

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



Krakow, 28<sup>th</sup> of April, 2017

Dear Shareholders,

On behalf of the Management Board of Comarch S.A. I am pleased to present the report on the activities of the company. The company has achieved development and financial goals established for the year 2016, despite of difficult market conditions in some sectors (public and medicine sectors) and despite of increased operating costs. In the past year, the revenues from sales maintained similar level to those in 2015 (a decrease of PLN 0.3 million compared to 2015) and amounted to PLN 749.2 million. Operating profit amounted to PLN 78.8 million and was lower by 5.4% compared to that achieved in 2015, while net profit in 2016 was lower by 21.0%. In 2016, EBIT margin was 10.5%, net margin amounted to 6.1%. Despite the slight decreases, EBIT and net margins maintained the satisfactory levels.

In 2016, the company's expansion in the development of new and improvement of existing IT products increased. Expenditure on research and development has now exceeded 17% of sales revenue, which has been financed both from the company's own resources and by proactively seeking out European funds. The company intensively developed a new generation of loyalty systems including personalized content based on user location, gamification, advanced big data analysis and solutions related to the Smart City, among others. The company also continued R&D works in the field of IT solutions for medical industry (Telemedicine, including the most important project "The City of Health") and related to the development of proprietary solutions in the fields of: hardware and services based thereon (*Internet of Things*). The company focused on development of service-oriented IT solutions – Comarch is one of the market leaders in this field. Investment in human capital is an essential element for the further development of the entity. The past year was very successful in this regard – the company created over 300 new work places. The annual student internship program was particularly successful – Comarch S.A. is one of the employers of a first choice in the domestic labor market in the IT industry.

In 2016, the company successfully continued its strategy based on the diversification of operations between different branches, development and sales of proprietary products on the global market. With a wide and comprehensive range of modern solutions and high quality services, Comarch is now regarded as a second of the leading providers of IT products in Poland and one of the top software producer at the international markets. In the previous year, Comarch S.A. established new subsidiaries: Comarch Colombia S.A.S. in Colombia and Comarch Peru S.A.C. in Peru. Further equity investments both in the domestic market and in foreign markets are planned in 2017. As part of the continuation of infrastructural investment, in 2016 the Comarch Group completed investment in a research laboratory and production facilities dedicated to the business of Internet of Things and it commenced investment in a new office building in Krakow (SSE7) with a view to further intensive development of activities.

The Group's Management Board shall make every effort to successfully implement the mission of selling innovative technological ideas of Polish engineers around the world. In addition to its core business, Comarch runs many social activities, supports non-governmental organizations and charities, as well as is the patron of culture, arts and sports.

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

*Professor Janusz Filipiak*  
*President of the Management Board*  
*Comarch S.A.*

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

## OPINION OF AN INDEPENDENT AUDITOR

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

### **Report from audit of financial statement**

We have conducted an audit of the attached financial statement of Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A (hereinafter referred to as the "Company"), that included introduction to the financial statement, balance sheet as at 31<sup>st</sup> of December, 2016, income statement, changes in equity, cash flow statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, and additional information and annotations.

#### *Responsibility of the manager of the company*

The Management Board of the company is responsible for the preparation, on the basis of accounting books carried on correctly, of the financial statement and its reliable presentation compliant with the regulations of the Act of 29<sup>th</sup> of September, 1994, on Accounting (Journal of Laws from 2016, pos. 1047 with subsequent changes), hereinafter referred to as the "Act on Accounting", regulations issued on the basis of the Act on Accounting and other applicable laws. The Management Board is also responsible for such internal control, as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

According to the Act on Accounting, the Management Board of the company and members of its Supervisory Board are obliged to ensure that the financial statement is compliant with the regulations of the Act on Accounting.

#### *Responsibility of the auditor*

We are responsible for expressing an opinion on this financial statement based on our audit.

We conducted our audit in accordance with chapter 7 of the Act on Accounting and National Auditing Standards in the version of International Standards on Auditing as adopted by Resolution no 2783/52/2015 of the National Council of Statutory Auditors of the 10<sup>th</sup> of February, 2015 with subsequent changes. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depended on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. The audit also evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company's, as well as an evaluation of the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion on the financial statement*

In our opinion, the attached financial statement:

- presents a true and fair view on the company's equity and financial situation as at 31<sup>st</sup> of December, 2016 and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2016, compliant with the binding accounting regulations resulting from Act on Accounting and adopted accounting principles,
- was prepared on the basis of accounting books carried on correctly,
- is, in respect of the form and content, compliant with the binding law and the company's articles of association.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the report from activities*

Our opinion on the financial statement does not include the report from activities.

The company's Management Board is responsible for preparation of the report from activities compliant with the Act on Accounting and other applicable laws. In addition, the company's Management Board and members of the company's Supervisory Board are obliged to ensure that the report from activities meets the requirements of the Act on Accounting.

In relation to the audit of the financial statement, our responsibility was to read the content of the report from activities and consider whether the information contained in it takes into account the provisions of Art. 49 of the Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not an UE Member State (Journal of Laws from 2014, pos. 133 with subsequent changes) and whether they are consistent with the information contained in the accompanying financial statement. Our responsibility was also to report, based on our knowledge of the company and its environment obtained during the audit of the financial statements, whether report from activities does not include material misstatements.

In our opinion, the information included in the report from activities correspond with the regulations of Art. 49 of the Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not an UE Member State (Journal of Laws from 2014, pos. 133 with subsequent changes) and they are consistent with the information contained in the accompanying financial statement.

Based on our knowledge of the company and its environment obtained during the audit of the financial statements, we have not identified material misstatements in the report from activities

*Declaration of the entity regarding corporate governance*

In relation to the audit of the financial statement, our responsibility was to read the content of the report regarding corporate governance which constitutes a separate part of the report from the company's activities. In our opinion, in the report the company included information required compliant with those specified in regulations issued on the basis of article 60 section 2 of the Act of 29<sup>th</sup> July, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Journal of Laws from 2016, pos. 1639 with subsequent changes) or regulations issued on the basis of article 61 of this act. These information are consistent with the applicable laws and the information contained in the accompanying financial statement.

.....  
Adrian Karaś  
Key Expert Auditor  
Registration no. 12194

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....  
Adrian Karaś-Vice-President of the Management Board of Deloitte Polska Sp. z o.o., a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 28<sup>th</sup> of April, 2017

## **THE REPORT FROM THE AUDIT OF THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2016**

### **I. GENERAL INFORMATION**

#### **1. General Characteristics of the audited Company**

The company operates under the company name of Comarch S. A. The city of Krakow, Al. Jana Pawła II 39 A is the registered office of the company.

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

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

As at 31<sup>st</sup> of December, 2016, the company's share capital accounted for PLN 8,133,349.00 and was divided into 6,384,949 ordinary shares of nominal value of PLN 1 each and 1,748,400 registered shares of nominal value of PLN 1.00. Registered shares are preferential for voting so that 5 votes in the General Meeting correspond with each share.

During the audited period, the company operated within IT business related to software.

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

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

During the audited period, there were no changes in the membership of the Parent Company's Management Board.

#### **2. Information regarding the Financial Statement from the Previous Financial Year**

For the year 2015, the company achieved net profit in the amount of PLN 57,683 thousand. The company's financial statement for the financial year of 2015 was audited by an expert auditor. An audit was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entitled party. There were no reservations in the opinion of an expert auditor.

The Annual General Meeting that approved the financial statement for the financial year of 2015 was held on 15<sup>th</sup> of June, 2016. The AGM decided to pass net profit for 2015 in total to supplementary capital.

On 28<sup>th</sup> of June, 2016, the financial statement for the financial year of 2015 was delivered to the National Court Register.

On 28<sup>th</sup> of June, 2016, the consolidated financial statement for the financial year of 2015 was delivered to the National Court Register.

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

The Board of Supervisors selected the entitled auditor. The audit of the financial statement was carried out according to a contract dated 20<sup>st</sup> of July, 2016, concluded between Comarch S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw at al. Jana Pawła II 22. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. is registered under item no. 73 in the list of entities entitled to audit financial statements (the list of National Council of Auditors). On behalf of the entity entitled to audit financial statements, the audit was carried out under the supervision of the key expert auditor Adrian Karaś (register no. 12194) at the company's office from 28<sup>th</sup> of November, to 2<sup>nd</sup> of December, 2016, from 13<sup>th</sup> of March, to 14<sup>th</sup> of April, 2017 and off-the-office until the date of the opinion.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and key expert auditor confirm that they are entitled to audit financial statements and perform the conditions specified in art. 56 Act on Expert Auditors, and their Management, Entities Entitled to Audit Financial Statements and Public Supervision (Journal of Laws from 2016, pos. 1000 and subsequent changes), to provide a fair and independent opinion regarding the financial statement of Comarch S.A.

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

There were no limitations within the audit.

During the audit, all demanded documents and data were made available to the entitled entity and key expert auditor, as well, comprehensive information and explanations were also granted. That was, among other things, confirmed by a written statement from the company's Management Board dated 28<sup>th</sup> of April, 2017.

## II. EQUITY AND FINANCIAL SITUATION OF THE COMPANY

Below is the basic data from the income statement and financial ratios describing the company's financial result, its equity and financial situation compared to parallel data for the previous years.

<u>Basic data from income statement</u> (in thousands of PLN)	<u>2016</u>	<u>2015</u>
Revenues from sales	749,213	749,556
Costs from operating activities	652,706	654,621
Operating profit (loss)	56,546	66,719
Net profit (loss)	45,588	57,683
 <u>Basic data from balance sheet</u> (in thousands of PLN)	 <u>2016</u>	 <u>2015</u>
Inventories	43,274	27,746
Receivables due to deliveries and services	321,431	287,547
Current assets	460,642	427,964
Total assets	1,162,522	1,117,308
Equity	771,742	731,905
Current liabilities (including: Provisions for liabilities and Accruals)	246,222	247,496
Current liabilities due to deliveries and services	16,595	62,123
Liabilities and provisions for liabilities	391,415	385,403
 <u>Profitability and efficiency ratios</u>	 <u>2016</u>	 <u>2015</u>
– gross margin	8%	9%
– return on equity	6%	9%
– assets turnover ratio	0.64	0.67
– receivables turnover ratio (days)	148	133
– liabilities turnover ratio (days)	32	33
– inventories turnover ratio (days)	20	14
 <u>Liquidity/net working capital</u>		
– debt rate	34%	34%
– degree of covering assets with equity	66%	66%
– net working capital (in thousands of PLN)	215,332	180,468
– liquidity ratio	1.88	1.73
– cash to current liabilities ratio	1.70	1.62

An analysis of the above amounts and ratios indicates the following tendencies in 2016:

- decreases in gross margin and return on equity,
- decrease in assets turnover ratio,
- increase in turnover time of receivables,
- decrease in turnover time of liabilities,
- increase in inventories turnover time ratio,
- unchanged level of the Company's debts,
- increase in net working capital,
- increases in liquidity ratios.

### **III. DETAILED INFORMATION**

#### **1. Accounting System Appraisal**

The company has financial records compliant with the regulations specified in art. 10 of the Act on Accounting. These principles have been applied continuously and unchanged compared to those applied in the previous year. The opening balance results from the approved financial statement for the previous financial year and was input correctly into the accounting books for the audited period.

Based on tests carried out within procedures for audit of the financial statement, we have made an assessment of the applied accounting system and we have not found any incorrectness which might influence the prepared financial statement. The accounting system applied by the company was not subject of our audit in its entirety.

The company carried out a control of assets, equity and liabilities in order to confirm existence of the presented assets, equity and liabilities.

#### **2. Information on Audited Financial Statement**

The audited financial statement was prepared as at 31<sup>st</sup> of December, 2016 and includes:

- introduction to the financial statement,
- balance sheet as at 31<sup>st</sup> of December, 2016, with total assets and total equity and liabilities amounting to PLN 1,162,522,003.55,
- income statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, with net profit for the year amounting to PLN 44,953,007.89,
- changes in equity for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting an increase in equity in the amount of PLN 39,201,703.72,
- cash flow statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting a decrease in cash in the amount of PLN 16,602,272.10,
- additional information and commentary.

#### **3. Information on Selected and Significant Items in the Financial Statement**

The structure of assets, equity and liabilities, and items that create the financial result is presented in the financial statement.

##### Property, plant and equipment

Commentary notes and information to the financial statement correctly describe changes in property, plant and equipment in use and property, plant and equipment under construction, including the recognition of possible write-offs that revalue the above property items.

##### Long-term investment

Commentary notes and information to the financial statement correctly describe changes in investment during the financial year.

##### Inventories



The inventories structure and revaluating write-offs were correctly prepared in note that describes these balance sheet items.

#### Receivables

The trade receivables age structure was correctly prepared in note that describes these balance sheet items, including revaluating write-offs.

#### Liabilities

Details about credits and the description of their hedging and maturity were presented in additional notes and information to the financial statement.

There were no outdated or extinguished liabilities in the audited part of the financial statement. There were no significantly past due items, for which financial results of their overdue status would be created, as compliant with the contracts and trade conventions binding the company.

#### Prepayments, accruals and provisions for liabilities

Structure of prepayments, accruals and provisions for liabilities was presented in commentary notes.

#### **4. Completeness and Correctness in the Preparation of the Introduction to the Financial Statement, Additional Information and Commentary and the Report regarding the Entity's Activities**

The introduction to the financial statement includes significant required information of appendix no. 1 of Act on Accounting. The company confirmed that it had been appropriate to use a principle of business continuation when preparing the financial statement. Methods of assets, liabilities and equity valuation, the establishment of financial result and the method of financial statement preparation were completely and correctly described in this introduction.

Additional information and commentary to the financial statement describe the significant reported items correctly and completely. They clearly present all significant additional information that is compliant with requirements specified in the regulation issued by the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered office in Poland, to whom Polish accounting principles are proper ones (Journal of Laws of 2014, pos. 300, and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws of 2014, pos. 133 and subsequent changes).

The Management Board prepared and attached the report regarding the activities of the company in 2016 to the financial statement. This report contains information that is required by art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state. We've audited this report concerning the presented information that has a direct source in the audited financial statement.

#### IV. FINAL INFORMATION AND ARRANGEMENTS

##### The Management Board declarations

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

.....  
Adrian Karaś  
Key Expert Auditor  
Registration no. 12194

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....  
Adrian Karaś-Vice-President of the Management Board of Deloitte Polska Sp. z o.o., a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 28<sup>th</sup> of April, 2017

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

**FINANCIAL STATEMENT**  
**FOR 2016**

**ERRATA OF THE REPORT OF AN AUDITOR**

## ERRATA OF THE REPORT OF AN AUDITOR

### To the Shareholders and Supervisory Board of Comarch S.A.

On 28<sup>th</sup> of April, 2017, we issued our report from the audit of the financial statement for 2016 of Comarch S.A. with its registered office at al. Jana Pawła II 39A, 31-864 Kraków (hereinafter referred to as the "Report").

Due to editorial mistakes in part II and III of the Report, this errata corrects the following items:

1. Table entitled 'Basic data from balance sheet' (part II, page 8 of the Report).

Current wording:

<u>Basic data from balance sheet</u> <u>(in thousands of PLN)</u>	<u>2016</u>	<u>2015</u>
Inventories	43,274	27,746
Receivables due to deliveries and services	321,431	287,547
Current assets	460,642	427,964
Total assets	1,162,522	1,117,308
Equity	771,742	731,905
Current liabilities (including: Provisions for liabilities and Accruals)	246,222	247,496
Current liabilities due to deliveries and services	16,595	62,123
Liabilities and provisions for liabilities	391,415	385,403

Wording after change:

<u>Basic data from balance sheet</u> <u>(in thousands of PLN)</u>	<u>2016</u>	<u>2015</u>
Inventories	43,273	27,746
Receivables due to deliveries and services	321,431	287,547
Current assets	460,642	427,964
Total assets	1,162,245	1,117,308
Equity	771,742	731,905
Current liabilities (including: Provisions for liabilities and Accruals)	245,310	247,496
Current liabilities due to deliveries and services	53,915	62,123
Liabilities and provisions for liabilities	390,503	385,403

2. Information on Audited Financial Statement (part III, page 9 of the Report).

Current wording:

### 2. Information on Audited Financial Statement

The audited financial statement was prepared as at 31<sup>st</sup> of December, 2016 and includes:

- introduction to the financial statement,

- balance sheet as at 31<sup>st</sup> of December, 2016, with total assets and total equity and liabilities amounting to PLN 1,162,522,003.55,
- income statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, with net profit for the year amounting to PLN 44,953,007.89,
- changes in equity for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting an increase in equity in the amount of PLN 39,201,703.72,
- cash flow statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting a decrease in cash in the amount of PLN 16,602,272.10,
- additional information and commentary.

Wording after change:

## **2. Information on Audited Financial Statement**

The audited financial statement was prepared as at 31<sup>st</sup> of December, 2016 and includes:

- introduction to the financial statement,
- balance sheet as at 31<sup>st</sup> of December, 2016, with total assets and total equity and liabilities amounting to PLN 1,162,245 thousand,
- income statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, with net profit for the year amounting to PLN 45,588 thousand,
- changes in equity for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting an increase in equity in the amount of PLN 39,837 thousand,
- cash flow statement for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, presenting a decrease in cash in the amount of PLN 16,640 thousand,
- additional information and commentary.

Others from the Report issued on 28<sup>th</sup> of April, 2017, remain unchanged.

.....  
Adrian Karaś  
Key Expert Auditor  
Registration no. 12194

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....  
Adrian Karaś-Vice-President of the Management Board of Deloitte Polska Sp. z o.o., a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 8<sup>th</sup> of May, 2017

## **INTRODUCTION TO THE COMARCH S.A.'S FINANCIAL STATEMENT SA-R 2016**

### **I. General Information about Comarch S.A. (the "Company")**

The basic activities of Comarch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A 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, Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. The duration of the Parent Company is not limited.

In the tables of this statement:

- the previous period means period 01.01.2015 - 31.12.2015 and refers to 12 months,
- the current period means period 01.01.2016 - 31.12.2016 and refers to 12 months.

As at 31<sup>st</sup> of December, 2016, and refers to 12 months:

- Elżbieta Filipiak - Chairman of the Board of Supervisors,
- Maciej Brzeziński - Vice-Chairman of the Board of Supervisors,
- Robert Bednarski - Member of the Board of Supervisors,
- Danuta Drobniak - Member of the Board of Supervisors,
- Wojciech Kucharzyk - Member of the Board of Supervisors,
- Anna Ławryniewicz - Member of the Board of Supervisors,
- Anna Pruska - Member of the Board of Supervisors.

As at 31<sup>st</sup> of December, 2016, Member of the Board of Supervisors:

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

The financial statement was prepared with the assumption of the continuation of commercial activities by Comarch S.A. in the foreseeable future. According to the company's management, there are no circumstances suggesting any threat to the continuation of activities. The financial statement includes financial data from Comarch S.A.'s branch in Albany.

Comarch S.A. is a parent company in the Capital Group. In addition to financial statement that is prepared pursuant to Act on Accounting, the company prepares also consolidated financial statement according to International Financial Reports Standards that are approved by the European Union.

### **II. There Were no Reservations in the Opinion of an Auditor Entitled to Audit Financial Statements of Comarch S.A. for 2015**

### **III. Principles of Valuation of Assets and Equity and Liabilities and Measure of Financial Result**

This financial statement was prepared according to the Act passed on 29<sup>th</sup> of September, 1994 on Accounting ("Act on Accounting") and the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones, and according to the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state.

## 1. Non-Current Assets

### 1.1. Intangible Assets

Intangible assets are recorded at their acquisition prices with reference to the current redemption. The company carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

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

Adopted depreciation rates are related to the estimated useful life of intangible assets. If the useful life of intangible assets resulting from the contract is shorter than it results from the periods determined above, depreciation write-offs are carried out in the period resulting from the contract. In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

### 1.2. Property, Plant and Equipment

#### a) Proprietary property, plant and equipment in use

Proprietary property, plant and equipment in use were valued according to acquisition prices or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value.

The following detailed principles of depreciation of proprietary property, plant and equipment in use have been adopted by the company:

assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for group number I), 30% (for group number IV), 15% (for group number VII) and 20% (for group number VIII). In case of proprietary property, plant and equipment in use that were acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Lands and the right of perpetual usufruct of land are not depreciated.

- b) Proprietary property, plant and equipment under construction** are valued according to acquisition prices less write-offs due to permanent losses in value.
- c) Improvements in third party's proprietary property, plant and equipment** are valued according to the acquisition price less depreciation. They are related to buildings and structures and depreciated with the straight-line method corresponding with periods of their economic utility.
- d) Proprietary property, plant and equipment, which are used according to the lease agreements** concluded after 1<sup>st</sup> of January, 2002, are classified as company's non-current assets if conditions resulting from article 3, section 4 of Act on Accounting are met and they are valued at fair value established as at the date of the beginning of the agreement or as

at reception of the lease object into use, or at the current value of minimum lease fees, if it is lower than the fair value.

### **1.3. Long-Term Investments**

#### **a) Real estates**

Real estates are valued according to acquisition price or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value and principles specified in art. 31, art. 32 section 1-5 and art. 33 section 1 of the Act.

Costs and revenues related to real estates maintenance costs, their updating or reclassification are recognised as other operating revenue/costs (pursuant to art. 3 section 1, point 32 of the Act).

#### **b) Non-current financial assets**

As at the balance sheet date, financial assets are classified as non-current in the financial statement if the estimated period of their further owning exceeds 12 months from the balance sheet date.

Shares are recognised at the acquisition or originate date according to acquisition price, and at the balance sheet date according to acquisition price less write-offs due to permanent loss in value. When permanent loss in value appears, the revaluation of write-offs is carried out no later than at the balance sheet date.

Participation units in Comarch Corporate Investment Closed Investment Fund ("CCF FIZ") are valued at fair value and effects of valuation are settled with revaluation reserve.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

## **2. Current Assets**

### **2.1. Inventories (Products in Progress, Materials, Finished Goods and Goods)**

Materials are valued according real purchase prices. When loss in value in use is observed, revaluating write-offs are carried not later than as at the balance sheet date.

Components and servicing equipment purchased as inventory, in order to fulfil warranty obligations related to the performed contracts, are recognised according to their acquisition prices and then settled by value in proportion to the guarantee period. Production in progress given in the statement refers to software produced by Comarch S.A. and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by Comarch S.A. and allocated for multiple sales is valued in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months.

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

Goods are appraised according to actual purchase prices, no higher than net selling prices.



Finished goods are appraised according to technical direct manufacturing costs, no higher than net selling prices.

## **2.2. Receivables**

Receivables are recognised initially at nominal value and as at the balance sheet date in the amount of required payment. Receivables due to deliveries and services are classified as current receivables. Other receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).

In order to make their value real, receivables are decreased by write-offs revaluating bad debts.

Receivables in foreign currencies were valued as at the balance sheet date at NBP average exchange rates. The realised and resulting from balance valuation exchange differences are classified as financial revenues and financial costs respectively, after they were compensated.

## **2.3. Current Financial Assets**

Assets recognised in the financial statement consist mostly of monetary assets and loans to other entities. Monetary assets consist of cash in hand, cash at banks and accrued interest on financial assets. Cash in domestic currency was valued at nominal value, while cash in foreign currencies was valued at NBP average exchange rates.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

Securities are valued according to acquisition cost or market value, depending on which of the values is lower.

## **2.4. Current and Non-current Prepayments of Costs**

Expenses incurred in advance, but related to future reporting periods are settled by prepayments of costs. Prepayments of costs that last longer than 12 months starting with the balance sheet date are regarded as a non-current item.

Prepayments include also surplus of sales in long-term contracts made according to article 34a, section 1 and section 2, point 2 of Act on Accounting over value of sales invoiced to contractors.

