-	<b>40,847</b>

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

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>At 1 January 2016</b>	<b>57,639</b>	<b>2,875</b>	-	-	<b>60,514</b>
Change:	-	-	-	-	-
-creation	-	-	-	-	-
-dissolution	-	-	-	-	-
<b>At 31 March 2016</b>	<b>57,639</b>	<b>2,875</b>	-	-	<b>60,514</b>

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

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2015</b>	<b>18,610</b>	<b>8,694</b>	<b>14,593</b>	<b>61,711</b>	<b>103,608</b>
Change:	(2,477)	(90)	2,738	(24,483)	<b>(24,312)</b>
-creation	1,033	-	3,494	10,098	<b>14,625</b>
-dissolution	(3,510)	(90)	(756)	(34,581)	<b>(38,937)</b>
<b>At 31 March 2015</b>	<b>16,133</b>	<b>8,604</b>	<b>17,331</b>	<b>37,228</b>	<b>79,296</b>

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

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2016</b>	<b>17,674</b>	<b>9,264</b>	<b>16,202</b>	<b>72,117</b>	<b>115,257</b>
Change:	(1,042)	(30)	5,071	(19,556)	<b>(15,557)</b>
-creation	1,434	8	5,828	7,328	<b>14,598</b>
-dissolution	(2,476)	(38)	(757)	(26,884)	<b>(30,155)</b>
<b>At 31 March 2016</b>	<b>16,632</b>	<b>9,234</b>	<b>21,273</b>	<b>52,561</b>	<b>99,700</b>

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

#### 10. Information about Provisions and Assets in Reference to Deferred Income Tax

<b>Asset due to deferred income tax</b>	
<b>At 1 January 2015</b>	<b>6,733</b>
<i>Creation in Q1 2015</i>	518
<i>Dissolution in Q1 2015</i>	(23)
<b>At 31 March 2015</b>	<b>7,228</b>
<b>Asset due to deferred income tax</b>	
<b>At 1 January 2015</b>	<b>6,733</b>
<i>Creation in Q1-Q4 2015</i>	1,094
<i>Dissolution in Q1-Q4 2015</i>	(479)
<b>At 31 December 2015</b>	<b>7,348</b>
<b>Asset due to deferred income tax</b>	
<b>At 1 January 2016</b>	<b>7,348</b>
<i>Creation in Q1 2016</i>	541
<i>Dissolution in Q1 2016</i>	(848)
<b>At 31 March 2016</b>	<b>7,041</b>
<b>Provision due to deferred income tax</b>	
<b>At 1 January 2015</b>	<b>26,071</b>
<i>Creation in Q1 2015</i>	27
<i>Dissolution in Q1 2015</i>	(2,777)
<b>At 31 March 2015</b>	<b>23,321</b>
<b>Provision due to deferred income tax</b>	
<b>At 1 January 2015</b>	<b>26,071</b>
<i>Creation in Q1-Q4 2015</i>	73
<i>Dissolution in Q1-Q4 2015</i>	(732)
<b>At 31 December 2015</b>	<b>25,412</b>
<b>Provision due to deferred income tax</b>	
<b>At 1 January 2016</b>	<b>25,412</b>
<i>Creation in Q1 2016</i>	680
<i>Dissolution in Q1 2016</i>	(654)
<b>At 31 March 2016</b>	<b>25,438</b>

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

During the reporting period, Comarch S.A. purchased land for the amount of PLN 3,831 thousand, computer hardware for the amount of PLN 2,800 thousand, as well as intangible assets for the amount of PLN 327 thousand. Expenses were also incurred for construction of a new office building in the amount of PLN 53 thousand and parking in the amount of PLN 340 thousand.

As at the 31<sup>st</sup> of March, 2016, revenues from sales of property, plant and equipment amounted to PLN 126 thousand.

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

As at the 31<sup>st</sup> of March, 2016, Comarch S.A.'s investment liabilities in the amount of PLN 978 thousand related to creation of Comarch Security Platform (SOC), to purchase of computer hardware in the amount of PLN 1,824 thousand and liabilities due to purchase of intangible assets in the amount of PLN 166 thousand.

Comarch S.A. has also liabilities due to acquisition of shares in increased share capital in subsidiary - Comarch Pointshub Inc. in the amount of PLN 6,766 thousand. This liability will be settled till the 31<sup>st</sup> of August, 2016.

**13. Information about Significant Settlements in Reference to Court Proceedings**

None present.

**14. Corrections of Mistakes from the Previous Periods**

None present.

**15. Information in Relation to Changes in Economic Situation and Conditions for Operation, which Have a Significant Effect on Fair Value of an Entity's Financial Assets and Financial Liabilities Regardless of whether the Assets and the Liabilities Are Recognised in Fair Value or in Adjusted Purchase Price (Depreciated Cost)**

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

None present.

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

On the 31<sup>th</sup> of March, 2016, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 48,052 thousand, whereas it was PLN 48,740 thousand on the 31<sup>st</sup> of December, 2015.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third

party claims is PLN 60,963 thousand. Provisions for part of these claims were presented in the balance sheet as of the 31<sup>st</sup> of March, 2016, and are worth PLN 7,603 thousand (in the first quarter of 2016, no provision for claims relating to the court proceedings were recognized). Comarch S.A. is the party to the matters in disputes but not legal proceedings in which the potential total amount of third party claims is PLN 13,400 thousand. Third party claims in respect to matters at disputes were not covered by provisions.

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

None present.