## **3. Equity**

Equity includes, among others:

- share capital of the company presented at nominal value,
- supplementary capital from profit-sharing in compliance with principles and limitations specified in the Commercial Companies Code and from surpluses of shares sold above their nominal value,
- other reserve capitals from profit-sharing intended for investment targets and other specified in statute - valued at nominal value,
- retained profit from adjustments due to changes in accounting principles in 2002 resulting from amendments to Act on Accounting and adjustments due to changes to the rules of recognising of built-in derivatives,
- revaluation reserve due to valuation of investment certificates in CCF FIZ and settlement of deferred tax on valuation.

## **4. Liabilities and Provisions for Liabilities**

### **4.1. Provisions for Liabilities**

They are created for reliable and possible losses due to business activities. In particular, they are related to:

- expected expenses that will incur during the next reporting period due to costs that are related to the current period,
- provisions for additional costs of contracts completion that are expected to incur and that exceed the amount of possible to achieve revenues; and provisions for guarantees,
- provisions due to rewards (premium) expected to be paid in the next reporting period, but related to the previous period,
- provisions for leaves.

They include also provisions due to deferred income tax

### **4.2. Liabilities**

At the time of initial recognition, financial liabilities are valued at nominal value and as at the balance sheet date, in the amount of required payment. Liabilities due to deliveries and services are classified as current liabilities. Other liabilities are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date). Liabilities in foreign currencies were valued as at the balance sheet date at NBP average exchange rates.

### **4.3. Special Funds**

Special Funds consist of Social Services and Residential Fund that was created from profit-sharing for 1998 and 1999.

### **4.4. Accruals**

Accruals of revenues include subsidies for financing of research and development works that are received from union funds and domestic funds for science.

Accruals of revenues include also surplus of sales invoiced to contractors over the value of proceeds from sales in long-term contracts determined according to article 34a, section 1 and section 2, point 2 of Act on Accounting.

## **5. Valuation of Assets and Equity and Liabilities Presented in Foreign Currencies and Principles of Determining Exchange Differences**

### **5.1. Within Reporting Year**

Economic operations which are expressed in foreign currencies are presented in accounting books as of the date of their conducting with the exchange rate respectively:

- Operations related to sale and purchase of goods and services at the average NBP exchange rate as of the date preceding conducting the operation; however, import purchases that require customs clearance and export sales of goods are valued according to exchange rates set within evidence for customs clearance,
- Operations regarding an influx of foreign currency to a bank account, resulting from payment of receivables for goods and services, securities and additional interest by the bank - at the average NBP exchange rate as of the date preceding conducting the operation.

- Incurring credit or loans in foreign currencies at the moment of their inflow to a bank account in addition to inflow of added interest on these credits - at the average NBP exchange rate as of the date preceding conducting the operation.
- Purchase and sale of interest, shares and securities stated in foreign currency - at the average NBP exchange rate as of the date preceding conducting the operation.
- Operations related to sales or purchases of currencies – at the exchange rate actually applied by the bank on a given day (purchase or sales exchange rate, respectively, applied by the bank).
- Payment of receivables in foreign currency (including loans), if the currency does not directly influence the currency account – at the purchase exchange rate, with the bank that converted (acquired) these currencies.
- Payment of liabilities, credit and loans with the foreign currency purchased at the bank (i.e. not directly from a currency banking account) – at the sales exchange rate applied by the bank.
- Other operations at the average NBP exchange rate – as of the date preceding conducting the operation or exchange rate actually applied (depending on the type of operation).

## **5.2. As at Balance Sheet Date**

Items of assets and equity and liabilities are valued at binding NBP average exchange rates.

## **5.3. Principles of Determining Exchange Differences**

- Exchange differences related to non-current investment are accounted for adequately with revaluation reserve or revenues and financial costs (according to article 35, section 2 and 4 of Act on Accounting).
- Exchange differences related to the other assets and equity and liabilities and those arising on payment of receivables and liabilities are classified to revenues and financial costs, respectively.
- Realised exchange differences, related to receivables and liabilities, are determined up to date, while unrealised exchange differences, related to receivables and liabilities and cash at banks are valued at the end of the quarter (in compliance with materiality principle).

## **6. Financial Instruments**

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as fair value hedging, are valued at fair value and change in their valuation refers to the result from financial operations.

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as cash flow hedging, are valued at fair value change in their valuation refers to:

- the revaluation reserve (in the part that constitutes the effective hedging),
- the result from financial operations (in part that doesn't constitute the effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, are valued at fair value and change in their valuation refers to the result from financial operations.

## **7. Financial Result**

Comarch S.A. prepares its income statement in calculation version in compliance with matching principle revenues and costs.

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

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- other IT and non-IT services necessary for system implementation.

Integration contracts realised by Comarch S.A. are classified according to article 34 a-d of Act on Accounting, whereas degree of progress for contract is determined by share of incurred costs compared to total costs of service execution.

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

- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services.

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

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

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

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

### **7.1. Revenues are Classified according to Accrual Basis**

Revenues from uncompleted non-current services (contracts) are classified in proportion to the level of service according to article 34 a, section 2, point 1 of Act on Accounting.

Revenues from sales of other services, products, finished goods and other item of assets are recognised at the moment of delivery of products, finished goods and other items of assets, if the entity transferred significant risk and benefits resulting from their ownership or at the moment of executing the service. Sales are presented in net value, i.e. without commodity and services taxes and taking into account all discounts.

### **7.2. Costs Consist of:**

- In relation to long-term contracts, total expenditures incurred in the period, on execution of contracts that were valued at production costs.
- In relation to other services, finished goods and other assets – value of sold (invoiced) products, finished goods and other items valued at production cost or acquisition price.

- Total administrative costs and cost of sales incurred in the period.

In the item "Costs of sold products, finished goods and materials from related parties" in the income statement the company presents the value of products, finished goods and materials purchased from related parties excluding these included in administrative costs, cost of sales and other operating costs.

Costs of sales consist of marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch S.A.

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

### **7.3. Other Revenues and Operating Costs**

These consist of revenues and costs not related directly to the ordinary activities of entities and comprise mostly: result from sale of property, plant and equipment and intangible assets, subsidies, provisions created, effects of revaluation of assets and result from research and development financed by union.

According to the materiality principle, content-related items are compensated and they are presented resultantly, respectively in operating revenues or costs. In particular, it refers to:

- result on sales and decommissioning of property, plant and equipment; recovered communication damages and costs of repairs after damage,
- received and paid penalties,
- recognised and dissolved write-offs that revalue receivables,
- subsidies, costs of realisation of research and development works financed by them.

### **7.4. Revenues and Financial Costs**

Revenues and financial costs consist of revenues and costs due to interest, result from exchange differences, from disposal of financial assets and effects of investment revaluation.

### **7.5. Deferred Income Tax**

Due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.

Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle.

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

Provisions and assets due to deferred income tax are established fiscal rates which are legally binding in the tax point year.

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

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 on the basis of the annual settlement of income tax, after the end of the fiscal year. Therefore as at the balance sheet date, the company determines only an asset and provision for deferred income tax only in relation to the types of activities, which are always taxable according to principles that are applied by the company, i.e. financial activities and other operating activities.

On 1<sup>st</sup> of July, 2004, Comarch S.A. received a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004 that changed the conditions for tax exemptions for entities operating in special economic zones to conditions included in the act that was passed on 2<sup>nd</sup> of October, 2003 on changing the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840). Pursuant to article 5, section 2, point 1, lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1<sup>st</sup> of January, 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. 22<sup>nd</sup> of March, 1999, until 31<sup>st</sup> of December, 2006. Comarch S.A. holds also another permit to operate in a special economic zone, i.e. permit no. 48/2007 dated the 18<sup>th</sup> of April, 2007 issued by Krakowski Park Technologiczny Sp. z o.o. In 2013 Comarch S.A. obtained another permit to operate in the Special Economic Zone in Krakow, a validity of this permit has not been specified. In February and March 2016 Comarch S.A. obtained another two permits to operate in the Special Economic Zone in Krakow.

In total Comarch S.A. holds five permits to operate in the Special Economic Zone in Krakow:

- obtained in 1999, validity to 31<sup>st</sup> December, 2017;
- obtained in 2007, validity to 31<sup>st</sup> of December, 2017;
- obtained in 2013, validity of this permit has not been specified;
- obtained in February, 2016, validity of this permit has not been specified;
- obtained in March, 2016, validity of this permit has not been specified.

At the same time, the company notes that on the 23<sup>rd</sup> of July, 2013, Council of Ministers adopted a regulation extending to 2026 the term of functioning of special economic zones on Polish territory. This means extending the period (up to 2026), in which the Company will be able to benefit, within the limit of public aid, from tax relief for entities making investments in special economic zones.

In the second quarter of 2016, company used in total investment relief under the permit obtained in 1999. Limit of the unused investment relief under the permit obtained in 2007 amounted approx. PLN 19,801 thousand at the 31<sup>st</sup> of December, 2016 (after discounting at the permit date). Limit of the unused investment relief under the permit obtained in 2013 amounted approx. PLN 29,000 thousand at the 31<sup>st</sup> of December, 2016 (after discounting at the permit date).

Additional information on methods of recognition of a deferred income asset and tax exempt due to operations in Special Economic Zone are included in Note 4a of additional information and commentary to this financial statement.

Financial result is determined according to article 42 of Act on Accounting dated 29<sup>th</sup> of September, 1994 r. Cash flow statement is prepared using the indirect method.

## **IV. Principles of Conversion PLN to EURO**

### **EUR rates used when calculating financial data**

**NBP average exchange rates**

As at 31.12.2016	4.4240
As at 31.12.2015	4.2615

**NBP arithmetic average exchange rates as at the end of every month**

For the period 1.01 - 31.12.2016	4.3757
For the period 1.01 - 31.12.2015	4.1848

**NBP minimum rate**

For the period 1.01 - 31.12.2016	4.5035
For the period 1.01 - 31.12.2015	3.9822

**NBP maximum rate**

In the period 1.01 - 31.12.2016	4.2355
In the period 1.01 - 31.12.2015	4.3580

In the table "Selected financial data" points I-VIII and XVI-XVII are valued at NBP arithmetic average exchange rates as at the end of every months in the period, while points IX-XIV and XVIII-XIX at NBP rate binding at the end of the period.

## **V. Differences between Polish Accounting Principles and International Financial Reporting Standards**

**Differences:**

### **1. The Right of Perpetual Usufruct of Land**

In IFRS, the method of presentation of the right of perpetual usufruct of land is not defined explicitly. There are different opinions in that case. Comarch S.A. as the Parent Company prepares consolidated financial statement according to IFRS and presents the right of perpetual usufruct of land as non-current prepayments settled in time. According to Act on Accounting the law of perpetual usufruct of land is presented as "lands" in property, plant and equipment and is not depreciated.

### **2. Operating in the Special Economic Zone ("SEZ")**

As a result of Poland joining the European Union, there was a change within terms of income tax from legal persons from unlimited relief to relief that is limited in value and depends on the value of investments made.

Unused tax relief as at the balance sheet date constitutes a deferred income tax asset.

As at 31<sup>st</sup> of December, 2015, the company determined the asset that is worth PLN 10,441 million and presented it in the consolidated financial statement according to IFRS. Within 2016 the assets were dissolved, however as at 31<sup>st</sup> of December, 2016 an asset worth PLN 9,936 million was created. Total effect on result would amount to minus PLN 0.505 thousand.

### **3. Managerial Option Programme**

Not concern.



**4. Differences compared to IFRS (000'PLN)**

Item	Equity as at 31 December 2016	Net result for 2016
Corrections according to the Polish accounting principles:	771,742	45,588
■ presentation of managerial option (point V 3)	-	-
■ an asset due to tax exemption in the SEZ (point V 2)	9,936	-505
■ depreciation due to the right of perpetual usufruct of lands (point V 1)	-1,181	-92
Equity and net result after adjusting above-mentioned differences:	780,497	44,991

## FINANCIAL SUPERVISION AUTHORITY

## ANNUAL REPORT SA-R 2016

(pursuant to §82 sec.1, pt.3 of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of Feb., 2009: c.t. Journal of Laws from 2014, pos. 133 and subsequent changes)

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

For financial year 2016 from 2016-01-01 to 2016-12-31  
And for the previous year 2015 from 2015-01-01 to 2015-12-31

Date of publication: 2017-04-28

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>INFORMATION TECHNOLOGY</b>
(abbreviated name of issuer)	(sector according to WSE classification)
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Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

(An auditor entitled to audit financial statements)

Annual report includes:

- ☒ Opinion and Report of an Auditor regarding the Annual Financial Statement
- ☒ The position of the management body with the opinion of the supervisory authority, referring to reservations opinion, negative opinion and refusal to express an opinion on the financial statements
- ☒ The Management Board's Statement regarding the Reliability of Financial Statement
- ☒ The Management Board's Statement regarding the Auditor Independence
- ☒ Letter of the President of the Management Board
- ☒ Annual Financial Statement
  - ☒ Introduction
  - ☒ Balance Sheet
  - ☒ Income Statement
  - ☒ Changes in Equity
  - ☒ Cash Flow Statement
  - ☒ Additional Information and Commentaries
- ☒ Report of the Management Board (Report regarding the Activities of Issuer)
  - ☒ Report regarding the Corporate Governance

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2016	2015	2016	2015
I. Net revenues from sales of products, goods and materials	749,213	749,556	171,221	179,114
II. Profit (loss) on operating activities	78,834	83,377	18,016	19,924
III. Gross profit (loss)	56,546	66,719	12,923	15,943
IV. Net profit (loss)	45,588	57,683	10,418	13,784
V. Cash flows from operating activities	35,822	89,766	8,187	21,450
VI. Cash flows from investing activities	-54,181	-102,175	-12,382	-24,416
VII. Cash flows from financing activities	1,719	-4,075	393	-974
VIII. Total net cash flows	-16,640	-16,484	-3,803	-3,939
IX. Total assets	1,162,245	1,117,308	262,714	262,187
X. Liabilities and provisions for liabilities	390,503	385,403	88,269	90,438
XI. Non-current liabilities	121,363	101,209	27,433	23,750
XII. Current liabilities	126,800	131,535	28,662	30,866
XIII. Equity	771,742	731,905	174,444	171,748
XIV. Share capital	8,133	8,133	1,838	1,908
XV. Number of shares	8,133,349	8,133,349	8,133,34	8,133,34

			9	9
XVI. Earnings (losses) per single share (PLN/EUR)	5.61	7.09	1.28	1.69
XVII. Diluted earnings (losses) per single share (PLN/EUR)	5.61	7.09	1.28	1.69
XVIII. Book value per single share (PLN/EUR)	94.89	89.99	21.45	21.12
XIX. Diluted book value per single share (PLN/EUR)	94.89	89.99	21.45	21.12
XX. Dividend per one share (paid or declared)	0.00	0.00	0.00	0.00

#### **OPINION OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Opinion.pdf	Opinion of an Auditor -Appendix No. 1

#### **REPORT OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Report.pdf	Report of an Auditor -Appendix No. 2

#### **THE MANAGEMENT BOARD'S STATEMENT REGARDING THE RELIABILITY OF FINANCIAL STATEMENT**

File	Description
The Management Board's Statement regarding the Reliability of Financial Statement.pdf	The Management Board's Statement regarding the Reliability of Financial Statement -Appendix No. 3

#### **THE MANAGEMENT BOARD'S STATEMENT REGARDING AUDITOR INDEPENDENCY**

File	Description
The Management Board's Statement regarding Auditor Independence.pdf	The Management Board's Statement regarding Auditor Independence - Appendix No. 4

#### **LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD**

File	Description
Letter of the President of the Management Board.pdf	Letter of the President of the Management Board -Appendix No. 5

#### **ANNUAL FINANCIAL STATEMENT**

##### **INTRODUCTION TO THE FINANCIAL STATEMENT**

File	Description
Introduction to the Financial Statement.pdf	Introduction to the Financial Statement -

**BALANCE SHEET**

BALANCE SHEET

	Notes	thousands of PLN	
		2016	2015
ASSETS			
I. Non-current assets		701,603	689,344
1. Intangible assets	1	8,506	10,469
2. Property, plant and equipment	2	296,496	258,116
3. Non-current investment	3	388,998	412,612
3.1 Non-current financial assets		360,783	382,917
a) in related parties		359,931	382,358
b) in other entities where the issuer holds interest in capital		360	480
c) in other entities		492	79
3.2 Real estates		28,172	29,652
3.3 Other non-current investment		43	43
4. Non-current prepayments	4	7,603	8,147
4.1 Deferred income tax assets		6,510	7,348
4.2 Other prepayments		1,093	799
II. Current assets		460,642	427,964
1. Inventories	5	43,273	27,746
2. Current receivables	6 7	324,572	291,780
2.1 from related parties		181,062	148,358
2.2 from other entities where the issuer holds interest in capital		587	233
2.3 from other entities		142,923	143,189
3. Current investment		55,488	71,127
3.1 Current financial assets	8	55,488	71,127
a) in related parties		351	0
b) in other entities where the issuer holds interest in capital		204	110
c) in other entities		1,150	632
- granted loans		0	0
- interest and shares		1	1
- other current financial assets		1,149	631
d) cash and cash equivalents		53,783	70,385
4. Current prepayments	9	37,309	37,311
Total assets		1,162,245	1,117,308
EQUITY AND LIABILITIES			
I. Equity		771,742	731,905
1. Share capital		8,133	8,133
2. Capital from merger settlement		0	0
3. Supplementary capital	11	619,975	562,292
4. Revaluation reserve	12	97,301	103,052
5. Other reserve capitals	13	745	745
6. Previous years' profit (loss)		0	0
7. Net profit (loss)		45,588	57,683
II. Liabilities and provisions for liabilities		390,503	385,403
1. Provisions for liabilities	14	124,646	140,669
1.1 Provisions due to deferred income tax		23,830	25,412
1.2 Other provisions		100,816	115,257
a) current		100,816	115,257
2. Non-current liabilities	15	121,363	101,209
2.1 to related parties		16,520	3,530

2.2 to other entities where the issuer holds interest in capital		0	0
2.3 to other entities		104,843	97,679
3. Current liabilities	16	126,800	131,535
3.1 to related parties		20,214	20,996
3.2 to other entities where the issuer holds interest in capital		2,108	1,932
3.3 to other entities		102,914	107,152
3.4 special funds		1,564	1,455
4. Accruals	17	17,694	11,990
4.1 Other accruals		17,694	11,990
a) current		17,694	11,990
Total equity and liabilities		1,162,245	1,117,308

Book value		771,742	731,905
Number of shares		8,133,349	8,133,349
Book value per single share (PLN)	18	94.89	89.99
Diluted number of shares		8,133,349	8,133,349
Diluted book value per single share (PLN)	18	94.89	89.99

**OFF-BALANCE SHEET ITEMS**

	Notes	thousands of PLN	
		2016	2015
1. Contingent liabilities to related parties (due to)	19	201,927	162,788
-granted bank guarantees and suretyships		201,927	162,788
2. Contingent liabilities to other entities (due to)	33	37,671	48,740
-received bank guarantees and suretyships		37,671	48,740
Total off-balance sheet items		239,598	211,528

**INCOME STATEMENT**

	Notes	thousands of PLN	
		2016	2015
I. Net revenues from sales of products, goods and materials, including:		749,213	749,556
-revenues from related parties		227,144	234,825
1. Net revenues from sales of products	20	690,520	659,888
2. Net revenues from sales of goods and materials	21	58,693	89,668
II. Costs of products, goods and materials sold, including:		529,985	524,252
-to related parties		29,352	32,542
1. Manufacturing cost of products sold	22	475,652	440,435
2. Value of products, goods and materials sold		54,333	83,817
III. Gross profit (loss) on sales		219,228	225,304
IV. Costs of sales	22	67,002	76,706
V. Administrative costs	22	55,719	53,663
VI. Profit (loss) on sales		96,507	94,935
VII. Other operating revenues		1,318	2,148
1. Profit on disposal of non-financial non-current assets		345	389
2. Other operating revenues	23	973	1,759
VIII. Other operating costs		18,991	13,706
1. Other operating costs	24	18,991	13,706
IX. Profit (loss) on operating activities		78,834	83,377
X. Financial revenues	25	6,398	7,620
1. Dividends and share in profits		542	1,378
-from related parties		542	1,378
2. Profit on disposal of investment		1,383	0

3. Revaluation of financial assets		117	0
4. Interest, including:		910	1,514
-from related parties		694	791
5. Other		3,446	4,728
XI. Finance costs	26	28,686	24,278
1. Interest, including:		2,391	1,533
-to related parties		338	110
2. Loss on disposal of financial assets		0	2,611
3. Revaluation of financial assets		25,852	19,705
4. Other		443	429
XII. Gross profit (loss)		56,546	66,719
XIII. Income tax	27	10,958	9,036
a) current		10,353	9,637
b) deferred		605	-601
XIV. Net profit (loss)		45,588	57,683

Net profit (loss) (annualised)		45,588	57,683
Weighted average number of shares		8,133,349	8,130,522
Earnings (losses) per single share (PLN)	29	5.61	7.09
Diluted weighted average number of shares		8,133,349	8,130,522
Diluted earnings (losses) per single share (PLN)	29	5.61	7.09

**CHANGES IN EQUITY**

	thousands of PLN	
	2016	2015
I. Opening balance of equity (BO)	731,905	677,089
I. a. Opening balance of equity after adjustments	731,905	677,089
1. Opening balance of share capital	8,133	8,125
1.1. Changes in share capital	0	8
a) increases (due to)	0	8
- shares issue	0	8
1.2. Closing balance of share capital	8,133	8,133
2. Opening balance of supplementary capital	562,292	521,244
2.1. Changes in supplementary capital	57,683	41,048
a) increases (due to)	57,683	41,048
-profit-sharing for the previous years	57,683	41,048
2.2. Closing balance of supplementary capital	619,975	562,292
3. Opening balance of revaluation reserve	103,052	105,926
-changes in applied accounting principles	0	0
3.1. Changes in revaluation reserve	-5,751	-2,874
a) increases (due to)	1,349	674
-provision for deferred income tax due to certificates valuation	1,349	674
a) decreases (due to)	7,100	3,548
-balance sheet valuation of investment certificates	7,100	3,548
3.2 Closing balance of revaluation reserve	97,301	103,052
4. Opening balance of capital from merger	0	0
4.1 Closing balance of capital from merger	0	0
5. Opening balance of other reserve capitals	745	745
5.1 Closing balance of other reserve capitals	745	745
6. Opening balance of the previous years' profit (loss)	57,683	41,049
6.1. Opening balance of the previous years' profit	57,683	41,049
a) changes in applied accounting principles	0	0

b) decreases (due to)	57,683	41,049
-transferring the result for the previous years to supplementary capital	57,683	41,049
6.2. Closing balance of the previous years' profit	0	0
7. Net result	45,588	57,683
a) net profit	45,588	57,683
II. Closing balance of equity	771,742	731,905
III. Equity including proposed profit-sharing (loss coverage)	771,742	731,905

**CASH FLOW STATEMENT**

	thousands of PLN	
	2016	2015
A. Cash flows from operating activities		
I. Net profit (loss)	45,588	57,683
II. Total adjustments	-9,766	32,083
1. Depreciation	35,301	31,504
2. Exchange gains (losses)	5	59
3. Interest and shares in profits (dividends)	518	-4
4. Profit (loss) on investing activities	21,807	19,277
5. Change in provisions	-14,674	11,664
6. Change in inventories	-15,526	-6,900
7. Change in receivables	-32,228	-26,562
8. Change in current liabilities, excluding credits and loans	-11,219	5,618
9. Change in prepayments and accruals	6,250	-2,573
10. Other adjustments	0	0
III. Net cash used in operating activities (I+/-II)-indirect method	35,822	89,766
B. Cash flows from investing activities		
I. Inflows	55,824	23,352
1. Disposal of property, plant and equipment and intangible assets	1,426	1,415
2. From financial assets, including:	54,398	21,937
a) in related parties	53,015	21,937
-received loans	24,789	0
-dividends and share in profits	542	1,378
-repaid loans	26,013	20,039
-repaid interest	1,671	520
b) in other entities	1,383	0
-other inflows from financial assets	1,383	0
II. Outflows	-110,005	-125,527
1. Purchase of property, plant and equipment and intangible assets	-53,625	-53,124
2. Expenses for investment in real estates	-5	-16
3. For financial assets, including:	-56,375	-72,387
a) in related parties	-56,375	-69,745
-purchase of financial assets	-30,038	-41,660
-granted non-current loans	-14,230	-28,085
-payment of loans	-11,579	0
-payment of interest	-528	0
b) in other entities	0	-2,642
-purchase of financial assets	0	-31
-loss on forward contract	0	-2,611
4. Other investment expenditures	0	0
III. Net cash flow investing activities (I-II)	-54,181	-102,175
C. Cash flow from financing activities		
I. Inflows	27,644	11,967

1. Inflows from share issue and other capital instruments as well as surcharges to capital	0	8
2. Loans and credits	27,607	11,442
3. Repaid loans	30	491
4. Interest received on paid loans	7	26
5. Other financial inflows	0	0
II. Outflows	-25,925	-16,042
1. Expenses due to distribution of profit (other than payments to owners)	0	-362
2. Repayment of loans and credits	-23,715	-13,260
3. Interest	-2,210	-1,920
4. Granted loans	0	-500
III. Net cash (used in)/generated from financing activities (I-II)	1,719	-4,075
D. Total net cash flows (A.III+/-B.III+/-C.III)	-16,640	-16,484
E. Balance sheet change in cash and cash equivalents, including:	-16,602	-16,513
-change in cash and cash equivalents due to exchange differences	38	-29
F. Cash and cash equivalents opening balance	70,383	86,896
G. Closing balance of cash and equivalents (F+/-E), including:	53,781	70,383
-limited disposal	7,706	2,464

**ADDITIONAL INFORMATION AND COMMENTARY****A. COMMENTARY NOTES****BALANCE SHEET COMMENTARY NOTES****Note 1 a**

<b>INTANGIBLE ASSETS</b>	thousands of PLN	
	2016	2015
a) costs of finished development works	0	0
b) goodwill	0	0
c) licences, patents and similar items, including:	8,052	10,014
-computer software	0	47
d) other intangible assets	454	455
e) advance payments for intangible assets	0	0
Total intangible assets	8,506	10,469

Should be indicated and explained the period of write-offs from completed development works and depreciation write-offs from goodwill.



## Note 1 b

<b>CHANGES IN INTANGIBLE ASSETS (BY TYPES)</b>							
thousands of PLN							
	a	b	c		d	e	Total intangible assets
	costs of completed development work	goodwill	licences, patents and similar items, including	-computer software	other intangible assets	advances for intangible assets	
a) opening balance of gross value of intangible assets	0	0	29,144	1,275	6,551	0	35,695
b) increases (due to)	0	0	2,727	0	0	0	2,727
-purchase	0	0	2,727	0	0	0	2,727
c) decreases (due to)	0	0	25	0	0	0	25
-decommissioning	0	0	25	0	0	0	25
d) closing balance of gross value of intangible assets	0	0	31,846	1,275	6,551	0	38,397
e) opening balance of accumulated depreciation (amortisation)	0	0	19,130	1,228	6,096	0	25,226
f) depreciation for the period (due to)	0	0	4,664	47	1	0	4,665
-increases (costs depreciation)	0	0	4,668	47	1	0	4,669
-decreases	0	0	4	0	0	0	4
g) closing balance of accumulated depreciation (amortisation)	0	0	23,794	1,275	6,097	0	29,891
h) closing balance of net value of intangible assets	0	0	8,052	0	454	0	8,506

**Note 1 c**

<b>INTANGIBLE ASSETS (PROPRIETARY STRUCTURE)</b>	thousands of PLN	
	2016	2015
a) proprietary	8,506	10,469
Total intangible assets	8,506	10,469

**Note 2 a**

<b>PROPERTY, PLANT AND EQUIPMENT</b>	thousands of PLN	
	2016	2015
a) property, plant and equipment in use, including:	253,801	254,574
-lands (including right of perpetual usufruct of land)	32,002	28,246
-buildings, premises and water and civil engineering structures	161,988	166,159
-technical equipment and machines	45,836	47,594
-means of transport	11,201	9,115
-other property, plant and equipment	2,774	3,460
b) property, plant and equipment under construction	42,692	3,517
c) advances for property, plant and equipment under construction	3	25
Total property, plant and equipment	296,496	258,116

## Note 2 b

<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN USE (BY TYPES)</b>						
thousands of PLN						
	- lands (including right of perpetual usufruct of land)	- buildings, premises and water and civil engineering structures	- technical equipment and machines	- means of transport	- other non-current assets	Total non-current assets in use
a) opening balance of gross value of property, plant and equipment in use	28,378	204,471	161,330	17,659	14,597	426,435
b) increases (due to)	3,756	1,392	18,558	4,594	580	28,880
-purchase	3,756	1,392	18,558	4,594	580	28,880
c) decreases (due to)	0	444	4,158	2,487	27	7,116
-decommissioning	0	444	3,315	0	26	3,785
-sales	0	0	843	2,487	1	3,331
d) closing balance of gross value of property, plant and equipment in use	32,134	205,419	175,730	19,766	15,150	448,199
e) opening balance of accumulated depreciation (amortisation)	132	38,312	113,736	8,544	11,137	171,861
f) depreciation for the period (due to)	0	5,119	16,158	21	1,239	22,537
-increases (costs depreciation for the period)	0	5,428	20,262	2,197	1,260	29,147
-decreases (decommissioning)	0	309	3,298	0	21	3,628
-decreases (sales)	0	0	806	2,176	0	2,982
g) closing balance of accumulated depreciation (amortisation)	132	43,431	129,894	8,565	12,376	194,398
h) closing balance of net value of property, plant and equipment in use	32,002	161,988	45,836	11,201	2,774	253,801

## Note 2 c

<b>BALANCE SHEET PROPERTY, PLANT AND EQUIPMENT IN USE (PROPRIETARY STRUCTURE)</b>	thousands of PLN	
	2016	2015
a) proprietary	253,471	254,039
-used on the basis of an agreement of rental, lease or others, including lease agreements	330	535
Total balance sheet property, plant and equipment in use	253,801	254,574

## Note 3 a

<b>CHANGES IN REAL ESTATES (BY TYPES)</b>	thousands of PLN	
	2016	2015
a) opening balance	29,652	31,121
b) increases (due to)	6	15
-fittings of a building dedicated for rent	6	15
c) decreases (due to)	1,486	1,484
-depreciation for the period	1,486	1,484
d) closing balance	28,172	29,652

## Note 3b

<b>NON-CURRENT FINANCIAL ASSETS</b>	thousands of PLN	
	2016	2015
a) in related parties	359,931	382,358
-interest or shares	229,711	230,402
-granted loans	8,553	22,722
-other securities	121,688	128,284
-interest due to granted loans	-21	950
b) in other entities where the issuer holds interest in capital	360	480
-interest or shares	150	150
-granted loans	210	330
c) in other entities	492	79
- other non-current financial assets (by types)	492	79
-forward contracts	492	79
Total non-current financial assets	360,783	382,917

## Note 3 c

<b>CHANGES IN NON-CURRENT FINANCIAL ASSETS (BY TYPES)</b>	thousands of PLN	
	2016	2015
a) opening balance	382,917	345,891
Interest and shares		
b) opening balance	230,552	199,594
c) increases (due to)	24,283	50,663
-purchase of shares in subsidiaries	24,283	50,663
d) decreases (due to)	24,974	19,705
-balance sheet valuation of shares in subsidiaries (revaluation of shares)	24,974	19,705
e) closing balance	229,861	230,552
Other securities		
f) opening balance	128,284	131,833
g) increases (due to)	504	0
-purchase of investment certificates of FIZ	504	0
h) decreases (due to)	7,100	3,549

-valuation of shares in CCF Closed Investment Fund	7,100	3,549
i) closing balance	121,688	128,284
Non-current loans and other non-current assets in subsidiaries		
j) opening balance	24,002	14,464
k) increases (due to)	8,289	28,979
-loans granted to subsidiaries	4,798	26,965
-loans granted to other entities	0	390
-interest due to non-current loans	638	670
-balance sheet valuation of loans in subsidiaries	334	181
-dissolving write-offs revaluating loans in subsidiaries	2,372	565
-dissolving write-offs revaluating interests	112	208
-balance sheet and adjusted valuation of interest on loans	35	0
l) decreases (due to)	23,549	19,441
-repayment of subsidiaries' loans	19,664	18,919
-repayment of loans to entities where the issuer holds interest in capital	30	60
-repayment of interests on subsidiaries' loans	1,673	362
-creating write-offs revaluating interests	69	74
-balance sheet valuation	0	26
-transferring non-current loans from related parties to current loans	211	0
-transferring non-current loans from entities where the issuer holds interest in capital to current loans	90	0
-cancelling the loans in subsidiaries	664	0
-cancelling the interest on loans in subsidiaries	14	0
-creating write-offs revaluating loans in subsidiaries	1,134	0
m) closing balance	8,742	24,002
Other non-current assets		
n) opening balance	79	0
o) increases (due to)	413	79
- valuation of forward contracts	413	79
p) closing balance	492	79
q) Closing balance	360,783	382,917

## Note 3 d

Note 3d INTEREST OR SHARES IN RELATED UNITS												
No	thousands of PLN											
	a	b	c	d	e	f	g	h	i	j	k	l
	name of entity (company) including legal form	seat	activities	nature of relationship (subsidiary, correlate or associate, including direct and indirect relationship)	the applied method of consolidation / equity method valuation or indication that an entity is not subject to consolidation/ valued by equity method	date of control / co-control accession / obtaining major share	value of interest / shares by acquisition price	revaluating corrections (total)	balance sheet value of interest / shares	% of share capital held	share in total number of votes at AGM	indication of basis for control / co control / major share different than the one specified under clauses j) or k)
1	<b>Comarch AG</b>	Dresden	sales of software and services in European and South American market	subsidiary	consolidated	13.09.1999	154,456	-1,320	153,136	100	100	
2	<b>Comarch Software und Beratung AG</b>	Munich	provider of IT solutions (especially ERP ) and integrator of IT solutions	second degree subsidiary (subsidiary of Comarch AG)	consolidated	18.11.2008	109,382	-38,485	70,897	100	100	subsidiary of Comarch AG (100%)*
3	<b>Comarch Solutions GmbH</b>	Innsbruck	producer of software (especially ERP) and integrator of IT systems	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	6,286	-4,960	1,326	100	100	subsidiary of Comarch Software und Beratung AG (100%)
4	<b>Comarch Sistemas LTDA</b>	Sao Paulo	sales of software and services in Central and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch AG)	consolidated	02.09.2014	1,208	-	1,208	100	100	subsidiary of Comarch AG (80%) and Comarch SuB AG (20%)
5	<b>Comarch Peru S.A.C.</b>	Lima	sales of software and services in Central and South American	second degree subsidiary (subsidiary of	consolidated	14.12.2016	196	-	196	100	100	subsidiary of Comarch AG (95%) and

			markets and support of delivered IT systems	Comarch AG)								Comarch SA (5%)
6	<b>Comarch S.A.S.</b>	Lezennes	sales of software and services in European and North American market	subsidiary	consolidated	14.09.2007	37,114	-37,114	196	100	100	
7	<b>Comarch R&amp;D S.a r.l.</b>	Montbonnot-Saint-Martin	sales of software and services in European and North American market	subsidiary	consolidated	16.09.2008	714	-714	-	100	100	
8	<b>Comarch Luxembourg S.a r.l.</b>	Luxemburg	sales of software and services in European market	subsidiary	consolidated	21.04.2011	1,981	-714	1,981	100	100	
9	<b>Comarch, Inc.</b>	Rosemont	sales and production of IT systems in American Markets	subsidiary	consolidated	24.06.1999	991	-991	1,981	100	100	
10	<b>Comarch Panama, Inc.</b>	Panama	sales of software and services in European, Central and South American market	second degree subsidiary (subsidiary of Comarch, Inc.)	consolidated	22.11.2004	914	-991	914	100	100	subsidiary of Comarch Inc. (100%)
11	<b>Comarch Canada Corp.</b>	New Brunswick	sales of IT systems in the Canadian and South American Market	subsidiary	consolidated	01.06.2011	162	-21	141	100	100	
12	<b>Comarch Espace Connecte Inc.</b>	Montreal	sales of IT systems in Canadian Market	subsidiary	consolidated	16.04.2015	1,164	-40	1,124	100	100	
13	<b>Comarch Middle East FZ-LLC</b>	Dubai	sales of IT systems in Middle East and support of delivered IT systems	subsidiary	consolidated	08.04.2004	203	-44	159	100	100	
14	<b>Comarch LLC</b>	Kiev	sales of IT systems in Ukraine and support of delivered IT systems	subsidiary	consolidated	01.06.2004	34	-34	159	100	100	
15	<b>OOO Comarch</b>	Moscow	sales of IT systems in Russia and support of delivered IT systems	subsidiary	consolidated	26.01.2005	147	-147	-	100	100	

16	<b>Comarch Software (Shanghai) Co. Ltd.</b>	Shanghai	sales of IT systems in China and support of delivered IT systems	subsidiary	consolidated	q3 2009	597	-597	-	100	100	
17	<b>Comarch Technologies Oy</b>	Espoo	sales of IT systems in Scandinavian markets and support of delivered IT systems	subsidiary	consolidated	16.12.2010	198	-198	-	100	100	
18	<b>Comarch UK Ltd.</b>	London	sales of IT systems in GB, Ireland and Poland and support of delivered IT systems	subsidiary	consolidated	20.03.2012	271	-32	239	100	100	
19	<b>Comarch Chile SpA</b>	Santiago	sales of IT systems in Chile and support of delivered IT systems	subsidiary	consolidated	23.05.2013	920	-37	883	100	100	
20	<b>Comarch Software Spain S.L.U.</b>	Madrid	sales of IT systems in European markets and South American markets and support of delivered IT systems	subsidiary	consolidated	11.11.2014	2,095	-37	2,095	100	100	
21	<b>Comarch Colombia S.A.S.</b>	Bogota	sales of IT systems in and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch Software Spain S.L.U.)	consolidated	04.05.2016	248	-	248	100	100	subsidiary of Comarch Software Spain S.L.U. (100%)
22	<b>Comarch Yazilim A.S.</b>	Istanbul	sales of IT systems in Turkey and support of delivered IT systems	subsidiary	consolidated	18.12.2014	825	-825	248	100	100	
23	<b>Comarch SRL</b>	Milano	sales of IT systems and services in Europe	subsidiary	consolidated	05.02.2015	2,971	-2,971	-	100	100	
24	<b>Comarch Malaysia SDN. BHD.</b>	Kuala Lumpur	sales of IT systems and services in Asia	subsidiary	consolidated	02.04.2015	517	-517	-	100	100	
25	<b>Comarch s.r.o.</b>	Bratislava	limited operations	subsidiary	consolidated	31.08.2004	494	-494	-	100	100	
26	<b>Comarch Pointshub Inc.</b>	Rosemont	sales of IT systems and services in America	subsidiary	consolidated	24.08.2015	33,250	-5,536	27,714	100	100	
27	<b>Comarch AB</b>	Stockholm	sales of IT systems and	subsidiary	consolidated	18.08.2015	22	-5,536	22	100	100	



			services in Europe									
28	<b>Comarch Argentina S.A.</b>	Buenos Aires	sales of IT systems in Central and South American markets	subsidiary	consolidated	11.11.2015	929	-	929	100	100	subsidiary of Comarch SA (95%) and Comarch AG (5%)
29	<b>Comarch Technologies sp. z o.o.</b>	Kraków	responsible for the development of technologies related to the design and production of electronic devices and software	subsidiary	consolidated	18.11.2008	298	-	298	100	100	
30	<b>CA Consulting SA</b>	Warsaw	delivery of network connections and outsourcing services	subsidiary	consolidated	18.06.2004	1,053	-	1,053	100	100	
31	<b>Comarch Management Sp. z o.o.</b>	Kraków	activities related to IT	subsidiary	consolidated	19.10.2007	300	-300	1,053	100	100	
32	<b>Comarch Corporate Finance FIZ</b>	Kraków	investment activity on capital market and activities related to IT	subsidiary	consolidated	24.10.2007	1,060	120,628	121,688	100	100	100% certificates held by Comarch S.A.
33	<b>Comarch Management Sp. z o.o. SK-A</b>	Kraków	activities related to IT	second degree subsidiary	consolidated	21.11.2007	11,275	-11,202	73	100	100	25% votes held by CCF FIZ; 75% votes held by Comarch S.A shares purchased by Comarch Management Sp. o.o. SK-A to be redeemed, the Company does not exercise the voting rights
34	<b>Bonus Management Sp. z o.o. SK-A</b>	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	28,344	373	28,717	100	100	subsidiary through CCF FIZ
35	<b>Bonus MANAGEMENT spółka z</b>	Kraków	investment activities in sport	second degree subsidiary	consolidated	25.03.2014	2,400	373	2,400	100	100	33.33% votes held by MKS Cracovia S.A.,

	ograniczoną odpowiedzialnością Cracovia Park SK-A											66.67% held by Bonus Management Sp. Z o.o.SK-A
36	Bonus Development Sp. z o.o. SK-A	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	55,950	-28,268	27,682	100	100	subsidiary through CCF FIZ
37	Bonus Management Sp. z o.o. II Activia SK-A	Kraków	investment activity on capital and IT market	second degree subsidiary	consolidated	07.10.2010	15,552	-683	14,869	100	100	subsidiary through CCF FIZ
38	Bonus Development Sp. z o.o. II Koncept SK-A	Kraków	investment in real estates and activities related to real estates	second degree subsidiary	consolidated	25.10.2010	8,933	3,038	11,971	100	100	subsidiary through CCF FIZ
39	Comarch Healthcare S.A.	Kraków	production and supply of comprehensive solutions for the health sector and medical diagnostic centre in Krakow iMed24	second degree subsidiary	consolidated	08.04.2008	92,060	-86,160	5,900	100	100	57.13% votes held by CCF FIZ, 25.88% held by Comarch S.A., 16.99% held by CASA Management and Consulting Sp. z o.o. SK-A
40	Comarch Polska S.A.	Kraków	acquires IT contracts in the domestic market and implements them in whole or in part	second degree subsidiary	consolidated	09.06.2008	10,000	-5,847	4,153	100	100	subsidiary through CCF FIZ
41	Comarch Pointshub S.A.	Kraków	activities involving the manufacture and implementation of a new generation of loyalty software	second degree subsidiary	consolidated	21.10.2008	3,000	307	3,307	100	100	subsidiary through CCF FIZ
42	Comarch Infrastruktura S.A.	Kraków	data centre services and IT outsourcing	second degree subsidiary	consolidated	09.12.2008	1,150	4,951	6,101	100	100	subsidiary through CCF FIZ
43	iComarch24 S.A.	Kraków	provides accounting services for domestic	second degree subsidiary	consolidated	04.05.2009	2,500	-531	1,969	100	100	subsidiary through CCF FIZ

			subsidiaries of Comarch S.A. and leads projects related to e-accounting and ecommerce									
44	<b>CASA Management and Consulting Sp. z o.o. SK-A</b>	Kraków	investment activity on capital market	second degree subsidiary	consolidated	12.10.2009	31,140	-13,288	17,852	100	100	subsidiary through CCF FIZ
45	<b>Comarch Swiss AG</b>	Luzern	sales and implementation of software (especially ERP) and systems integrator	third degree subsidiary	consolidated	18.11.2008	12,142	-	12,142	100	100	subsidiary through CASA Management and Consulting Sp. o.o. SK-A
46	<b>CAMS AG</b>	Luzern	investment activity in the capital and IT market	third degree subsidiary	consolidated	21.01.2013	175	-	175	51	51	51% votes held by CASA Management and Consulting Sp. o.o. SK-A
47	<b>Opso Sp. z o.o.</b>	Kraków	catering services	subsidiary	consolidated	20.12.2011	205	-	205	100	100	
48	<b>MKS Cracovia SSA</b>	Kraków	activities in the field of physical culture and sports	subsidiary	consolidated	29.09.2003	37,209	-3,341	33,868	66.11	66.11	
49	<b>SoInteractive S.A.**</b>	Kraków	activities in the field of interactive web technologies	associated	equity method valuation	29.09.2008	5,400	-4,748	652	42.98	27.37	16.10% of the votes held by CCF FIZ, 11.27% of the votes held by Bonus Management Sp. o.o. II Activia SK-A
50	<b>Metrum Capital S.A. **</b>	Kraków	implementation of investment software	associated	equity method valuation	06.02.2014	450	-434	16	64.29	47.37	15.79% of the votes held by Comarch SA, 31.58% held by CAMS AG
51	<b>Thanks Again</b>	Tyrone	operator of loyalty	associated	equity method	24.08.2015	30,884	-17,157	13,727	42.5	42.5	42.5% of the

	LLC**		programs for airports in North America		valuation							votes held by Comarch Pointshub Inc.
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(\*\*) the balance sheet value of shares in associates is presented in the value corresponding to valuation by the equity method (as described in the consolidated financial statement of Comarch S.A.)

## Note 3 e

Note 3e INTEREST OR SHARES IN RELATED PARTIES																	
No	thousands of PLN																
	a	m						n			o			p	r	s	t
	Name of entity	Equity, including:						liabilities and provisions for liabilities:			receivables of entity, including:			Total assets	Revenue from sales	Value of interest / shares in entity unpaid by issuer	Interest / shares in entity unpaid by issuer dividends from entity received or due for the financial year
		Share capital	Supplementary capital) supplementary capital	Other equity, including:	Profit (loss) from previous years	Net profit (loss)	Noncurrent liabilities	Current liabilities		Non-current receivables	Current receivables						
1	Comarch AG	128,464	61,888	0	90,973	-24,397	-29,562	768	107,674	2,755	104,919	67,578	200	67,378	236,139	124,673	0
2	Comarch Software und Beratung AG Group	65,642	24,590	0	62,947	-21,895	-40,344	26,033	41,153	5,459	35,694	30,420	0	30,420	106,796	135,980	0
3	Comarch Sistemas LTDA	11,136	1,208	0	0	9,928	2,264	5,911	38,834	6,185	32,649	20,342	62	20,280	49,970	27,080	0
4	Comarch Peru S.A.C.	194	196	0	0	-2	0	-12	12	0	12	0	0	0	206	0	
5	Comarch S.A.S.	9,176	34,752	0	0	-25,576	-25,859	-2,203	32,949	4,245	28,704	11,395	0	11,395	42,124	34,455	0
6	Comarch R&D S.a.r.l	-1,857	26	0	0	-1,883	-2355	231	5,584	4,100	1,484	1,894	59	1,835	3,726	8,403	0
7	Comarch Luxembourg S.a.r.l.	3,846	1,981	0	0	1,865	1,297	362	6,364	932	5,432	5,313	0	5,313	10,210	13,476	0
8	Comarch, Inc.	21,640	154	0	853	20,633	16,808	1,053	17,134	0	17,134	25,062	3781	21,281	38,774	54,352	0
9	Comarch Panama, Inc.	9,214	914		0	8,300	5,236	1,382	1,525	1	1,524	6,192	0	6,192	10,740	6,714	0

## COMARCH

## SA-R 2016

10	Comarch Canada Corp.	7,168	162	0	0	7,006	5,524	1,131	5,603	227	5,376	7,259	0	7,259	12,771	18,804	0
11	Comarch Espace Connecte Inc.	1,184	1,164	0	0	20	-34	-19	2	0	2	2	0	2	1,186	0	0
12	Comarch Middle East FZ-LLC	-4,736	200	0	0	-4,936	-6,845	485	31,101	0	31,101	22,744	0	22,744	26,365	34,663	0
13	Comarch LLC	-2,538	15	0	0	-2,553	-3,114	-769	8,061	0	8,061	4,674	0	4,674	5,523	5,655	0
14	OOO Comarch	3,731	140	0	585	3,006	1	3,052	13,103	16	13,087	9,473	0	9,473	16,834	14,925	0
15	Comarch Software (Shanghai) Co. Ltd.	-54	597	0	0	-651	-553	-16	71	29	42	0	0	0	17	0	0
16	Comarch Technologies Oy	334	198	0	0	136	12	88	3,667	0	3,667	1,295	0	1,295	4,000	4,631	0
17	Comarch UK LTD	9,624	271	0	0	9,353	420	8,677	9,285	0	9,285	13,125	0	13,125	18,908	27,970	0
18	Comarch Chile SpA	-3,073	920	0	0	-3,993	-5,205	1,617	13,604	5,015	8,589	8,842	0	8,842	10,531	15,887	0
19	Comarch Software Spain S.L.U.	-1,347	2,095	0	0	-3,442	-992	-2439	10,333	67	10,266	5,907	0	5,907	8,985	11,169	0
20	Comarch Colombia S.A.S.	199	245	0	3	-49	0	-29	563	0	563	569	0	569	761	521	
21	Comarch Yazilim A.S.	376	825	0	0	-449	405	-817	2,404	1,141	1,263	1,226	0	1,226	2,780	384	0
22	Comarch SRL	1,964	2,971	0	0	-1,007	-1,548	247	919	0	919	441	0	441	2,883	651	0
23	Comarch Malaysia SDN. BHD.	-1,103	517	0	0	-1,620	-286	-1,328	1,593	1,327	266	237	0	237	490	774	0
24	Comarch s.r.o.	521	487	0	0	34	-139	26	9	0	9	26	0	26	529	0	0
25	Comarch Pointshub Inc.	23,193	33,250	-3,720	0	-6,337	-5,973	-112	5,525	5,525	0	0	0	0	28,718	0	0
26	Comarch AB	1,277	22	0	0	1,255	-278	1,498	3,604	205	3,399	3,530	0	3,530	4,881	6,812	0
27	Comarch Argentina S.A.	1,410	929	0	0	481	5	313	7,886	554	7,332	5,424	0	5,424	9,296	6,962	0

28	Comarch Technologies sp. z o.o.	10,529	50	0	1,646	8,833	8,951	-393	1,215	58	1,157	6,006	0	6,006	11,745	6,306	0
29	CA Consulting S.A.	10,844	1,050	0	14,025	-4,231	-5,257	1,029	7,395	25	7,370	9,547	0	9,547	18,240	20,399	0
30	Comarch Management Sp. z o.o.	39	300	0	0	-261	-235	-27	4	0	4	17	0	17	43	0	0
31	Comarch Corporate Finance FIZ	121,688	1,503	0	0	120,185	127,285	-7,100	98	0	98	4,632	0	4,632	121,786	0	0
32	Comarch Management Sp. z o.o. SK-A	282	170	0	6,634	-6,522	2,681	-46	12	0	12	44	0	44	294	0	0
33	Bonus Management Sp. z o.o. SK-A	28,820	2,879	0	22,498	3,443	1,837	269	725	129	596	10,113	2,500	7,613	29,545	47	0
34	Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością Cracovia Park SK-A	1,878	800	0	1,601	-523	-310	-213	43	0	43	108	0	108	1,921	47	0
35	Bonus Development Sp. z o.o. SK-A	40,804	5,640	0	42,401	-7,237	-6,710	-537	45,216	40,781	4,435	2,626	0	2,626	86,020	2,178	0
36	Bonus Management Sp. z o.o. II Activia SK-A	14,956	1,555	0	13,998	-597	-448	-149	891	0	891	1,203	0	1,203	15,847	63	0
37	Bonus Development Sp. z o.o. II Koncept SK-A	9,340	101	0	8,832	407	262	144	93	0	93	1,520	0	1,520	9,433	845	0
38	Comarch Healthcare S.A.	-420	6,015	0	54,224	-60,659	-71,391	-18,168	38,311	27,961	10,350	3,667	11	3,656	37,891	16,044	0
39	Comarch Polska S.A.	4,000	500	0	9,500	-6,000	2,074	-8,074	6,985	164	6,821	3,882	0	3,882	10,985	25,132	0
40	Comarch Pointshub S.A.	4,250	750	0	2,250	1,250	-106	1356	527	2	525	1,872	0	1,872	4,778	2,153	0

41	Comarch Infrastruktura S.A.	6,255	575	0	575	5,105	4,383	722	1,073	3	1,070	2,434	0	2,434	7,327	3,726	0
42	iComarch24 S.A.	1,666	500	0	2,000	-834	-779	-55	829	0	829	661	0	661	2,495	1,917	0
43	CASA Management and Consulting Sp. z o.o. SK-A	18,711	3,114	0	28,027	-12,430	-12,424	-7	15	1	14	124	0	124	18,726	0	0
44	Comarch Swiss AG	9,770	1,016	0	508	8,246	-2,282	4,556	3,549	562	2,987	3,102	0	3,102	13,319	29,156	0
45	CAMS AG	244	343	0	0	-99	-66	-62	115	0	115	0	0	0	359	0	0
46	Opso Sp. z o.o.	165	205	0	0	-40	-83	43	193	0	193	38	0	38	358	2,416	0
47	MKS Cracovia S.A.	42,849	21,840	0	22,728	-1,719	-32,892	8,024	17,800	8,178	9,622	6,329	0	6,329	60,649	35,026	0
48	SoInteractive S.A.	1,642	791	0	1,260	-409	-600	191	3,687	245	3,442	4,104	1126	2,978	5,329	10,100	0
49	Metrum Capital S.A.	34	700	0	0	-666	-479	-187	20	0	20	30	0	30	53	207	0
50	Thanks Again LLC	-5,796	43,274	-22,627	0	-26,443	-12,563	-13,880	17,392	0	17,392	1,700	0	1,700	10,828	5,228	0

Transactions with associates and personally related entities:

- purchases from personally related entities: PLN 2,848 thousand,
- sales to personally related entities: PLN 126 thousand,
- purchases from associates: PLN 9,418 thousand,
- sales to associates: PLN 6,363 thousand.



## Note 3 f

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			161,167	170,924
b) in foreign currencies (by currencies and after conversion to PLN)			190,853	188,941
b1. in currency	in thou.	USD	7,381	226
after conversion to thousands of PLN			28,597	883
b2. in currency	in thou.	EUR	38,882	43,713
after conversion to thousands of PLN			158,988	186,294
other currencies in thousands of PLN			3,268	1,764
Total securities, shares and other non-current financial assets			352,020	359,865

## Note 3 g

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY DISPOSAL)	thousands of PLN	
	2016	2015
A. Total securities, shares and other non-current financial assets	352,020	359,865
a. shares (balance sheet value) – admitted do public trading	0	0
-opening balance value	0	0
-value according to the acquisition price	0	0
b. shares (balance sheet value)-other	194,258	194,383
-opening balance value	194,383	194,383
-revaluating corrections (for the period)	-21,135	-13,050
-increase - purchase of shares	21,010	13,050
-value according to the acquisition price	262,415	241,405
c. participation units	121,688	128,284
-opening balance value	128,284	131,833
-value according to the acquisition price	1,563	1,060
-revaluating corrections (for the period)	-6,596	-3,549
d. shares in limited companies	35,603	36,169
-opening balance value	36,169	5,211
-revaluating corrections (for the period)	-3,839	-6,654
-increase in value – purchase of shares	3,273	37,612
-value according to the acquisition price	49,541	46,785
e. others-interest on non-current loans and valuation of futures contracts (balance sheet value)	471	1,029
-opening balance value	1,029	508
-revaluating corrections (for the period)	0	0
Total value according to the acquisition price	313,519	289,250
Total opening balance value	359,865	331,935
Total revaluating corrections (for the period)	224,573	192,499
Total balance sheet value	352,020	359,865

## Note 3 h

GRANTED NON-CURRENT LOANS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			3,748	18,159
b) in foreign currencies (by currencies and after conversion to PLN)			5,015	4,893
b1. in currency	in thou.	EUR	0	480

after conversion to thousands of PLN			0	2,045
b2. in currency	in thou.	USD	1,200	730
after conversion to thousands of PLN			5,015	2,848
Total non-current loans			8,763	23,052

**Note 3 i**

<b>OTHER NON-CURRENT INVESTMENTS (BY TYPES)</b>	thousands of PLN	
	2016	2015
-works of art	43	43
Total other non-current investments	43	43

**Note 3 j**

<b>CHANGES IN OTHER NON-CURRENT INVESTMENTS (BY TYPES)</b>	thousands of PLN	
	2016	2015
a) opening balance	43	43
b) closing balance	43	43

**Note 3 k**

<b>OTHER NON-CURRENT INVESTMENT (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			43	43
b1. in currency				
Total other non-current investment			43	43

**Note 4 a**

<b>CHANGE IN DEFERRED INCOME TAX ASSETS</b>	thousands of PLN	
	2016	2015
1. Opening balance of deferred income tax assets	7,348	6,733
2. Increases	1,608	1,094
a) referred into the financial result of the period	1,608	1,094
3. Decreases	2,446	479
a) referred into the financial result of the period	2,446	479
4. Closing balance of deferred income tax assets, including:	6,510	7,348
a) referred into the financial result	6,510	7,348

**Note 4 b**

<b>OTHER PREPAYMENTS</b>	thousands of PLN	
	2016	2015
a) prepayments of costs, including:	1,093	799
-non-current prepayments due to costs	1,093	799
Total other prepayments	1,093	799

**Note 5 a**

<b>INVENTORIES</b>	thousands of PLN	
	2016	2015
a) materials	687	1,026
b) rough products and products in progress	42,117	25,558

c) finished goods	10	76
d) goods	459	1,086
e) advances for deliveries	0	0
Total inventories	43,273	27,746

Due to loss in value, write-offs that revalue inventories were done and worth PLN 24 thousand. At the same time, write-offs that revalue inventories were dissolved and amounted to PLN 39 thousand (no dissolution due to usage). Total value of write-offs that result from the above-mentioned operations and are included in the result, as operating revenue, amounts to PLN 0.015 million.

**Note 6 a**

<b>CURRENT RECEIVABLES</b>	thousands of PLN	
	2016	2015
a) from related parties	181,062	148,358
-due to deliveries and services with payment period of:	179,419	146,491
-up to 12 months	179,419	146,491
-other	1,643	1,867
b) from other entities where the issuer holds interest in capital	587	233
-due to deliveries and services with payment period of:	587	233
c) from other entities	142,923	143,189
-due to deliveries and services with payment period of:	141,425	140,823
-up to 12 months	141,425	134,887
-over 12 months	0	5,936
-other, including:	1,498	2,366
-settlements with employees due to advances and loans	321	376
-deposits, securities, overpayments	353	626
-due subsidies	673	670
-other	151	694
Total net current receivables	324,572	291,780
d) write-offs revaluating receivables	17,294	16,047
Total gross current receivables	341,866	307,827

**Note 6 b**

<b>CURRENT RECEIVABLES FROM RELATED PARTIES</b>	thousands of PLN	
	2016	2015
a) due to deliveries and services, including:	179,419	146,491
-from subsidiaries	179,419	146,491
b) others, including:	1,643	1,867
-from subsidiaries	1,643	1,867
Total net current receivables from related parties	181,062	148,358
c) write-offs revaluating receivables from related parties	11,900	9,726
Total gross current receivables from related parties	192,962	158,084

**Note 6 c**

<b>CURRENT RECEIVABLES FROM OTHER ENTITIES WHERE THE ISSUER HOLDS INTEREST IN CAPITAL</b>	thousands of PLN	
	2016	2015
a) due to deliveries and services, including:	587	237
-from associated companies	587	237
Total net current receivables from other entities where the issuer holds	587	237

interest in capital		
b) write-offs revaluating receivables from other entities where the issuer holds interest in capital	460	0
Total gross current receivables from other entities where the issuer holds interest in capital	1,047	237

**Note 6 d**

<b>CHANGE IN WRITE-OFFS THAT REVALUATE CURRENT RECEIVABLES</b>	thousands of PLN	
	2016	2015
Opening balance	16,047	14,306
a) increases (due to)	8,730	7,250
-establishing write-offs for bad debts	8,730	7,250
b) decreases (due to)	7,483	5,509
-dissolution of write-offs for receivables	6,099	5,102
-using of write-offs for receivables - listing of outdated receivables	1,384	407
Closing balance of write-offs that revalue current receivables	17,294	16,047

**Note 6 e**

<b>GROSS CURRENT RECEIVABLES (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			116,530	113,597
b) in foreign currencies (by currencies and after conversion to PLN)			225,336	194,230
b1. in currency	in thou.	EUR	32,696	32,995
after conversion to thousands of PLN			144,569	140,752
b2. in currency	in thou.	USD	15,596	10,464
after conversion to thousands of PLN			64,921	40,717
b3. in currency	in thou.	CHF	1	1
after conversion to thousands of PLN			4	5
b4. in currency	in thou.	GBP	1,133	1,389
after conversion to thousands of PLN			5,827	8,036
other currencies in thousands of PLN			10,015	4,720
Total current receivables			341,866	307,827

**Note 6 f**

<b>GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, WITH PAYMENT PERIOD OF THE BALANCE SHEET DATE:</b>	thousands of PLN	
	2016	2015
a) less than 1 month	137,580	150,360
b) over 1 month and less than 3 months	33,771	21,189
c) over 3 month and less than 6 months	9,523	2,299
d) over 6 months and less than 1 year	425	773
e) over 1 year	51	358
f) outdated receivables	157,375	128,104
Total gross receivables due to deliveries and services	338,725	303,083
g) write-offs that revalue receivables due to deliveries and services	17,294	15,536
Total net receivables due to deliveries and services	321,431	287,547

Receivables listed in items a) to e) are related with the regular course of sales. Payment deadline is one of integral elements of the financial offer of the Comarch S.A. The Company applies different

payment deadlines depending on agreement type and contractor. In particular, long payment deadlines result from using by public institutions of the so-called guarantee deposits settled after completion of a contract (i.e. withholding part of payment of each invoice until the contract is completely executed).

**Note 6 g**

<b>GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, OUTDATED, BY RECEIVABLES OUTSTANDING IN THE PERIOD:</b>	thousands of PLN	
	2016	2015
a) less than 1 month	29,495	31,546
b) over 1 month and less than 3 months	23,564	27,524
c) over 3 month and less than 6 months	31,279	19,103
d) over 6 months and less than 1 year	31,095	36,113
e) over 1 year	41,942	13,818
Total gross receivables due to deliveries and services, outdated	157,375	128,104
f) write-offs that revalue receivables due to deliveries and services, outdated	17,294	15,536
Total net receivables due to deliveries and services, outdated	140,081	112,568

**Note 7 a**

Contested debts and outdated receivables (by titles) as at 31<sup>st</sup> of December, 2016:  
a) contested receivables – comprised by revaluating write-offs: PLN 650 thousand.  
b) gross outdated receivables: PLN 157,375 thousand, including:  
- due to deliveries of finished goods and services: PLN 157,375 thousand.  
Outdated receivables on which revaluating write-offs were not made: PLN 140,081 thousand.  
Outdated receivables comprised by revaluating write-offs: PLN 17,294 thousand.  
Including receivables that are prosecuted – comprised by revaluating write-offs: PLN 1,720 thousand PLN.

File	Description

**Note 8 a**

<b>CURRENT FINANCIAL ASSETS</b>	thousands of PLN	
	2016	2015
a) in related parties	351	0
-granted loans	322	0
-other current financial assets	29	0
b) in other entities where the issuer holds interest in capital	204	110
-granted loans	200	110
-other current financial assets	4	0
c) in other entities	1,150	632
-interest and shares	1	1
-other current financial assets	1,149	631
-forward contracts	1,149	631
d) cash and cash equivalents	53,783	70,385
-cash in hand and at banks	53,781	70,385
-other monetary assets	2	2
Total current financial assets	55,488	71,127

**Note 8 b**

<b>SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			1,183	632
b1. in currency				
Total securities, shares and other current financial assets			1,183	632

**Note 8 c**

<b>SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (BY DISPOSAL)</b>	thousands of PLN	
	2016	2015
A. Shares registered in regulated market (balance sheet value)	1	1
-market value	1	1
-value by acquisition price	0	0
B. Derivatives (balance sheet value)	1,182	631
-market value	1,182	631
Total balance sheet value	1,183	632

**Note 8 d**

<b>GRANTED CURRENT LOANS (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2105
a) in polish currency			522	110
b) in foreign currencies (by currencies and after conversion to PLN)			0	0
Other currencies in thousands of PLN			0	0
Total granted current loans			522	110

**Note 8 e**

<b>CASH AND CASH EQUIVALENTS (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			24,626	41,679
b) in foreign currencies (by currencies and after conversion to PLN)			29,157	28,706
b1. in currency	in thou.	EUR	6,190	4,921
after conversion to thousands of PLN			27,383	20,971
b2. in currency	in thou.	USD	84	1,896
after conversion to thousands of PLN			350	7,397
b3. in currency	in thou.	GBP	253	30
after conversion to thousands of PLN			1,300	173
b4. in currency	in thou.	DKK	14	4
after conversion to thousands of PLN			8	2
b5. in currency	in thou.	CHF	10	10
after conversion to thousands of PLN			42	41
b6. in currency	in thou.	CAD	4	5
after conversion to thousands of PLN			13	14
other currencies in thousands of PLN			61	108
Total cash and cash equivalents			53,783	70,385

## Note 9 a

CURRENT PREPAYMENTS	thousands of PLN	
	2016	2015
a) current prepayments of costs, including:	8,036	5,703
-costs related to the future sales	7,334	4,555
-property and motor insurance	702	757
-other	0	391
b) other prepayments, including:	29,273	31,608
-prepayments due to revenues from non-current contracts	29,273	31,608
Total current prepayments	37,309	37,311

## Note 10 a

SHARE CAPITAL (STRUCTURE)								
in thousands of PLN								
Series/ issue	Type of shares	Type of shares preferenc e	Type of limitation of rights to shares	Number of shares	Value of series/ issue by nominal value	Capital covering	Registration date	Right to dividend (from)
A	Registered preference	vote 5:1	not limited	864,800	865	transformation of limited company	1994-12-20	1994-12-20
A	ordinary bearer shares		not limited	75,200	75	transformation of limited company	1994-12-20	1994-12-20
B	Registered preference	vote 5:1	not limited	883,600	884	cash	1995-03-24	1994-12-20
B	ordinary bearer shares		not limited	56,400	56	cash	1995-03-24	1994-12-20
C	ordinary bearer shares		not limited	3,008,000	3,008	cash	1997-06-20	1996-11-01
D	ordinary bearer shares		not limited	1,200,000	1,200	cash	1999-03-01	1997-11-01
E	ordinary bearer shares		not limited	638,600	638	cash	2000-03-08	1999-01-01
G	ordinary bearer shares		not limited	125,787	126	cash	2004-06-29	2004-01-01
G3	ordinary bearer shares		not limited	102,708	103	cash	2005-06-23	2005-01-01
H	ordinary bearer shares		not limited	543,025	543	conversion of convertible bonds into shares	2006-03-20	2006-01-01
H	ordinary bearer shares		not limited	20,650	21	conversion of convertible bonds into shares	2006-03-31	2006-01-01
I2	ordinary bearer shares		not limited	441,826	442	execution of managerial option programme	2007-04-20	2007-01-01
J2	ordinary bearer shares		not limited	91,041	91	execution of managerial option programme	2010-03-31	2010-01-01
K3	ordinary bearer shares		not limited	73,953	74	execution of managerial option programme	2014-03-31	2013-01-01

L1	ordinary bearer shares		not limited	7,759	8	execution of managerial option programme	2015-05-14	2014-01-01
Total number of shares				8,133,349				
Total share capital					8,133			
Nominal value of one share (PLN)		1.00						

**I. Shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A.**

As at 31<sup>st</sup> of December, 2016, shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A. were:

-Janusz Filipiak held 1,997,027 shares (24.55% of the company's share capital), which gave him 5,569,027 votes at the AGM and constituted 36.82% of all votes at the AGM;

-Elżbieta Filipiak held 1,323,461 shares (16.27% of the company's share capital), which gave her 4,707,461 votes at the AGM and constituted 31.12% of all votes at the AGM;

-MetLife Open Pension Fund managed by MetLife PTE S.A. held 841,097 shares (10.34% of the company's share capital), which gave him 841,097 votes at the AGM and constituted 5.56% of all votes at the AGM.

**AFTER THE BALANCE SHEET DATE:**

None present. As a consequence, as at the date of publication of this report, shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A. were:

-Janusz Filipiak held 1,997,027 shares (24.55% of the company's share capital), which gave him 5,569,027 votes at the AGM and constituted 36.82% of all votes at the AGM;

-Elżbieta Filipiak held 1,323,461 shares (16.27% of the company's share capital), which gave her 4,707,461 votes at the AGM and constituted 31.12% of all votes at the AGM;

-MetLife Open Pension Fund managed by MetLife PTE S.A. held 841,097 shares (10.34% of the company's share capital), which gave him 841,097 votes at the AGM and constituted 5.56% of all votes at the AGM.

**Note 11 a**

SUPPLEMENTARY CAPITAL	thousands of PLN	
	2016	2015
a) from sales of shares above par	84,448	84,448
b) created according to the law	2,711	2,711
c) created according to the statute/agreement, above the (minimal) value that is required by law	532,816	475,133
Total supplementary capital	619,975	562,292



**Note 12 a**

<b>REVALUATION RESERVE</b>	thousands of PLN	
	2016	2015
Opening balance of revaluation of reserve	103,052	105,926
a) increases	1,349	674
-provision for deferred tax due to certificates valuation	1,349	674
b) decreases	7,100	3,548
-balance-sheet valuation of investment certificates	7,100	3,548
Total revaluation reserve	97,301	103,052

**Note 13 a**

<b>OTHER RESERVE CAPITALS (BY PURPOSES)</b>	thousands of PLN	
	2016	2015
-investment capital	79	79
-supplementary capital for covering the tax liabilities	666	666
Total reserve capitals	745	745

**Note 14 a**

<b>CHANGES IN PROVISION DUE TO DEFERRED INCOME TAX</b>	thousands of PLN	
	2016	2015
1. Opening balance of provision due to deferred income tax	25,412	26,071
2. Increases	0	73
-referred into the financial result of the period due to positive temporary differences	0	73
3. Decreases	1,582	732
-referred into revaluation reserve due to CCF FIZ investment certificates valuation	1,349	674
-referred into the financial result	233	58
4. Closing balance of provision due to deferred income tax	23,830	25,412
-referred into the financial result	988	1,221
-referred into the equity	22,842	24,191

**Note 14 b**

<b>CHANGES IN OTHER CURRENT PROVISIONS (BY TITLES)</b>	thousands of PLN	
	2016	2015
a) opening balance	115,257	103,608
b) increases (due to)	95,329	112,626
-creating provisions due to contractual penalties and recoveries related to delays in contract execution and withdrawal from the contracts	418	3,203
-provisions for leaves	12,465	10,010
-provisions for contracts costs	7,634	13,928
-provisions for rewards	74,812	85,485
c) decreases	109,770	100,977
-dissolving provisions for leaves	10,194	8,401
-dissolving provisions for contractual penalties due to no reasons for creating them	174	2,633
-provisions for contracts costs	13,018	14,864
-provisions for rewards	86,384	75,079

-other provisions	0	0
c) closing balance	100,816	115,257

**Note 15 a**

<b>NON-CURRENT LIABILITIES</b>	thousands of PLN	
	2016	2015
a) to related parties, including:	16,520	3,530
aa) to subsidiaries	16,520	3,530
-other (by types)	16,520	3,530
-liabilities due to lease	200	327
-received loans	16,320	3,203
b) to other entities where the issuer holds interest in capital	0	0
c) to other entities	104,843	97,679
-credits and loans	102,305	96,268
-other	2,538	1,411
Total non-current liabilities	121,363	101,209

**Note 15 b**

<b>NON-CURRENT LIABILITIES WITH PAYMENT PERIOD (FROM THE BALANCE SHEET DATE)</b>	thousands of PLN	
	2016	2015
a) over 1 year up to 3 years	65,673	36,950
b) over 3 years up to 5 years	32,588	32,009
c) over 5 years	23,102	32,250
Total non-current liabilities	121,363	101,209

**Note 15 c**

<b>NON-CURRENT LIABILITIES (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			19,993	4,499
b) in in foreign currencies (by currencies and after conversion to PLN)			101,370	96,710
b1. in currency	in thou.	EUR	22,913	22,694
after conversion to thousands of PLN			101,370	96,710
Total non-current liabilities			121,363	101,209

## Note 15 d

Note 15d NON-CURRENT LIABILITIES DUE TO CREDITS AND LOANS													
thousands of PLN													
Name of entity (company) including legal form	office in	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest Rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BZ WBK (formerly Kredyt Bank S.A.)	Warsaw	30,925	7,400	thou	EUR	12,673	2,865	thou	EUR	EURIBOR1M+1.3%; IRS at 0.354% till 28-06-2019	31-12-2020	A mortgage in the amount of EUR 11,100 thousand, assignment of the insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44,000		thou	PLN	18,503	4,182	thou	EUR	EURIBOR1M+0.95%; IRS at 0.77% till 29-07-2024	29-07-2024	A promissory note, the mortgage on land in the amount of PLN 53,815 thousand and assignment of the insurance policy	related to SEZ4 building; in October, 2011 there was a currency change in this credit
PKO Bank Polski SA	Warsaw	17,396	4,126	thou	EUR	8,556	1,934	thou	EUR	EURIBOR1M+1.2%; IRS at 0.88% till 2018-10-31	30-09-2021	the mortgage on land in the amount of EUR 6,189 thousand and assignment of the insurance policy	related to SEZ5 building
PEKAO SA	Warsaw	56,000	13,323	thou	EUR	43,592	9,854	thou	EUR	EURIBOR1M+1.4%; IRS at 0.2% till 30-11-2023	04-12-2023	Contractual mortgage to the amount of 84,000 thousand PLN, assignment of rights from property Insurance agreement, assignment of performance bonds and warranties	related to SEZ6 building

Bank Handlowy w Warszawie SA	Warsaw	58,144	13,333	thou	EUR	-	-	thou	EUR	EURIBOR1M+1.62%; After the balance sheet date the company entered in IRS transaction at 0.385% till 29-02-2028.  At the same time, the interest rate of the loan has been reduced to the level EURIBOR1M+1.32%	15-05-2028	Contractual mortgage to the amount of EUR 16,666 thousand, Comarch's declaration of submission to enforcement, assignment of rights from property insurance agreement.	related to SEZ7 building
Bank Handlowy w Warszawie SA	Warsaw	10,938	2,508	thou	EUR	10,465	2,365	thou	EUR	EURIBOR1M+1.62%; After the balance sheet date the Company entered in IRS transaction at minus 0.265% till 30-09-2019.  The interest rate of the loan has been reduced to the level EURIBOR1M + 1.32%	16-12-2019	Comarch's declaration of submission to enforcement	financing of the current business activities
DNB Bank Polska SA	Warsaw	10,854	2,531	thou	EUR	-	-	thou	EUR	EURIBOR1M+1.25%	30-12-2023	Registered pledge on equipment being the subject of financing, assignment of rights from equipment insurance agreement	related to IoT Lab's equipment

## COMARCH

## SA-R 2016

IBM Global Financing Polska Sp zoo	Warsaw	12,980	12,980	thou	PLN	8,516	2,365	thou	PLN	fixed interest rate	01-03-2022	None present	related to delivery of IBM IT products in relation to an IT project performed by the Comarch Group
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At the balance sheet date, long-term part of credit to be paid is worth PLN 102,305 thousand.

**Note 16 a**

<b>CURRENT LIABILITIES</b>	thousands of PLN	
	2016	2015
a) to related parties, including:	20,214	20,996
aa) to subsidiaries	20,214	20,996
-due to deliveries and services with payment period of:	14,748	10,311
-up to 12 months	14,748	10,311
-other (by types)	5,466	10,684
-liabilities due to lease	175	236
-investment liabilities	9	413
-liabilities due to payments for capital	3,716	8,973
-other	1,566	1,062
b) to other entities where the issuer holds interest in capital	2,108	1,932
c) to other entities	102,914	107,152
-credits and loans	18,636	16,632
-other financial liabilities	2,324	1,686
-due to deliveries and services with payment period of:	37,059	49,881
-up to 12 months	37,059	43,928
-over 12 months	0	5,953
-advances for received deliveries	20	4,201
-due to taxes, customs, insurance and other benefits	27,927	31,726
-due to remuneration	102	176
-other (by titles)	16,846	2,850
-investment liabilities	16,410	2,003
-liabilities to employees	420	594
-other	16	253
d) special funds (by types)	1,564	1,455
-Social Services Fund and Residential Fund	1,564	1,455
Total current liabilities	126,800	131,535

**Note 16 b**

<b>CURRENT LIABILITIES (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2016	2015
a) in polish currency			87,483	94,823
b) in foreign currencies (by currencies and after conversion to PLN)			39,317	36,712
b1. in currency	in thou.	EUR	7,328	5,866
after conversion to thousands of PLN			32,386	24,996
b2. in currency	in thou.	USD	1,034	2,484
after conversion to thousands of PLN			4,320	9,692
b3. in currency	in thou.	GBP	123	59
after conversion to thousands of PLN			634	341
b4. in currency	in thou.	CHF	101	103
after conversion to thousands of PLN			417	405
Other currencies in thousands of PLN			1,560	1,278
Total current liabilities			126,800	131,535

## Note 16 c

Note 16c CURRENT LIABILITIES DUE TO CREDITS AND LOANS													
thousands of PLN													
Name of entity (company) including legal form	Seat	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BZ WBK (formerly Kredyt Bank S.A.)	Warsaw	30,925	7,400	thou	EUR	4,576	1,035	thou	EUR	EURIBOR1M+1.3% IRS at 0.354% till 28-06-2019	31-12-2020	the mortgage on land in the amount of EUR 11,100 thousand and assignment of the insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44,000		thou	PLN	2,741	620,	thou	EUR	EURIBOR1M+0.95%; IRS at 0.77% till 29-07-2024	29-07-2024	promissory note, the mortgage on land in the amount of EUR 53,815 thousand and assignment of the insurance policy	related to SEZ4 building, in October, 2011 there was a currency change in this credit
PKO Bank Polski SA	Warsaw	17,396,	4,126	thou	EUR	2,472	559	thou	EUR	EURIBOR1M+1.2%; IRS at 0.88% till 2018-10-31	30-09-2021	the mortgage on land in the amount of EUR 6,189 thousand, the building insurance policy	related to SEZ5 building
PEKAO SA	Warsaw	56,000	13,323	thou	EUR	7,368	1,665	thou	EUR	EURIBOR1M+1.4%; IRS at 0.2% till 30-11-2023	04-12-2023	Contractual mortgage to the amount of PLN 84,000 thousand PLN, assignment of rights from property insurance agreement, assignment of performance bonds and warranties.	related to SEZ6 building

Bank Handlowy w Warszawie SA	Warsaw	58,144	13,333	thou	EUR	-	-	thou	EUR	EURIBOR1M+1.62%; After the balance sheet date the company entered in IRS transaction at 0.385% till 29-02-2028. At the same time, the interest rate of the loan has been reduced to the level EURIBOR1M+1.32%	15-05-2028	Contractual mortgage to the amount of EUR 16,666 thousand, Comarch's declaration of submission to enforcement assignment of rights from property insurance agreement.	related to SEZ7 building
Bank Handlowy w Warszawie SA	Warsaw	10,938	2,508	thou	EUR	-	-	thou	EUR	EURIBOR1M+1.62%; After the balance sheet date the company entered in IRS transaction at minus 0.265% till 30-09-2019.  The interest rate of the loan has been reduced to the level EURIBOR1M+1.32%	16-12-2019	Comarch's declaration of submission to enforcement	financing of the current business activities



DNB Bank Polska SA	Warsaw	10,854	2,531	thou	EUR	-	-	thou	EUR	EURIBOR1M+1.25%	30-12-2023	Registered pledge on equipment being the subject of financing, assignment of rights from equipment insurance agreement	related to IoT Lab's equipment
IBM Global Financing Polska sp. z o.o.	Warsaw	12,980	12,980	thou	PLN	1,898	1,165	thou	PLN	fixed interest rate	01-03-2022	-	related to delivery of IBM IT products in relation to an IT project performed by the Comarch Group

At the balance sheet date short-term part of credit to be paid is worth PLN 19,055 thousand (balance sheet valuation of interests is not included).

**Note 17 a**

<b>OTHER ACCRUALS</b>	thousands of PLN	
	2016	2015
a) costs related to the current period that will be incurred in future	1,248	551
b) accruals of revenues	16,446	11,439
-current (by titles)	16,446	11,439
-subsidies received	19	153
-accruals due to long-term contracts	16,427	11,286
Total other accruals	17,694	11,990

**Note 18 a**

Book value per single share in column "2016" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2016. Book value per single share in column "2015" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2015.

Diluted book value per single share in column "2016" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2016. Diluted book value per single share in column "2015" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2015. Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

**OFF-BALANCE ITEMS COMMENTARY NOTES****Note 19 a**

<b>CONTINGENT LIABILITIES (DUE TO)</b>	thousands of PLN	
	2016	2015
a) granted bank guarantees and suretyships	201,927	162,788
-to related parties, including:	201,927	162,788
-to subsidiaries	201,927	162,788
Total contingent liabilities to related parties	201,927	162,788

Should be indicated contingent liabilities secured on the assets of the issuer / related parties / other entities where the issuer holds interest in capital / partner of a co-related parties / significant investor (indicating the type of collateral).

**INCOME STATEMENT COMMENTARY NOTES****Note 20 a**

<b>NET REVENUES FROM SALES OF PRODUCTS (MATERIAL STRUCTURE-TYPES OF ACTIVITIES)</b>	thousands of PLN	
	2016	2015
-sales of IT services	547,687	507,676
-from related parties, including:	180,680	148,191
-from subsidiaries	180,680	148,191
-from other entities where the issuer holds interest in capital	19	20
-from associated companies	19	20
-sales of proprietary software and licences	137,214	135,988

-including: from related parties		39,548	51,569
-sales of finished goods		418	10,699
-including: from related parties		215	10,679
-other sales		5,201	5,525
-including: from related parties		2,723	3,019
-including: from other entities where the issuer holds interest in capital		749	211
Total net revenues from sales of products		690,520	659,888
-from related parties, including:		223,166	213,438
-from subsidiaries		223,166	213,438
-from other entities where the issuer holds interest in capital		768	231
-from associated companies		768	231

**Note 20 b**

<b>NET REVENUES FROM SALES OF PRODUCTS (GEOGRAPHICAL STRUCTURE)</b>	thousands of PLN	
	2016	2015
a) domestic	336,096	346,269
-from related parties, including:	19,415	42,550
-from subsidiaries	19,415	42,550
-from other entities where the issuer holds interest in capital	762	231
-from associated companies	762	231
b) export	354,424	313,619
-from related parties, including:	203,751	170,888
-from subsidiaries	203,751	170,888
-from other entities where the issuer holds interest in capital	6	0
-from associated companies	6	0
Total net revenues from sales of products	690,520	659,888
-from related parties, including:	223,166	213,438
-from subsidiaries	223,166	213,438
-from other entities where the issuer holds interest in capital	768	231
-from associated companies	768	231

**Note 21 a**

<b>NET REVENUES FROM SALES OF GOODS AND MATERIALS (MATERIAL STRUCTURE- TYPES OF ACTIVITIES)</b>	thousands of PLN	
	2016	2015
-computer hardware	5,963	8,356
-from related parties, including:	1,367	2,447
-from subsidiaries	1,367	2,447
-from other entities where the issuer holds interest in capital	0	0
-proprietary software and licences	17,069	52,159
-including: from related parties	1,297	11,922
-including: from other entities where the issuer holds interest in capital	0	0
-other	35,661	29,153
-including: from related parties	546	6,787
-including: from other entities where the issuer holds interest in capital	0	0
Total net revenues from sales of goods and materials	58,693	89,668
-from related parties, including:	3,210	21,156
-from subsidiaries	3,210	21,156
-from other entities where the issuer holds interest in capital	0	0

## Note 21 b

NET REVENUES FROM SALES OF GOODS AND MATERIALS (GEOGRAPHIC STRUCTURE)	thousands of PLN	
	2016	2015
a) domestic	54,283	85,660
-from related parties, including:	586	18,487
-from subsidiaries	586	18,487
-from other entities where the issuer holds interest in capital	0	0
b) export	4,410	4,008
-from related parties, including:	2,624	2,669
-from subsidiaries	2,624	2,669
-from other entities where the issuer holds interest in capital	0	0
Total net revenues from sales of goods and materials	58,693	89,668
-from related parties, including:	3,210	21,156
-from subsidiaries	3,210	21,156
-from other entities where the issuer holds interest in capital	0	0

## Note 22 a

COSTS BY TYPES	thousands of PLN	
	2016	2015
a) depreciation	35,301	31,504
b) consumption of materials and energy	12,811	13,450
c) third party services	141,588	130,719
d) taxes and charges	5,642	5,073
e) remuneration	368,143	329,865
f) social insurance and other benefits	64,220	56,073
g) other (by types)	20,714	17,886
Total costs by types	648,419	584,570
Change in inventories, products and prepayments	-50,046	-13,766
Costs of sales (negative value)	-67,002	-76,706
Administrative costs (negative value)	-55,719	-53,663
Manufacturing costs of products sold	475,652	440,435

## Note 23 a

OTHER OPERATING REVENUES	thousands of PLN	
	2016	2015
a) provision dissolution (due to)	15	12
-write-offs that reevaluate materials and finished goods	15	12
b) other, including:	958	1,747
-recovered communication damages	126	96
-expired liabilities	0	1,273
-refund of VAT which paid abroad	524	115
-received contractual penalties, compensation	5	0
-remuneration of taxpayer, refunds from Social Securities Institution	137	128
-cancelled training contracts	45	47
-money bonus	0	25
-other	121	63
Total operating revenues	973	1 759

## Note 24 a

<b>OTHER OPERATING COSTS</b>	thousands of PLN	
	2016	2015
a) other, including:	18,991	13,706
-membership fees	661	398
-donations	31	70
-paid penalties and damages, provisions for penalties, damages and claims	492	930
-dissolving the receivables	4,650	0
-costs of projects that are in part financed with subsidies	9,477	9,596
-social costs	48	104
-creating-dissolving the write-offs revaluating receivables	1,324	1,463
-real estate maintenance costs	1,030	825
-other	1,278	320
Total operating costs	18,991	13,706

**Note 25 a**

<b>FINANCIAL REVENUES DUE TO DIVIDENDS AND SHARES IN PROFITS</b>	thousands of PLN	
	2016	2015
a) dividends from related parties, including	542	1 378
-dividends from subsidiaries:	542	1 378
Total financial revenues due to dividends and shares in profits	542	1 378

**Note 25 b**

<b>FINANCIAL REVENUES DUE TO INTEREST</b>	thousands of PLN	
	2016	2015
a) due to granted loans	694	799
-from related parties, including:	683	782
-from subsidiaries	683	782
-from other entities where the issuer holds interest in capital	11	9
-from associated companies	11	9
b) other interest	216	715
-from other parties, including:	216	715
-from other parties	216	715
Total financing revenues due to interest	910	1 514

**Note 25 c**

<b>OTHER FINANCING REVENUES</b>	thousands of PLN	
	2016	2015
a) other, including:	3,446	4,728
-exchange differences	3,446	4,298
-forward valuation	0	430
-other	0	0
Total financing revenues	3,446	4,728

**Note 26 a**

<b>FINANCING COSTS DUE TO INTEREST</b>	thousands of PLN	
	2016	2015
a) other interest	2,391	1,533

-from related parties, including:	338	110
-from subsidiaries	338	110
-from other parties, including:	2,053	1,423
-from other parties	2,053	1,423
Total financing costs due to interest	2,391	1,533

**Note 26 b**

<b>OTHER FINANCING COSTS</b>	thousands of PLN	
	2016	2015
a) other, including:	443	429
-commissions on guarantees	427	333
-valuation of financial instruments	0	41
-other	16	55
Total other financing costs	443	429

**Note 27 a**

<b>CURRENT INCOME TAX</b>	thousands of PLN	
	2016	2015
1. Gross profit (loss)	56,546	66,719
2. Permanent differences between gross profit (loss) and basis of taxation for income tax	-5,998	10,371
3. Temporary differences between gross profit (loss) and basis of taxation for income tax	44,707	42,964
4. Other differences between gross profit (loss) and basis of taxation for income tax, including:	-40,458	-68,976
-income exempt due to activities in Special Economic Zone	-40,458	-68,976
5. Basis of taxation for income tax	54,797	51,078
6. Income tax at the rate of 19% in Poland and 10% in Albany	10,353	9,637
7. Income tax recognised in income statement	10,958	9,036
-presented in tax declaration (current tax to be paid)	10,353	9,637
-deferred tax	605	-601

**Note 27 b**

<b>DEFERRED INCOME TAX RECOGNISED IN INCOME STATEMENT:</b>	thousands of PLN	
	2016	2015
-deferred income tax due to temporary differences	605	-601
Total deferred income tax	605	-601

**Note 28 a**

On the 15<sup>th</sup> of June, 2016, General Meeting approved the resolution no. 9 regarding the distribution of net profit for the fiscal year 1.01.2015 - 31.12.2015. The net profit in the amount of PLN 57,682,617.41 was passed in total to supplementary capital.

Comarch S.A.'s Management Board has not made a decision until publication date of this report concerning a proposed profit-sharing for 2016.

File	Description

## Note 29 a

Net profit per single share in column "2016" is equal to net profit for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016, divided by weighted average number of shares between 1<sup>st</sup> of January, 2016 and 31<sup>st</sup> of December, 2016, where number of days is the weight. Net profit per single share in column "2015" is equal to net profit for the period from 1<sup>st</sup> of January, 2015 to 31<sup>st</sup> of December, 2015, divided by weighted average number of shares between 1<sup>st</sup> of January, 2015 and 31<sup>st</sup> of December, 2015, where number of days is the weight.

Diluted net profit per single share in column "2016" is equal to net profit for the period from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016 divided by weighted average number of shares between 1<sup>st</sup> of January, 2016 and 31<sup>st</sup> of December, 2016 that was calculated according to IAS 33. Diluted net profit per single share in column "2015" is equal to net profit for the period from 1<sup>st</sup> of January, 2015 to 31<sup>st</sup> of December, 2015 divided by weighted average number of shares between 1<sup>st</sup> of January, 2015 and 31<sup>st</sup> of December, 2015 that was calculated according to IAS 33. Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

## CASH FLOW COMMENTARY NOTES

File	Description
Cash flow commentary notes.pdf	Cash flow commentary notes-Appendix no. 7

CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)	in thousands of PLN	
	2016	2015
I. Net profit (loss)	45,588	57,683
II. Total adjustments	-9,766	32,083
1. Depreciation	35,301	31,504
2. Exchange gains (losses)	5	59
3. Interest and shares in profits (dividends)	518	-4
4. Profit (loss) on investing activities	21,807	19,277
5. Change in provisions	-14,674	11,664
6. Change in inventories	-15,526	-6,900
7. Change in receivables	-32,228	-26,562
8. Change in current liabilities, excluding credits and loans	-11,219	5,618
9. Change in prepayments and accruals	6,250	-2,573
III. Net cash used in operating activities (I+/-II)	35,822	89,766

## B. ADDITIONAL COMMENTARY NOTES

File	Description
Additional commentary notes.pdf	Additional commentary notes-Appendix no. 8

## SIGNATURES

SIGNATURES OF ALL MEMBERS OF THE BOARD			
Date	Name and surname	Position	Signature

2017-04-28	Janusz Filipiak	President of the Management Board	
2017-04-28	Marcin Dąbrowski	Vice-president of the Management Board	
2017-04-28	Paweł Prokop	Vice-president of the Management Board	
2017-04-28	Andrzej Przewięźlikowski	Vice-president of the Management Board	
2017-04-28	Zbigniew Rymarczyk	Vice-president of the Management Board	
2017-04-28	Konrad Tarański	Vice-president of the Management Board	
2017-04-28	Marcin Warwas	Vice-president of the Management Board	
<b>SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS</b>			
Date	Name and surname	Position	Signature
2017-04-28	Maria Smolińska	Head Accountant	

## REPORT OF THE MANAGEMENT BOARD (REPORT REGARDING THE ACTIVITIES OF ISSUER)

File	Description
Report of the Management Board.pdf	Report of the Management Board- Appendix no. 9

## REPORT REGARDING THE CORPORATE GOVERNANCE

File	Description
Report regarding the Corporate Governance.pdf	Report regarding the Corporate Governance- Appendix no. 10

In this report, the following notes have not been filed in:

Property, plant and equipment in use recognised off-balance sheet

Non-current receivables, Change in non-current receivables (by titles), Change in write-offs revaluating non-current receivables

Non-current receivables (currency structure)

Change in intangibles (by types), Interest or shares in related units that are valued by equity method, including:

Change in goodwill-subsidaries, Change in goodwill-co subsidiaries, Change in goodwill-associates, Change in negative goodwill-subsidaries, Change in negative goodwill- co subsidiaries, Change in negative goodwill-associates, Interest or shares in other entities

Current receivables from other entities

Other current investment (by types), Other current investment (currency structure)

Proprietary shares (interest), Shares (interest) of issuer that are propriety of related parties

Revaluating write-offs

Write-offs from net profit during financial year (due to)

Change in non-current provision for retirement pension and similar (due to), Change in current provision for retirement pension and similar (due to), Change in other non-current provisions (due to)

Non-current liabilities due to issued debts

Current liabilities due to issued debts

Change in negative goodwill

Contingent receivables (due to)

Share in net profits (losses) of related parties that are valued by equity method

Profit (loss) on sales of entirety or part of shares of related parties

Total amount of deferred tax, Income tax recognised in income statement related

Other obligatory decreases in profit (increases in losses), due to:



## CASH FLOW COMMENTARY NOTES, SA-R 2016 COMARCH S.A. ANNUAL REPORT

### Note 30

#### CASH STRUCTURE (CURRENT YEAR)

	31 December 2016	31 December 2015	Change
Cash in hand	739	648	91
Cash in banks	53,042	69,735	-16,693
<b>Total</b>	<b>53,781</b>	<b>70,383</b>	<b>-16,602</b>
<i>-including exchange differences</i>	<i>38</i>	<i>(29)</i>	<i>67</i>

### Note 31

#### CALCULATION DETAILS OF SELECTED ITEMS IN CASH FLOW STATEMENT (CURRENT YEAR)

##### Operating activities

Pos. A II 1 Depreciation	2016	2015
Depreciation of intangible assets	4,670	4,891
Depreciation of property, plant and equipment	29,147	25,129
Depreciation of investment real estates	1,484	1,484
<b>Total</b>	<b>35,301</b>	<b>31,504</b>

Pos. A II 3	2016	2015
Paid-out interest on credits	2,095	1,921
Received and paid interest on loans	-1,035	-547
Received dividend	-542	-1,378
<b>Total</b>	<b>518</b>	<b>-4</b>

<b>Pos. A II 4</b>	<b>2016</b>	<b>2015</b>
Revenues from sales of property, plant and equipment	-792	-1,472
Cost of sold and decommissioned property, plant and equipment	-2,374	1,044
Revaluation of investment	-	-
Revaluation of shares	24,973	19,705
<b>Total</b>	<b>21,807</b>	<b>19,277</b>

<b>Pos. A II 7</b>	<b>2016</b>	<b>2015</b>
Change in trade receivables	-17,454	-36,580
Change in other receivables	-2,327	1,905
Investment receivables	-634	58
Granted loans	14,230	28,585
Paid loans	-26,043	-20,530
<b>Total</b>	<b>-32,228</b>	<b>-26,562</b>

<b>Pos. A II 8</b>	<b>2016</b>	<b>2015</b>
Change in current liabilities excluding loans, credits and other financial liabilities	6,739	10,505
Change in investment liabilities	-9,007	-5,261
Change in financial liabilities	-9,061	150
Change in Social Services Fund	110	224
<b>Total</b>	<b>-11,219</b>	<b>5,618</b>

<b>Pos. A II 9</b>	<b>2016</b>	<b>2015</b>
Change in prepayments	-292	-2,461
Change in accruals	5,704	503
Change in tax asset	838	-615
<b>Total</b>	<b>6,250</b>	<b>-2,573</b>

### Change in tax asset

Inflows

<b>Pos. B I 1</b>	<b>2016</b>	<b>2015</b>
Revenues from sales of property, plant and equipment	792	1,473
Paid receivables	634	-58
<b>Total</b>	<b>1,426</b>	<b>1,415</b>

<b>Pos. B I 2</b>	<b>2016</b>	<b>2015</b>
Dividends and share in profits	542	1,378
Repaid loans	26,013	20,039
Received loans	24,789	-
Interest on loans	1,671	520
Other inflows	1,383	-
<b>Total</b>	<b>54,398</b>	<b>21,937</b>

Outflows

<b>Pos. B II 1 and 2</b>	<b>2016</b>	<b>2015</b>
Purchase of intangible assets and property, plant and equipment and real estates	-67,885	-49,412
Change of investment liabilities	14,260	-3,712
<b>Total</b>	<b>-53,625</b>	<b>-53,124</b>

<b>Pos. B II 3a</b>	<b>2016</b>	<b>2015</b>
Purchase of financial assets	-24,785	-50,633
Change of investment liabilities	-5,253	8,973
Granted and paid non-current loans and interest	-26,337	-28,085
<b>Total</b>	<b>-56,375</b>	<b>-69,745</b>

## ADDITIONAL COMMENTARY NOTES SA-R 2016 COMARCH S.A. ANNUAL REPORT

## Note 32

## FINANCIAL INSTRUMENTS

## a) Changes in Financial Instruments (by categories)

Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2015 to 31<sup>st</sup> of December, 2015 were as follows:

Change in financial instruments by categories	Financial assets held for trading	Held to maturity financial assets	Granted loans	Financial liabilities
<b>1 January 2015</b>	-	-	<b>14,399</b>	<b>121,393</b>
+ increases	710	-	29,304	23,573
- decreases	-	-	20,541	16,229
<b>31 December 2015</b>	<b>710</b>	-	<b>23,162</b>	<b>128,737</b>

## Balance sheet approach

<b>Non-current financial assets</b>	<b>79</b>	-	<b>23,052</b>	-
in related parties	-	-	23,052	-
in other entities	79	-	-	-
<b>Current financial assets</b>	<b>631</b>	-	<b>110</b>	-
in related parties	-	-	110	-
in other entities	631	-	-	-
<b>Current financial liabilities</b>	-	-	-	<b>27,527</b>
in related parties	-	-	-	9,208
in other entities	-	-	-	18,319
<b>Non-current financial liabilities</b>	-	-	-	<b>101,209</b>
in related parties	-	-	-	3,530
in other entities	-	-	-	97,679

Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2016 to 31<sup>st</sup> of December, 2016 were as follows:

Change in financial instruments by categories	Financial assets held for trading	Held to maturity financial assets	Granted loans	Financial liabilities
<b>1 January 2016</b>	<b>710</b>	-	<b>23,162</b>	<b>128,737</b>
+ increases	1,641	-	15,935	59,110
- decreases	710	-	29,813	41,543
<b>31 December 2016</b>	<b>1,641</b>	-	<b>9,284</b>	<b>146,304</b>

### Balance sheet approach

<b>Non-current financial assets</b>	<b>492</b>	-	<b>8,763</b>	-
in related parties	-	-	8,763	-
in other entities	492	-	-	-
<b>Current financial assets</b>	<b>1,149</b>	-	<b>521</b>	-
in related parties	-	-	521	-
in other entities	1,149	-	-	-
<b>Current financial liabilities</b>	-	-	-	<b>24,942</b>
in related parties	-	-	-	3,982
in other entities	-	-	-	20,960
<b>Non-current financial liabilities</b>	-	-	-	<b>121,362</b>
in related parties	-	-	-	16,520
in other entities	-	-	-	104,842

### Financial assets held for trading

This refers to forward contracts held 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.

### Granted loans and proprietary receivables

Granted loans are appraised to according to depreciated costs using the effective interest method. When there are no differences significant for valuation, they are recognised according to nominal value accrued interest using interest rate resultant from contracts.

### Financial liabilities

Liabilities are related to investment credit and liabilities due to lease, received loans and forward contracts held 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.

**b) Interest on Financial Liabilities for 2016**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	over 12 months		
Interest on financial liabilities held for trading (loans)	643	-	65	81	<b>146</b>	<b>789</b>
Interest on other current financial liabilities (leasing)	3	4	8	9	<b>21</b>	<b>24</b>
Interest on non-current financial liabilities (credit)	2,095	-	-	-	-	<b>2,095</b>
<b>Total</b>	<b>2,741</b>	<b>4</b>	<b>73</b>	<b>90</b>	<b>167</b>	<b>2,908</b>

**c) Interest on Granted Loans and Debt Financial Instruments for 2016**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	up to 3 months		
Interest on granted loans	1,678	-	33	(21)	<b>12</b>	<b>1,690</b>
Interest on debts	-	-	-	-	-	-
<b>Total</b>	<b>1,678</b>	<b>-</b>	<b>33</b>	<b>(21)</b>	<b>12</b>	<b>1,690</b>

**Note 33  
CONTINGENT LIABILITIES**

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

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA (valid till 31<sup>st</sup> of December, 2017) and Comarch Healthcare S.A. (valid till 31<sup>st</sup> of December, 2018), Comarch Malaysia SDN. BHD (one is valid till 31<sup>st</sup> of December 2017, the second one is valid indefinitely), Comarch SAS (valid till 4<sup>th</sup> of March, 2017), Comarch Argentina S.A. (valid indefinitely), Comarch R&D S.à r.l. (valid indefinitely).

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 61,237 thousand. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2016 and are worth PLN 7,769 thousand (this includes provisions for claims in legal proceedings recognised in 2016 and worth PLN 369 thousand).

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. Claims by third parties in relation to matters of dispute were not covered by provisions.

Due to legal proceedings and matters in disputes but not legal proceedings conducted in 2016, Comarch S.A. created write-offs that revalue receivables and were worth PLN 803 thousand.

### Information on Suretyships

- Due to conclusion in August, 2010, of a contract with a customer, the Issuer has granted a guarantee for the customer. This guarantee has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG, a subsidiary of Comarch S.A. The value of the guarantee equals the value of the contract, i.e. approximately EUR 53,666 thousand. The financial conditions, that the guarantee was provided on, do not differ from the market conditions.
- 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 the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch Inc. The value of the surety equals a maximum of USD 3,000 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 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.
- Due to Bank Pekao S.A. granting a 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.
- 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 service, and it is valid for the duration of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch AG. The surety was granted up to the amount of liabilities of Comarch AG resulting from the aforementioned agreement, i.e. to the maximum amount of EUR 3,682 thousand and it is valid for the duration of the agreement.
- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through 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.
- Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with 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.



- 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 duration of the contract.
- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for liabilities of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- Due to conclusion of a contract for services related to data centre signed by Belgian Branch of Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the maximum amount of the signed agreement, i.e. EUR 236 thousand and is valid till the end of this project.
- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for liabilities of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid 12 years since the end of the contract.
- Due to conclusion of contracts for fuel cards service signed by Comarch Healthcare S.A. a subsidiary of Comarch S.A., Comarch S.A. granted a surety for liabilities of Comarch Healthcare S.A. resulting from this contracts. After the entry into force of the amendment to the agreement in 2015, the total amount of the guarantee is PLN 100 thousand. The surety has been renewed and is valid till 31<sup>st</sup> of May, 2017.
- Due to conclusion of a contract for SLA services signed by Albanian Branch of Comarch S.A., Comarch S.A. granted a surety for liabilities of its Albanian Branch resulting from this project. The surety was granted up to the maximum amount of the signed agreement, i.e. about EUR 10,000 a month and is valid till the end of this project.
- Due to conclusion of a contract for implementation of Comarch ECM and maintenance and management of this system (SaaS), signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of CA Consulting S.A. resulting from the above-mentioned contract. The surety was granted up to the amount of PLN 50,000. The surety has been renewed, it is valid till 31<sup>st</sup> May 2017.
- Due to conclusion of a framework agreement with one of the customers signed by Belgian Branch of Comarch AG, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the maximum value of the agreement, i.e. EUR 3,241 thousand and is valid till the end of this project.
- Due to conclusion of a contract by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., on implementation and licence of Comarch Loyalty Management For Airlines, Comarch Smart Analytics, Comarch Customer Engagement Platform-Gamification, as well as services related to maintenance and management of the system, Comarch S.A. granted a surety („Parent Guarantee”) for liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety is valid until filling all obligations resulting from this agreement and was granted up to the maximum responsibility from the signed contract, i.e. USD 5,000 thousand. The surety was granted for 5 years.
- Due to conclusion of a contract by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., on implementation of Comarch Customer Engagement Platform, Comarch S.A. granted a surety („Parent Guarantee”) for liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for 5 years. The surety is valid until filling all obligations resulting from this

agreement and was granted up to the maximum responsibility from the signed contract, i.e. USD 10,000 thousand.

- Due to conclusion by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., of an investment credit agreement with bank Pekao S.A., under which the bank granted to Bonus Development Sp. z o.o. SK-A funding in Euro in the amount of PLN 38,800 thousand (equivalent to EUR 9,262 thousand at the date of signing the agreement) and in connection with the conclusion of the agreement on treasury transactions relating to hedging of foreign exchange risk and interest rate of above-mentioned credit, Comarch S.A. granted a surety for liabilities of Bonus Development Sp. z o.o. SK-A resulting from aforementioned agreements. The surety are valid up to repayment of all liabilities resulting from above-mentioned agreements. The final date for repayment of the credit is the 28<sup>th</sup> of June, 2030.
- Due to conclusion of a contract by Comarch Chile SpA, a subsidiary of Comarch S.A., on delivering of 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 maximum value of EUR 200 thousand and is valid till the end of this project, i.e. the 30<sup>th</sup> of August, 2018.
- Due to conclusion of a contract for fuel cards service signed by Comarch Polska Sp. z o.o., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of by Comarch Polska Sp. z o.o. resulting from the above-mentioned contract. The surety was granted up to the amount of PLN 10,000 and is valid till 15<sup>th</sup> of September, 2016. The surety has been renewed and it is valid till 14<sup>th</sup> September 2017.
- Due to conclusion of a contract for implementation of Loyalty Management Solutions system and its maintenance with one of the customers signed by Comarch AB, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety was granted for the amount of SEK 39,747 thousand and is valid till the end of this project
- Due to conclusion of a contract for implementation and maintenance of Master Services Agreement signed by Comarch AB, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for liabilities of Comarch AB resulting from this project. The surety was granted for the amount of PLN 3,827 thousand and is valid till the end of this project.
- Due to conclusion of a contract for implementation and maintenance of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics signed by Comarch UK, a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch UK. The surety was granted for the amount of GBP 3,318 thousand and is valid till the end of this project.
- Due to conclusion of a contract for implementation and maintenance of Comarch Loyalty Management signed by Comarch Inc., a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch Inc. The surety was granted for the amount of USD 420 thousand and is expired because of the end of this project.
- Due to conclusion of a contract for payment cards services signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch Healthcare S.A. The surety was granted for the amount of PLN 450 thousand and is valid till the end of this project.
- Due to conclusion of a contract for payment cards services signed by Comarch UK, a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch UK. The surety was granted for the amount of PLN 330 thousand and is valid till the end of this project.
- Due to conclusion of a contract for implementation and maintenance of Telco BSS and Telco OSS services signed by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch Software und Beratung AG. The surety was granted for the amount of EUR 9,570 thousand and is valid till the end of this project.
- Due to conclusion of a contract for rent of an office signed by Thanks Again LLC., an associated company of Comarch S.A., it was granted a surety for liabilities of Thanks Again LLC. The surety was granted for the amount of USD 544 thousand and is valid till the end of this project.

- Due to conclusion of a contract for implementation Comarch Loyalty Management signed by Comarch S.A.S., a subsidiary of Comarch S.A., it was granted a surety for liabilities of Comarch S.A.S. The surety was granted for the amount of EUR 2,414 thousand and is valid till the end of this project.

**Note 34****REVENUES AND COSTS FROM DISCARDED ACTIVITIES – NOT CONCERN****Note 35****PLANNED INVESTMENT EXPENDITURES**

On the 18<sup>th</sup> of March, 2016, Comarch S.A. signed the contract with Budimex S.A.:

- For the Realization of the sixth construction stage of the investment in the Special Economic Zone in Krakow (SEZ7 building). The contract covers the construction of an office building with road and technical infrastructure and the delivery of necessary materials and equipment. The total area of the building will be 27,736.07 sq. m. The contract value is 69,704 thousand PLN net. Investment expenditures related to this agreement amounted to PLN 12,054 thou. (till 31<sup>st</sup> of December, 2016). Anticipated completion date is the fourth quarter of 2017.
- For the building SEZ6 (Studio 1) alterations in the Special Economic Zone in Krakow. The subject of the contract was the building alterations changing of use of the building from warehouse functions to production functions and building the road and technical infrastructure and delivering of necessary materials and equipment. The contract value was 4,350 thousand PLN net. Investment expenditures related to this agreement amounted to PLN 4,348 thou. (till 31<sup>st</sup> of December, 2016). Reconstruction was completed in the fourth quarter of 2016.

As at 31<sup>st</sup> of December, 2016, other property, plant and equipment under construction comprise mostly expenditures for the modernisation works of buildings used by Comarch S.A. as well as the purchase of equipment that is not yet accepted for use.

**Note 36****COMARCH S.A.'s REVENUES FROM SALES OF FINISHED GOODS AND SERVICES TO OTHER ENTITIES OF THE GROUP AND ASSOCIATES (thousands of PLN)**

	2016	2015
Comarch AG	56,754	67,513
Comarch SuB Group	21,546	7,968
Comarch SAS	15,384	8,985
Comarch R&D S.à r.l.	31	1
Comarch, Inc.	30,787	30,628
Comarch Panama, Inc.	3,209	3,561
Comarch Canada, Corp.	3,508	1,691
Comarch Espace Connecté Inc. (Comarch Smart City) Canada	-	24
Comarch LLC	2,732	1,695
Comarch Middle East FZ-LLC	16,065	14,023
OOO Comarch	9,452	2,072
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Technologies Oy	,3,682	3,316

UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Pointshub Inc.	-	-
Comarch Luxembourg S.à r.l.	2,604	2,765
Comarch UK Ltd.	15,921	7,359
Comarch Swiss AG	1,433	1,213
Comarch Chile SpA	5,908	3,820
Comarch Sistemas LTDA Brasilia	7,002	10,018
Comarch Software Spain S.L.U.	5,202	3,639
Comarch Yazilim A.S.	13	64
Comarch SRL Italy	503	657
Comarch Malaysia SDN. BHD.	65	21
Comarch AB Swiss	4,508	2,127
Comarch Argentina S.A.	-	-
CAMS AG	-	-
CA Consulting S.A.	4,533	23,936
Comarch Technologies sp. z o.o.	809	795
MKS Cracovia SSA	62	27
Comarch Management sp. z o.o.	10	10
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	10	10
Comarch Healthcare S.A.	1,128	1,465
Comarch Polska S.A.	12,290	34,396
Comarch Pointshub S.A.	194	235
Comarch Infrastruktura S.A.	43	29
iComarch24 S.A.	577	127
Opso sp. z o.o.	247	239
Bonus Development sp. z o.o. SK-A	96	-
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SoInteractive S.A.	763	232
Metrum Capital S.A.	-	-
Thanks Again LLC	6	-
Comarch S.A. Albanian branch	67	164
<b>Total</b>	<b>227,144</b>	<b>234,825</b>

**Comarch S.A.'s trade receivables from subsidiaries and associates are:**

	<b>31 December 2016</b>	<b>31 December 2015</b>
Comarch AG	59,058	65,391
Comarch SuB Group	9,361	2,270
Comarch SAS	15,620	7,874
Comarch R&D S.à r.l.	17	-
Comarch, Inc.	4,996	6,038
Comarch Panama, Inc.	689	649
Comarch Canada, Corp.	2,304	834
Comarch Espace Connecté Inc. (Comarch Smart City)	1	1
Comarch LLC	1,360	-
Comarch Middle East FZ-LLC	27,156	12,573
OOO Comarch	9,811	1,311
Comarch Software (Shanghai) Co. Ltd.	30	17
Comarch Vietnam Company Ltd.	-	-
Comarch Technologies Oy	932	820
UAB Comarch		
Comarch s.r.o.	-	-
Comarch Pointshub Inc	-	-
Comarch Luxembourg S.à r.l.	663	802
Comarch UK Ltd.	3,454	5,804
Comarch Swiss AG	401	913
Comarch Chile SpA	7,544	5,411
Comarch Sistemas LTDA	19,844	15,821
Comarch Software Spain S.L.U.	8,859	3,640
Comarch Yazilim A.S.	2	29
Comarch SRL	298	677
Comarch Malaysia SDN. BHD.	111	37
Comarch AB	2,559	2,135
Comarch Argentina S.A.	-	-
CAMS AG	-	-
CA Consulting S.A.	163	4,913
Comarch Technologies sp. z o.o.	239	85
MKS Cracovia SSA	53	100
Comarch Management sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	-	-

Comarch Healthcare S.A.	1,167	5,138
Comarch Polska S.A.	1,935	3,056
Comarch Pointshub S.A.	6	55
Comarch Infrastruktura S.A.	3	4
iComarch24 S.A.	559	9
Opso sp. z o.o.	38	14
Bonus Development sp. z o.o. SK-A	46	-
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SoInteractive S.A.	580	233
Metrum Capital S.A.	-	-
Thanks Again LLC	6	-
Comarch S.A. Albanian branch	141	70
<b>Total</b>	<b>180,006</b>	<b>146,724,,</b>

### Note 37

#### COMARCH S.A.'s PURCHASES FROM OTHER ENTITIES OF THE GROUP AND ASSOCIATES (finished goods and services)

	2016	2015
Comarch AG	1,401	945
Comarch SuB Group	48	265
Comarch SAS	5,108	4,217
Comarch R&D S.à r.l.	-	283
Comarch, Inc.	279	341
Comarch Panama, Inc.	-	-
Comarch Canada, Corp.	-	-
Comarch Espace Connecté Inc. (Comarch Smart City)	-	-
Comarch LLC	546	1,513
Comarch Middle East FZ-LLC	-	-
OOO Comarch	-	-
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Technologies Oy	251	385
UAB Comarch	-	-
Comarch s.r.o.	-	-

Comarch Pointshub Inc		-
Comarch Luxembourg S.à r.l.	147	51
Comarch UK Ltd.	81	248
Comarch Swiss AG	-	-
Comarch Chile SpA	1	-
Comarch Sistemas LTDA	-	-
Comarch Software Spain S.L.U.	-	-
Comarch Yazilim A.S.	-	-
Comarch SRL	2	-
Comarch Malaysia SDN. BHD.	4	-
Comarch AB	-	-
Comarch Argentina S.A.	-	-
CAMS AG	-	-
CA Consulting S.A.	4,167	11,037
Comarch Technologies sp. z o.o.	2,951	1,579
MKS Cracovia SSA	425	404
Comarch Management sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	-	-
Comarch Healthcare S.A.	616	1,379
Comarch Polska S.A.	524	358
Comarch Pointshub S.A.	1,542	602
Comarch Infrastruktura S.A.	2,721	2,070
iComarch24 S.A.	570	504
Opso sp. z o.o.	24	34
Bonus Development sp. z o.o. SK-A	1,905	1,905
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SoInteractive S.A.	5,934	4,258
Metrum Capital S.A.	-	-
Thanks Again LLC	105	-
Comarch S.A. Albanian branch	-	164
<b>Total</b>	<b>29,352</b>	<b>32,542</b>

**Comarch S.A.'s trade liabilities to subsidiaries and associates are:**

	31 December 2016	31 December 2015
Comarch AG	813	656
Comarch SuB Group	145	579
Comarch SAS	1,001	683
Comarch R&D S.à r.l.	127	707
Comarch, Inc.	383	62
Comarch Panama, Inc.	-	-
Comarch Canada, Corp.	-	-
Comarch Espace Connecté Inc. (Comarch Smart City)	-	-
Comarch LLC	852	103
Comarch Middle East FZ-LLC	-	-
OOO Comarch	-	-
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Technologies Oy	-	387
UAB Comarch		
Comarch s.r.o.	-	-
Comarch Pointshub Inc	-	-
Comarch Luxembourg S.à r.l.	26	14
Comarch UK Ltd.	21	190
Comarch Swiss AG	406	401
Comarch Chile SpA	-	-
Comarch Sistemas LTDA	-	-
Comarch Software Spain S.L.U.	-	-
Comarch Yazilim A.S.	-	-
Comarch SRL	2	-
Comarch Malaysia SDN. BHD.	1	-
Comarch AB	-	-
Comarch Argentina S.A.	-	-
CAMS AG	-	-
CA Consulting S.A.	4,026	1,809
Comarch Technologies sp. z o.o.	2,321	1,680
MKS Cracovia SSA	149	682
Comarch Management sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	-	-



Comarch Healthcare S.A.	508	1,248
Comarch Polska S.A.	-	-
Comarch Pointshub S.A.	1,674	65
Comarch Infrastruktura S.A.	1,878	838
iComarch24 S.A.	271	136
Opso sp. z o.o.	3	2
Bonus Development sp. z o.o. SK-A	-	-
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SoInteractive S.A.	1,850	1,932
Metrum Capital S.A.	-	-
Thanks Again LLC	-	-
Comarch S.A. Albanian branch	141	70
<b>Total</b>	<b>16,598</b>	<b>12,244</b>

### Note 38

#### INFORMATION ON TRANSACTIONS WITH RELATED UNITS AND OTHER RELATED PERSONS ON TERMS DIFFERENT FROM MARKET CONDITIONS – NONE PRESENT

### Note 39

#### AN AVERAGE EMPLOYMENT IN COMARCH S.A.

Employees	2016	2015
full-time	3,416	3,120
co-workers	733	731
<b>Total</b>	<b>4,149</b>	<b>3,851</b>

Employees	2016	2015
directly production and technical consultants	3,456	3,196
marketing and sales	344	323
management and administrative employees	349	332
<b>Total</b>	<b>4,149</b>	<b>3,851</b>

**Note 40****REMUNERATION FOR MANAGING AND SUPERVISING PERSONS (CURRENT PERIOD) IN PLN****a) Comarch S.A.'s Management Board**

	<b>Name and surname</b>	<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Janusz Filipiak	6,396,044.48	5,238,114.78	11,634,159.26
2	Marcin Dąbrowski	1,448,838.14	315,048.60	1,763,886.74
3	Paweł Prokop	659,476.77	158,988.48	818,465.25
4	Andrzej Przewięźlikowski	973,319.72	377,842.45	1,351,162.17
5	Zbigniew Rymarczyk	1,373,210.95	311,070.75	1,684,281.70
6	Konrad Tarański	732,174.13	329,471.09	1,061,645.22
7	Marcin Warwas	2,149,554.34	165,312.78	2,314,867.12
	<b>Total</b>	<b>13,732,618.53</b>	<b>6,895,848.93</b>	<b>20,628,467.46</b>

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

	<b>Name and surname</b>	<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Elżbieta Filipiak	261,661.96	1,051,894.78	1,313,556.74
2	Maciej Brzeziński	65,361.74	0.00	65,361.74
3	Robert Bednarski	65,000.00	0.00	65,000.00
4	Danuta Drobniak	65,000.00	0.00	65,000.00
5	Wojciech Kucharzyk	65,000.00	0.00	65,000.00
6	Anna Ławrynowicz	65,199.54	0.00	65,199.54
7	Anna Pruska	65,000.00	402,076.82	467,076.82
	<b>Total</b>	<b>652,223.24</b>	<b>1,453,971.60</b>	<b>2,106,194.84</b>

Salaries presented in this note include salaries actually paid in 2016 (including remuneration bonus for the previous periods covered by provisions as of 31.12.2015.). Salaries do not include unpaid bonuses for the year 2016 (covered by reserves as of 31.12.2016.) and do not include shares granted under the Managerial Option Program.

As at 31<sup>st</sup> of December, 2016, there are no unpaid loans nor guarantees nor suretyships to members of the Management or Supervisors Board or their relatives.

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

Not concern.

**Note 41****Long-term Bank Credits**

Comarch S.A. credit lines:

- An investment credit from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts of PLN 44,000 thousand. The crediting period may last a maximum of 16 years, i.e. until 2024. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the Company revaluated the remaining credit to be paid into euro. This credit has a variable interest rate amounted to EURIBOR1M+margin. As at 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 4,802 thousand, i.e. PLN 24,244 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as at 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of July, 2024.
- An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years, i.e. until 2021, at a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 2,493 thousand, i.e. PLN 11,028 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as of 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 31<sup>st</sup> of October, 2018.
- An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The credit was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+margin. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use were security for this credit. On the second quarter 2016 the credit was fully repaid.
- A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of Company's operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 3,899 thousand, i.e. PLN 17,249 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as of 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 28<sup>th</sup> of June, 2019.
- an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323 thou. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+margin. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee

for contract good performance and for warranty obligations and warranty are security for this credit. As at the 31<sup>st</sup> of December, 2016, the value of outstanding capital amounted to EUR 11,519 thousand, i.e. PLN 50,960 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as of 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of November, 2023.

- An investment credit from Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing and refinancing of not more than 75% of net costs of an investment related to construction of office building SSE7 in the Special Economic Zone in Krakow. The credit amounts to EUR 13,333 thou., i.e. PLN 58,144 thou. The crediting period: 12 years, repayment will be made not later than on 15<sup>th</sup> of May, 2028. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR1M+margin. The credit should drawdown within 24 months of signing the contract i.e. till 16<sup>th</sup> of May, 2018. The real estate mortgage, declaration of submission to enforcement, power of attorney to manage Comarch S.A. bank accounts in the Bank Handlowy w Warszawie S.A. and cession of rights in the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2016 credit wasn't drawdown. In order to secure the interest rate risk of this credit, after balance sheet date the Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of February, 2028.
- A non-revolving long-term credit in Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing current operations. The credit amounts to EUR 2,508 thousand, i.e. PLN 10,938 thousand at the date of the agreement. The crediting period is 43 months and lasts until the 16<sup>th</sup> of December, 2019. The credit was granted in EUR, the interest rate of the credit is based on a variable rate EURIBOR1M + margin. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16<sup>th</sup> of May, 2018. Securities for this credit are: declaration of submission to enforcement and power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. As at the 31<sup>st</sup> of December, 2016, the value of launched credit amounted to EUR 2,365 thousand, i.e. PLN 10,465 thousand. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of September, 2019.
- An investment credit agreement with DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing up to 100% of investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand as at the date of the agreement. The crediting period lasts until the 30<sup>th</sup> of December, 2023. The credit was granted in EUR and has a variable interest rate EURIBOR1M + margin. The credit was used in the first quarter of 2017. Securities for this credit are: registered pledge on devices which are the subject of financing to the amount of 150% of the credit, cession of rights under the insurance contract of devices, a declaration of submission to enforcement by Comarch S.A. and a power of attorney to manage Comarch S.A. bank accounts in DNB Bank Poland SA. As at the 31<sup>st</sup> of December, 2016, the credit wasn't drawdown.

#### **Note 42.**

#### **SIGNIFICANT EVENTS RELATED TO THE PREVIOUS YEARS - NOT CONCERN**

#### **Note 43.**

#### **EVENTS AFTER BALANCE SHEET DATE**

##### **a) Dates of Periodical Financial Reports in 2017**

On 5<sup>th</sup> of January, 2017, in current report RB-1-2016, Comarch S.A.'s Management Board set dates of periodical financial reports in 2017:

- Q4 2016 - on 1<sup>st</sup> of March, 2017;
- Q1 2017 - on 22<sup>nd</sup> of May, 2017;
- Q2 2017 - 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 2017;

- Q3 2017 - on 17<sup>th</sup> of November, 2017;
- Annual report for 2016 - on 28<sup>th</sup> of April, 2017;
- Consolidated annual report for 2016 - on 28<sup>th</sup> of April, 2017;
- Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2017 - on 31<sup>st</sup> of August, 2017.

#### **b) Acquisition of Shares in Geopolis Sp. z o.o.**

On the 17<sup>th</sup> of March, 2017, the Management Board of Comarch S.A. announced that Comarch S.A., has signed the letters of intent with Geopolis sp. z o.o. and its shareholders aimed at setting conditions to carry out the following transactions:

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

The above-mentioned transactions were to be carried out once the relevant conditions set out in the letters of intent have been fulfilled and the agreement on others terms has been reached until 31<sup>st</sup> of March, 2017. On 31<sup>st</sup> of March, 2017, there was announced information about postpone the deadline for fulfilment of the conditions till 3<sup>rd</sup> of April, 2017. On 3<sup>rd</sup> of April, 2017, the conditions set out in letters of intent have been fulfilled so the above-mentioned transactions were realized.

The total value of the transactions amounts to PLN 8.05 million.

Geopolis sp. z o.o. supports informatisation in public administration units by creating and implementing integrated registers and records of a spatial nature, systems for managing of state surveying and cartographic resource database as well as geoportals. Acquiring of Geopolis sp. z o.o. will allow Comarch Group to expand the product portfolio dedicated to the public sector.

The Company announced details in current report no. RB-2-2017 dated 17<sup>th</sup> of March, 2017, report no. RB-4-2017 dated 31<sup>st</sup> of March, 2017 and report no. RB-5-2017 dated 4<sup>th</sup> of April, 2017.

#### **c) Forward Contracts Concluded after the Balance Sheet Date**

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

#### **d) Transaction on Change of IRS**

On the 20<sup>th</sup> of February, 2017, Comarch S.A. concluded a transaction on change of IRS for a long-term credit granted in May 2016 by the Bank Handlowy w Warszawie. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 30<sup>th</sup> of September, 2019.

On the 20<sup>th</sup> of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy w Warszawie. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 29<sup>th</sup> of February, 2028.

**Note 44.****CHANGES IN APPLIED ACCOUNTING PRINCIPLES**

In 2016, the Company did not make any significant changes in accounting principles in comparison to the previous year. The details of the applied accounting principles were presented in the introduction to the financial statement.

**Note 45.****DESCRIPTION AND ECONOMIC GOAL OF CONTRACTS NOT PRESENTED IN THE BALANCE SHEET WHISIN THE SCOPE OF THEIR INFLUENCE ON THE EQUITY AND FINANCIAL SITUATION AS WELL AS THE FINANCIAL RESULT OF THE COMPANY – NOT CONCERN****Note 46.****INFORMATION ON PAID OR DUE REMUNERATION OF AN EXPERT AUDITOR OR AN ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**

Types of services	Remuneration (net value)- paid	Remuneration (net value)- due
<b>2016</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.</b>		
1 Obligatory audit of annual financial statements for 2016	-	PLN 135,000.00
2 Review of half-year financial statement for H1 2016 and additional costs within consolidation procedures	PLN 80,000.00	-
3 Other services	PLN 8,000.00	-
<b>2015</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.</b>		
1 Obligatory audit of annual financial statements for 2015	PLN 135,000.00	-
2 Review of half-year financial statement for H1 2015 and additional costs within consolidation procedures	PLN 80,000.00	-

Note 3d **INTEREST OR SHARES IN RELATED UNITS**

Current wording:

<b>Note 3d INTEREST OR SHARES IN RELATED UNITS</b>												
<b>No</b>	<b>thousands of PLN</b>											
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>	<b>i</b>	<b>j</b>	<b>k</b>	<b>l</b>
	<b>name of entity (company) including legal form</b>	<b>seat</b>	<b>activities</b>	<b>nature of relationship (subsidiary, correlate or associate, including direct and indirect relationship)</b>	<b>the applied method of consolidation / equity method valuation or indication that an entity is not subject to consolidation/valuated by equity method</b>	<b>date of control / co-control accession / obtaining major share</b>	<b>value of interest / shares by acquisition price</b>	<b>revaluating corrections (total)</b>	<b>balance sheet value of interest / shares</b>	<b>% of share capital held</b>	<b>share in total number of votes at AGM</b>	<b>indication of basis for control / co control / major share different than the one specified under clauses j) or k)</b>
1	<b>Comarch AG</b>	Dresden	sales of software and services in European and South American market	subsidiary	consolidated	13.09.1999	154,456	-1,320	153,136	100	100	
2	<b>Comarch Software und Beratung AG</b>	Munich	provider of IT solutions (especially ERP ) and integrator of IT solutions	second degree subsidiary (subsidiary of Comarch AG)	consolidated	18.11.2008	109,382	-38,485	70,897	100	100	subsidiary of Comarch AG (100%)*
3	<b>Comarch Solutions GmbH</b>	Innsbruck	producer of software (especially ERP) and integrator of IT systems	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	6,286	-4,960	1,326	100	100	subsidiary of Comarch Software und Beratung AG (100%)
4	<b>Comarch Sistemas LTDA</b>	Sao Paulo	sales of software and services in Central and South American markets and support of	second degree subsidiary (subsidiary of Comarch AG)	consolidated	02.09.2014	1,208	-	1,208	100	100	subsidiary of Comarch AG (80%) and Comarch SuB AG

			delivered IT systems									(20%)
5	<b>Comarch Peru S.A.C.</b>	Lima	sales of software and services in Central and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch AG)	consolidated	14.12.2016	196	-	196	100	100	subsidiary of Comarch AG (95%) and Comarch SA (5%)
6	<b>Comarch S.A.S.</b>	Lezennes	sales of software and services in European and North American market	subsidiary	consolidated	14.09.2007	37,114	-37,114	196	100	100	
7	<b>Comarch R&amp;D S.a r.l.</b>	Montbonnot-Saint-Martin	sales of software and services in European and North American market	subsidiary	consolidated	16.09.2008	714	-714	-	100	100	
8	<b>Comarch Luxembourg S.a r.l.</b>	Luxemburg	sales of software and services in European market	subsidiary	consolidated	21.04.2011	1,981	-714	1,981	100	100	
9	<b>Comarch, Inc.</b>	Rosemont	sales and production of IT systems in American Markets	subsidiary	consolidated	24.06.1999	991	-991	1,981	100	100	
10	<b>Comarch Panama, Inc.</b>	Panama	sales of software and services in European, Central and South American market	second degree subsidiary (subsidiary of Comarch, Inc.)	consolidated	22.11.2004	914	-991	914	100	100	subsidiary of Comarch Inc. (100%)
11	<b>Comarch Canada Corp.</b>	New Brunswick	sales of IT systems in the Canadian and South American Market	subsidiary	consolidated	01.06.2011	162	-21	141	100	100	
12	<b>Comarch Espace Connecte Inc.</b>	Montreal	sales of IT systems in Canadian Market	subsidiary	consolidated	16.04.2015	1,164	-40	1,124	100	100	
13	<b>Comarch Middle East FZ-LLC</b>	Dubai	sales of IT systems in Middle East and support of delivered IT systems	subsidiary	consolidated	08.04.2004	203	-44	159	100	100	



14	<b>Comarch LLC</b>	Kiev	sales of IT systems in Ukraine and support of delivered IT systems	subsidiary	consolidated	01.06.2004	34	-34	159	100	100	
15	<b>OOO Comarch</b>	Moscow	sales of IT systems in Russia and support of delivered IT systems	subsidiary	consolidated	26.01.2005	147	-147	-	100	100	
16	<b>Comarch Software (Shanghai) Co. Ltd.</b>	Shanghai	sales of IT systems in China and support of delivered IT systems	subsidiary	consolidated	q3 2009	597	-597	-	100	100	
17	<b>Comarch Technologies Oy</b>	Espoo	sales of IT systems in Scandinavian markets and support of delivered IT systems	subsidiary	consolidated	16.12.2010	198	-198	-	100	100	
18	<b>Comarch UK Ltd.</b>	London	sales of IT systems in GB, Ireland and Poland and support of delivered IT systems	subsidiary	consolidated	20.03.2012	271	-32	239	100	100	
19	<b>Comarch Chile SpA</b>	Santiago	sales of IT systems in Chile and support of delivered IT systems	subsidiary	consolidated	23.05.2013	920	-37	883	100	100	
20	<b>Comarch Software Spain S.L.U.</b>	Madrid	sales of IT systems in European markets and South American markets and support of delivered IT systems	subsidiary	consolidated	11.11.2014	2,095	-37	2,095	100	100	
21	<b>Comarch Colombia S.A.S.</b>	Bogota	sales of IT systems in and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch Software Spain S.L.U.)	consolidated	04.05.2016	248	-	248	100	100	subsidiary of Comarch Software Spain S.L.U. (100%)
22	<b>Comarch Yazilim A.S.</b>	Istanbul	sales of IT systems in Turkey and support of delivered IT systems	subsidiary	consolidated	18.12.2014	825	-825	248	100	100	
23	<b>Comarch SRL</b>	Milano	sales of IT systems	subsidiary	consolidated	05.02.2015	2,971	-2,971	-	100	100	

			and services in Europe									
24	<b>Comarch Malaysia SDN. BHD.</b>	Kuala Lumpur	sales of IT systems and services in Asia	subsidiary	consolidated	02.04.2015	517	-517	-	100	100	
25	<b>Comarch s.r.o.</b>	Bratislava	limited operations	subsidiary	consolidated	31.08.2004	494	-494	-	100	100	
26	<b>Comarch Pointshub Inc.</b>	Rosemont	sales of IT systems and services in America	subsidiary	consolidated	24.08.2015	33,250	-5,536	27,714	100	100	
27	<b>Comarch AB</b>	Stockholm	sales of IT systems and services in Europe	subsidiary	consolidated	18.08.2015	22	-5,536	22	100	100	
28	<b>Comarch Argentina S.A.</b>	Buenos Aires	sales of IT systems in Central and South American markets	subsidiary	consolidated	11.11.2015	929	-	929	100	100	subsidiary of Comarch SA (95%) and Comarch AG (5%)
29	<b>Comarch Technologies sp. z o.o.</b>	Kraków	responsible for the development of technologies related to the design and production of electronic devices and software	subsidiary	consolidated	18.11.2008	298	-	298	100	100	
30	<b>CA Consulting SA</b>	Warsaw	delivery of network connections and outsourcing services	subsidiary	consolidated	18.06.2004	1,053	-	1,053	100	100	
31	<b>Comarch Management Sp. z o.o</b>	Kraków	activities related to IT	subsidiary	consolidated	19.10.2007	300	-300	1,053	100	100	
32	<b>Comarch Corporate Finance FIZ</b>	Kraków	investment activity on capital market and activities related to IT	subsidiary	consolidated	24.10.2007	1,060	120,628	121,688	100	100	100% certificates held by Comarch S.A.
33	<b>Comarch Management Sp z o.o. SK-A</b>	Kraków	activities related to IT	second degree subsidiary	consolidated	21.11.2007	11,275	-11,202	73	100	100	25% votes held by CCF FIZ; 75% votes held by Comarch S.A shares purchased by Comarch

												Management Sp. o.o. SK-A to be redeemed, the Company does not exercise the voting rights
34	<b>Bonus Management Sp. z o.o. SK-A</b>	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	28,344	373	28,717	100	100	subsidiary through CCF FIZ
35	<b>Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością Cracovia Park SK-A</b>	Kraków	investment activities in sport	second degree subsidiary	consolidated	25.03.2014	2,400	373	2,400	100	100	33.33% votes held by MKS Cracovia S.A., 66.67% held by Bonus Management Sp. Z o.o.SK-A
36	<b>Bonus Development Sp. z o.o. SK-A</b>	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	55,950	-28,268	27,682	100	100	subsidiary through CCF FIZ
37	<b>Bonus Management Sp. z o.o. II Activia SK-A</b>	Kraków	investment activity on capital and IT market	second degree subsidiary	consolidated	07.10.2010	15,552	-683	14,869	100	100	subsidiary through CCF FIZ
38	<b>Bonus Development Sp. z o.o. II Koncept SK-A</b>	Kraków	investment in real estates and activities related to real estates	second degree subsidiary	consolidated	25.10.2010	8,933	3,038	11,971	100	100	subsidiary through CCF FIZ
39	<b>Comarch Healthcare S.A.</b>	Kraków	production and supply of comprehensive solutions for the health sector and medical diagnostic centre in Krakow iMed24	second degree subsidiary	consolidated	08.04.2008	92,060	-86,160	5,900	100	100	57.13% votes held by CCF FIZ, 25.88% held by Comarch S.A., 16.99% held by CASA Management and Consulting Sp. z o.o. SKA

40	<b>Comarch Polska S.A.</b>	Kraków	acquires IT contracts in the domestic market and implements them in whole or in part	second degree subsidiary	consolidated	09.06.2008	10,000	-5,847	4,153	100	100	subsidiary through CCF FIZ
41	<b>Comarch Pointshub S.A.</b>	Kraków	activities involving the manufacture and implementation of a new generation of loyalty software	second degree subsidiary	consolidated	21.10.2008	3,000	307	3,307	100	100	subsidiary through CCF FIZ
42	<b>Comarch Infrastruktura S.A.</b>	Kraków	data centre services and IT outsourcing	second degree subsidiary	consolidated	09.12.2008	1,150	4,951	6,101	100	100	subsidiary through CCF FIZ
43	<b>iComarch24 S.A.</b>	Kraków	provides accounting services for domestic subsidiaries of Comarch S.A. and leads projects related to e-accounting and ecommerce	second degree subsidiary	consolidated	04.05.2009	2,500	-531	1,969	100	100	subsidiary through CCF FIZ
44	<b>CASA Management and Consulting Sp. z o.o. SK-A</b>	Kraków	investment activity on capital market	second degree subsidiary	consolidated	12.10.2009	31,140	-13,288	17,852	100	100	subsidiary through CCF FIZ
45	<b>Comarch Swiss AG</b>	Luzern	sales and implementation of software (especially ERP) and systems integrator	third degree subsidiary	consolidated	18.11.2008	12,142	-	12,142	100	100	subsidiary through CASA Management and Consulting Sp. o.o. SK-A
46	<b>CAMS AG</b>	Luzern	investment activity in the capital and IT market	third degree subsidiary	consolidated	21.01.2013	175	-	175	51	51	51% votes held by CASA Management and Consulting Sp. o.o. SK-A

47	<b>Opso Sp. z o.o.</b>	Kraków	catering services	subsidiary	consolidated	20.12.2011	205	-	205	100	100	
48	<b>MKS Cracovia SSA</b>	Kraków	activities in the field of physical culture and sports	subsidiary	consolidated	29.09.2003	37,209	-3,341	33,868	66.11	66.11	
49	<b>SoInteractive S.A.**</b>	Kraków	activities in the field of interactive web technologies	associated	equity method valuation	29.09.2008	5,400	-4,748	652	42.98	27.37	16.10% of the votes held by CCF FIZ, 11.27% of the votes held by Bonus Management Sp. o.o. II Activia SK-A
50	<b>Metrum Capital S.A. **</b>	Kraków	implementation of investment software	associated	equity method valuation	06.02.2014	450	-434	16	64.29	47.37	15.79% of the votes held by Comarch SA, 31.58% held by CAMS AG
51	<b>Thanks Again LLC**</b>	Tyrone	operator of loyalty programs for airports in North America	associated	equity method valuation	24.08.2015	30,884	-17,157	13,727	42.5	42.5	42.5% of the votes held by Comarch Pointshub Inc.

(\*\*) the balance sheet value of shares in associates is presented in the value corresponding to valuation by the equity method (as described in the consolidated financial statement of Comarch S.A.)

Wording after change:

**Note 3d INTEREST OR SHARES IN RELATED UNITS**

No	thousands of PLN											
	a	b	c	d	e	f	g	h	i	j	k	l
	name of entity (company) including legal form	office	activities	nature of relationship (subsidiary, correlate or associate, including direct and indirect relationship)	the applied method of consolidation / equity method valuation or indication that an entity is not subject to consolidation/ valued by equity method	date of control / co-control accession / obtaining major share	value of interest / shares by acquisition price	revaluating corrections (total)	balance sheet value of interest / shares	% of share capital held	share in total number of votes at AGM	indication of basis for control / co control / major share different than the one specified under clauses j) or k)
1	<b>Comarch AG</b>	Dresden	sales of software and services in European and South American market	subsidiary	consolidated	13.09.1999	154,456	-1,320	153,136	100	100	
2	<b>Comarch Software und Beratung AG</b>	Munich	provider IT solutions (especially ERP ) and integrator of IT solutions	second degree subsidiary (subsidiary of Comarch AG)	consolidated	18.11.2008	109,382	-38,485	70,897	100	100	subsidiary of Comarch AG (100%)*
3	<b>Comarch Solutions GmbH</b>	Innsbruck	producer of software (especially ERP), integrator of IT systems	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	6,286	-4,960	1,326	100	100	subsidiary of Comarch Software und Beratung AG (100%)
4	<b>Comarch Sistemas LTDA</b>	Sao Paulo	sales of software and services in Central and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch AG)	consolidated	02.09.2014	1,208	-	1,208	100	100	subsidiary of Comarch AG (80%) and Comarch SuB AG (20%)
5	<b>Comarch Peru S.A.C.</b>	Lima	sales of software and services in Central and South American	second degree subsidiary (subsidiary of	consolidated	14.12.2016	196	-	196	100	100	subsidiary of Comarch AG (95%) and

			markets and support of delivered IT systems	Comarch AG)								Comarch SA (5%)
6	<b>Comarch S.A.S.</b>	Lezennes	sales of software and services in European and North American market	subsidiary	consolidated	14.09.2007	37,114	-37,114	-	100	100	
7	<b>Comarch R&amp;D S.a r.l.</b>	Montbonnot-Saint-Martin	sales of software and services in European and North American market	subsidiary	consolidated	16.09.2008	714	-714	-	100	100	
8	<b>Comarch Luxembourg S.a r.l.</b>	Luxemburg	sales of software and services in European market	subsidiary	consolidated	21.04.2011	1,981	-	1,981	100	100	
9	<b>Comarch, Inc.</b>	Rosemont	sales and production of IT systems in American Markets	subsidiary	consolidated	24.06.1999	991	-991	-	100	100	
10	<b>Comarch Panama, Inc.</b>	Panama	sales of software and services in European, Central and South American market	second degree subsidiary (subsidiary of Comarch, Inc.)	consolidated	22.11.2004	914	-	914	100	100	subsidiary of Comarch Inc. (100%)
11	<b>Comarch Canada Corp.</b>	New Brunswick	sales of IT systems in the Canadian and South American Market	subsidiary	consolidated	01.06.2011	162	-21	141	100	100	
12	<b>Comarch Espace Connecte Inc.</b>	Montreal	sales of IT systems in Canadian Market	subsidiary	consolidated	16.04.2015	1,164	-40	1,124	100	100	
13	<b>Comarch Middle East FZ-LLC</b>	Dubai	sales of IT systems in Middle East and support of delivered IT systems	subsidiary	consolidated	08.04.2004	203	-44	159	100	100	
14	<b>Comarch LLC</b>	Kiev	sales of IT systems in Ukraine and support of delivered IT systems	subsidiary	consolidated	01.06.2004	34	-34	-	100	100	
15	<b>OOO Comarch</b>	Moscow	sales of IT systems in	subsidiary	consolidated	26.01.2005	147	-147	-	100	100	

			Russia and support of delivered IT systems									
16	<b>Comarch Software (Shanghai) Co. Ltd.</b>	Shanghai	sales of IT systems in China and support of delivered IT systems	subsidiary	consolidated	q3 2009	597	-597	-	100	100	
17	<b>Comarch Technologies Oy</b>	Espoo	sales of IT systems in Scandinavian markets and support of delivered IT systems	subsidiary	consolidated	16.12.2010	198	-198	-	100	100	
18	<b>Comarch UK Ltd.</b>	London	sales of IT systems in GB, Ireland and Poland and support of delivered IT systems	subsidiary	consolidated	20.03.2012	271	-32	239	100	100	
19	<b>Comarch Chile SpA</b>	Santiago	sales of IT systems in Chile and support of delivered IT systems	subsidiary	consolidated	23.05.2013	920	-37	883	100	100	
20	<b>Comarch Software Spain S.L.U.</b>	Madrid	sales of IT systems in European markets and South American markets and support of delivered IT systems	subsidiary	consolidated	11.11.2014	2,095	-	2,095	100	100	
21	<b>Comarch Colombia S.A.S.</b>	Bogota	sales of IT systems in and South American markets and support of delivered IT systems	second degree subsidiary (subsidiary of Comarch Software Spain S.L.U.)	consolidated	04.05.2016	248	-	248	100	100	subsidiary of Comarch Software Spain S.L.U. (100%)
22	<b>Comarch Yazilim A.S.</b>	Istanbul	sales of IT systems in Turkey and support of delivered IT systems	subsidiary	consolidated	18.12.2014	825	-825	-	100	100	
23	<b>Comarch SRL</b>	Milano	sales of IT systems and services in Europe	subsidiary	consolidated	05.02.2015	2,971	-2,971	-	100	100	
24	<b>Comarch Malaysia SDN. BHD.</b>	Kuala Lumpur	sales of IT systems and services in Asia	subsidiary	consolidated	02.04.2015	517	-517	-	100	100	



25	<b>Comarch s.r.o.</b>	Bratislava	limited operations	subsidiary	consolidated	31.08.2004	494	-494	-	100	100	
26	<b>Comarch Pointshub Inc.</b>	Rosemont	sales of IT systems and services in America	subsidiary	consolidated	24.08.2015	33,250	-5,536	27,714	100	100	
27	<b>Comarch AB</b>	Stockholm	sales of IT systems and services in Europe	subsidiary	consolidated	18.08.2015	22	-	22	100	100	
28	<b>Comarch Argentina S.A.</b>	Buenos Aires	sales of IT systems in Central and South American markets	subsidiary	consolidated	11.11.2015	929	-	929	100	100	subsidiary of Comarch SA (95%) and Comarch AG (5%)
29	<b>Comarch Technologies sp. z o.o.</b>	Kraków	responsible for the development of technologies related to the design and production of electronic devices and software	subsidiary	consolidated	18.11.2008	298	-	298	100	100	
30	<b>CA Consulting SA</b>	Warsaw	delivery of network connections and outsourcing services	subsidiary	consolidated	18.06.2004	1,053	-	1,053	100	100	
31	<b>Comarch Management Sp. z o.o</b>	Kraków	activities related to IT	subsidiary	consolidated	19.10.2007	300	-300	-	100	100	
32	<b>Comarch Corporate Finance FIZ</b>	Kraków	investment activity on capital market and activities related to IT	subsidiary	consolidated	24.10.2007	1,060	120,628	121,688	100	100	100% certificates held by Comarch S.A.
33	<b>Comarch Management Sp z o.o. SK-A</b>	Kraków	activities related to IT	second degree subsidiary	consolidated	21.11.2007	11,275	-11,202	73	100	100	25% votes held by CCF FIZ; 75% votes held by Comarch S.A shares purchased by Comarch Management Sp. o.o. SK-A to be redeemed, the Company does

												not exercise the voting rights
34	<b>Bonus Management Sp. z o.o. SK-A</b>	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	28,344	373	28,717	100	100	subsidiary through CCF FIZ
35	<b>Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością Cracovia Park SK-A</b>	Kraków	investment activities in sport	second degree subsidiary	consolidated	25.03.2014	2,400	-	2,400	100	100	33.33% votes held by MKS Cracovia SA, 66.67% held by Bonus Management Sp. Z o.o.SK-A
36	<b>Bonus Development Sp. z o.o. SK-A</b>	Kraków	activities related to real estates in Comarch	second degree subsidiary	consolidated	24.02.2011	55,950	-28,268	27,682	100	100	subsidiary through CCF FIZ
37	<b>Bonus Management Sp. z o.o. II Activia SK-A</b>	Kraków	investment activity on capital and IT market	second degree subsidiary	consolidated	07.10.2010	15,552	-683	14,869	100	100	subsidiary through CCF FIZ
38	<b>Bonus Development Sp. z o.o. II Koncept SK-A</b>	Kraków	investment in real estates and activities related to real estates	second degree subsidiary	consolidated	25.10.2010	8,933	3,038	11,971	100	100	subsidiary through CCF FIZ
39	<b>Comarch Healthcare S.A.</b>	Kraków	production and supply of comprehensive solutions for the health sector and medical diagnostic centre in Krakow iMed24	second degree subsidiary	consolidated	08.04.2008	92,060	-86,160	5,900	100	100	57.13% votes held by CCF FIZ, 25.88% held by Comarch S.A., 16.99% held by CASA Management and Consulting Sp. Z o.o. SKA
40	<b>Comarch Polska S.A.</b>	Kraków	acquires IT contracts in the domestic market	second degree subsidiary	consolidated	09.06.2008	10,000	-5,847	4,153	100	100	subsidiary through CCF

			and implements them in whole or in part									FIZ
41	<b>Comarch Pointshub S.A.</b>	Kraków	activities involving the manufacture and implementation of a new generation of loyalty software	second degree subsidiary	consolidated	21.10.2008	3,000	307	3,307	100	100	subsidiary through CCF FIZ
42	<b>Comarch Infrastruktura S.A.</b>	Kraków	data centre services and IT outsourcing	second degree subsidiary	consolidated	09.12.2008	1,150	4,951	6,101	100	100	subsidiary through CCF FIZ
43	<b>iComarch24 S.A.</b>	Kraków	provides accounting services for domestic subsidiaries of Comarch S.A. and leads projects related to e-accounting and ecommerce	second degree subsidiary	consolidated	04.05.2009	2,500	-531	1,969	100	100	subsidiary through CCF FIZ
44	<b>CASA Management and Consulting Sp. z o.o. SK-A</b>	Kraków	investment activity on capital market	second degree subsidiary	consolidated	12.10.2009	31,140	-13,288	17,852	100	100	subsidiary through CCF FIZ
45	<b>Comarch Swiss AG</b>	Luzern	sales and implementation of software (especially ERP) and systems integrator	third degree subsidiary	consolidated	18.11.2008	12,142	-	12,142	100	100	Subsidiary through CASA Management and Consulting Sp. o.o. SK-A
46	<b>CAMS AG</b>	Luzern	investment activity in the capital and IT market	third degree subsidiary	consolidated	21.01.2013	175	-	175	51	51	51% votes held by CASA Management and Consulting Sp. o.o. SK-A

47	<b>Opso Sp. z o.o.</b>	Kraków	catering services	subsidiary	consolidated	20.12.2011	205	-	205	100	100	
48	<b>MKS Cracovia SSA</b>	Kraków	activities in the field of physical culture and sports	subsidiary	consolidated	29.09.2003	37,209	-3,341	33,868	66.11	66.11	
49	<b>SoInteractive S.A.**</b>	Kraków	activities in the field of interactive web technologies	associated	equity method valuation	29.09.2008	5,400	-4,748	652	42.98	27.37	16.10% of the votes held by CCF FIZ, 11.27% of the votes held by Bonus Management Sp. o.o. II Activia SK-A
50	<b>Metrum Capital S.A. **</b>	Kraków	implementation of investment software	associated	equity method valuation	06.02.2014	450	-434	16	64.29	47.37	15.79% of the votes held by Comarch SA, 31.58% held by CAMS AG
51	<b>Thanks Again LLC**</b>	Tyrone	operator of loyalty programs for airports in North America	associated	equity method valuation	24.08.2015	30,884	-17,157	13,727	42.5	42.5	42.5% of the votes held by Comarch Pointshub Inc.

(\*\*) the balance sheet value of shares in associates is presented in the value corresponding to valuation by the equity method (as described in the consolidated financial statement of Comarch S.A.)

Note 3e **INTEREST OR SHARES IN RELATED PARTIES**

Current wording:

Note 3e INTEREST OR SHARES IN RELATED PARTIES																	
No	thousands of PLN																
	a	m						n			o			p	r	s	t
	Name of entity	Equity, including:						liabilities and provisions for liabilities:			receivables of entity, including:			Total assets	Revenue from sales	Value of interest / shares in entity unpaid by issuer	Interest / shares in entity unpaid by issuer dividends from entity received or due for the financial year
		Share capital	Supplementary capital) supplementary capital	Other equity, including:				Noncurrent liabilities	Current liabilities		Non-current receivables	Current receivables					
					Profit (loss) from previous years	Net profit (loss)											
1	Comarch AG	128,464	61,888	0	90,973	-24,397	-29,562	768	107,674	2,755	104,919	67,578	200	67,378	236,139	124,673	0
2	Grupa Comarch Software und Beratung AG	65,642	24,590	0	62,947	-21,895	-40,344	26,033	41,153	5,459	35,694	30,420	0	30,420	106,796	135,980	0
3	Comarch Sistemas LTDA	11,136	1,208	0	0	9,928	2,264	5,911	38,834	6,185	32,649	20,342	62	20,280	49,970	27,080	0
4	Comarch Peru S.A.C.	194	196	0	0	-2	0	-12	12	0	12	0	0	0	206	0	
5	Comarch S.A.S.	9,176	34,752	0	0	-25,576	-25,859	-2,203	32,949	4,245	28,704	11,395	0	11,395	42,124	34,455	0
6	Comarch R&D S.a.r.l	-1,857	26	0	0	-1,883	-2355	231	5,584	4,100	1,484	1,894	59	1,835	3,726	8,403	0
7	Comarch Luxembourg S.a.r.l.	3,846	1,981	0	0	1,865	1,297	362	6,364	932	5,432	5,313	0	5,313	10,210	13,476	0

8	Comarch, Inc.	21,640	154	0	853	20,633	16,808	1,053	17,134	0	17,134	25,062	3781	21,281	38,774	54,352	0
9	Comarch Panama, Inc.	9,214	914		0	8,300	5,236	1,382	1,525	1	1,524	6,192	0	6,192	10,740	6,714	0
10	Comarch Canada Corp.	7,168	162	0	0	7,006	5,524	1,131	5,603	227	5,376	7,259	0	7,259	12,771	18,804	0
11	Comarch Espace Connecte Inc.	1,184	1,164	0	0	20	-34	-19	2	0	2	2	0	2	1,186	0	0
12	Comarch Middle East FZ-LLC	-4,736	200	0	0	-4,936	-6,845	485	31,101	0	31,101	22,744	0	22,744	26,365	34,663	0
13	Comarch LLC	-2,538	15	0	0	-2,553	-3,114	-769	8,061	0	8,061	4,674	0	4,674	5,523	5,655	0
14	OOO Comarch	3,731	140	0	585	3,006	1	3,052	13,103	16	13,087	9,473	0	9,473	16,834	14,925	0
15	Comarch Software (Shanghai) Co. Ltd.	-54	597	0	0	-651	-553	-16	71	29	42	0	0	0	17	0	0
16	Comarch Technologies Oy	334	198	0	0	136	12	88	3,667	0	3,667	1,295	0	1,295	4,000	4,631	0
17	Comarch UK LTD	9,624	271	0	0	9,353	420	8,677	9,285	0	9,285	13,125	0	13,125	18,908	27,970	0
18	Comarch Chile SpA	-3,073	920	0	0	-3,993	-5,205	1,617	13,604	5,015	8,589	8,842	0	8,842	10,531	15,887	0
19	Comarch Software Spain S.L.U.	-1,347	2,095	0	0	-3,442	-992	-2439	10,333	67	10,266	5,907	0	5,907	8,985	11,169	0
20	Comarch Colombia S.A.S.	199	245	0	3	-49	0	-29	563	0	563	569	0	569	761	521	
21	Comarch Yazilim A.S.	376	825	0	0	-449	405	-817	2,404	1,141	1,263	1,226	0	1,226	2,780	384	0
22	Comarch SRL	1,964	2,971	0	0	-1,007	-1,548	247	919	0	919	441	0	441	2,883	651	0
23	Comarch Malaysia SDN. BHD.	-1,103	517	0	0	-1,620	-286	-1,328	1,593	1,327	266	237	0	237	490	774	0
24	Comarch s.r.o.	521	487	0	0	34	-139	26	9	0	9	26	0	26	529	0	0
25	Comarch Pointshub Inc.	23,193	33,250	-3,720	0	-6,337	-5,973	-112	5,525	5,525	0	0	0	0	28,718	0	0

26	Comarch AB	1,277	22	0	0	1,255	-278	1,498	3,604	205	3,399	3,530	0	3,530	4,881	6,812	0
27	Comarch Argentina S.A.	1,410	929	0	0	481	5	313	7,886	554	7,332	5,424	0	5,424	9,296	6,962	0
28	Comarch Technologies sp. z o.o.	10,529	50	0	1,646	8,833	8,951	-393	1,215	58	1,157	6,006	0	6,006	11,745	6,306	0
29	CA Consulting S.A.	10,844	1,050	0	14,025	-4,231	-5,257	1,029	7,395	25	7,370	9,547	0	9,547	18,240	20,399	0
30	Comarch Management Sp. z o.o	39	300	0	0	-261	-235	-27	4	0	4	17	0	17	43	0	0
31	Comarch Corporate Finance FIZ	121,688	1,503	0	0	120,185	127,285	-7,100	98	0	98	4,632	0	4,632	121,786	0	0
32	Comarch Management Sp. z o.o. SK-A	282	170	0	6,634	-6,522	2,681	-46	12	0	12	44	0	44	294	0	0
33	Bonus Management Sp. z o.o. SK-A	28,820	2,879	0	22,498	3,443	1,837	269	725	129	596	10,113	2,500	7,613	29,545	47	0
34	Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością Cracovia Park SK-A	1,878	800	0	1,601	-523	-310	-213	43	0	43	108	0	108	1,921	47	0
35	Bonus Development Sp. z o.o. SK-A	40,804	5,640	0	42,401	-7,237	-6,710	-537	45,216	40,781	4,435	2,626	0	2,626	86,020	2,178	0
36	Bonus Management Sp. z o.o. II Activia SK-A	14,956	1,555	0	13,998	-597	-448	-149	891	0	891	1,203	0	1,203	15,847	63	0
37	Bonus Development Sp. z o.o. II Koncept SK-A	9,340	101	0	8,832	407	262	144	93	0	93	1,520	0	1,520	9,433	845	0
38	Comarch Healthcare S.A.	-420	6,015	0	54,224	-60,659	-71,391	-18,168	38,311	27,961	10,350	3,667	11	3,656	37,891	16,044	0

39	Comarch Polska S.A.	4,000	500	0	9,500	-6,000	2,074	-8,074	6,985	164	6,821	3,882	0	3,882	10,985	25,132	0
40	Comarch Pointshub S.A.	4,250	750	0	2,250	1,250	-106	1356	527	2	525	1,872	0	1,872	4,778	2,153	0
41	Comarch Infrastruktura S.A.	6,255	575	0	575	5,105	4,383	722	1,073	3	1,070	2,434	0	2,434	7,327	3,726	0
42	iComarch24 S.A.	1,666	500	0	2,000	-834	-779	-55	829	0	829	661	0	661	2,495	1,917	0
43	CASA Management and Consulting Sp. z o.o. SK-A	18,711	3,114	0	28,027	-12,430	-12,424	-7	15	1	14	124	0	124	18,726	0	0
44	Comarch Swiss AG	9,770	1,016	0	508	8,246	-2,282	4,556	3,549	562	2,987	3,102	0	3,102	13,319	29,156	0
45	CAMS AG	244	343	0	0	-99	-66	-62	115	0	115	0	0	0	359	0	0
46	Opso Sp. z o.o.	165	205	0	0	-40	-83	43	193	0	193	38	0	38	358	2,416	0
47	MKS Cracovia S.A.	42,849	21,840	0	22,728	-1,719	-32,892	8,024	17,800	8,178	9,622	6,329	0	6,329	60,649	35,026	0
48	SoInteractive S.A.	1,642	791	0	1,260	-409	-600	191	3,687	245	3,442	4,104	1126	2,978	5,329	10,100	0
49	Metrum Capital S.A.	34	700	0	0	-666	-479	-187	20	0	20	30	0	30	53	207	0
50	Thanks Again LLC	-5,796	43,274	-22,627	0	-26,443	-12,563	-13,880	17,392	0	17,392	1,700	0	1,700	10,828	5,228	0

Transactions with associates and personally related entities:

- purchases from personally related entities: PLN 2,848 thousand,
- sales to personally related entities: PLN 126 thousand,
- purchases from associates: PLN 9,418 thousand,
- sales to associates: PLN 6,363 thousand.



Wording after change:

Note 3e INTEREST OR SHARES IN RELATED PARTIES																	
No.	thousands of PLN																
	a	m						n			o			p	r	s	t
	Name of entity	Equity, including:						liabilities and provisions for liabilities:			receivables of entity, including:			Total assets	Revenue from sales	Value of interest / shares in entity unpaid by issuer	Interest / shares in entity unpaid by issuer dividends from entity received or due for the financial year
			Share capital	Supplem entary capital)	Other equity, including:		Noncu rrent liabiliti es	Current liabilitie s		Non-current receiv ables	Current receiva bles						
1	Comarch AG	128,464	61,888	90,973	-24,397	-29,562	768	107,674	2,755	104,919	67,578	200	67,378	236,139	124,673	0	0
2	Grupa Comarch Software und Beratung AG	65,642	24,590	62,947	-21,895	-40,344	26,033	41,153	5,459	35,694	30,420	0	30,420	106,796	135,980	0	0
3	Comarch Sistemas LTDA	11,136	1,208	0	9,928	2,264	5,911	38,834	6,185	32,649	20,342	62	20,280	49,970	27,080	0	0
4	Comarch Peru S.A.C.	194	196	0	-2	0	-12	12	0	12	0	0	0	206	0		
5	Comarch S.A.S.	9,176	34,752	0	-25,576	-25,859	-2,203	32,949	4,245	28,704	11,395	0	11,395	42,124	34,455	0	0
6	Comarch R&D S.a.r.l	-1,857	26	0	-1,883	-2355	231	5,584	4,100	1,484	1,894	59	1,835	3,726	8,403	0	0
7	Comarch Luxembourg S.a.r.l.	3,846	1,981	0	1,865	1,297	362	6,364	932	5,432	5,313	0	5,313	10,210	13,476	0	0
8	Comarch, Inc.	21,640	154	853	20,633	16,808	1,053	17,134	0	17,134	25,062	3781	21,281	38,774	54,352	0	0
9	Comarch Panama, Inc.	9,214	914	0	8,300	5,236	1,382	1,525	1	1,524	6,192	0	6,192	10,740	6,714	0	0

10	Comarch Canada Corp.	7,168	162	0	7,006	5,524	1,131	5,603	227	5,376	7,259	0	7,259	12,771	18,804	0	0
11	Comarch Espace Connecte Inc.	1,184	1,164	0	20	-34	-19	2	0	2	2	0	2	1,186	0		0
12	Comarch Middle East FZ-LLC	-4,736	200	0	-4,936	-6,845	485	31,101	0	31,101	22,744	0	22,744	26,365	34,663	0	0
13	Comarch LLC	-2,538	15	0	-2,553	-3,114	-769	8,061	0	8,061	4,674	0	4,674	5,523	5,655	0	0
14	OOO Comarch	3,731	140	585	3,006	1	3,052	13,103	16	13,087	9,473	0	9,473	16,834	14,925	0	0
15	Comarch Software (Shanghai) Co. Ltd.	-54	597	0	-651	-553	-16	71	29	42	0	0	0	17	0	0	0
16	Comarch Technologies Oy	334	198	0	136	12	88	3,667	0	3,667	1,295	0	1,295	4,000	4,631	0	0
17	Comarch UK LTD	9,624	271	0	9,353	420	8,677	9,285	0	9,285	13,125	0	13,125	18,908	27,970	0	0
18	Comarch Chile SpA	-3,073	920	0	-3,993	-5,205	1,617	13,604	5,015	8,589	8,842	0	8,842	10,531	15,887	0	0
19	Comarch Software Spain S.L.U.	-1,347	2,095	0	-3,442	-992	-2439	10,333	67	10,266	5,907	0	5,907	8,985	11,169	0	0
20	Comarch Colombia S.A.S.	199	245	3	-49	0	-29	563	0	563	569	0	569	761	521		
21	Comarch Yazilim A.S.	376	825	0	-449	405	-817	2,404	1,141	1,263	1,226	0	1,226	2,780	384	0	0
22	Comarch SRL	1,964	2,971	0	-1,007	-1,548	247	919	0	919	441	0	441	2,883	651		0
23	Comarch Malaysia SDN. BHD.	-1,103	517	0	-1,620	-286	-1,328	1,593	1,327	266	237	0	237	490	774		0
24	Comarch s.r.o.	521	487	0	34	-139	26	9	0	9	26	0	26	529	0	0	0
25	Comarch Pointshub Inc.	23,193	33,250	0	-10,057	-5,973	-112	5,525	5,525	0	0	0	0	28,718	0		0
26	Comarch AB	1,277	22	0	1,255	-278	1,498	3,604	205	3,399	3,530	0	3,530	4,881	6,812		0
27	Comarch Argentina S.A.	1,410	929	0	481	5	313	7,886	554	7,332	5,424	0	5,424	9,296	6,962		0

28	Comarch Technologies sp. z o.o.	10,529	50	1,646	8,833	8,951	-393	1,215	58	1,157	6,006	0	6,006	11,745	6,306	0	0
29	CA Consulting S.A.	10,844	1,050	14,025	-4,231	-5,257	1,029	7,395	25	7,370	9,547	0	9,547	18,240	20,399	0	0
30	Comarch Management Sp. z o.o	39	300	0	-261	-235	-27	4	0	4	17	0	17	43	0	0	0
31	Comarch Corporate Finance FIZ	121,688	1,503	0	120,185	127,285	-7,100	98	0	98	4,632	0	4,632	121,786	0	0	0
32	Comarch Management Sp. z o.o. SK-A	282	170	6,634	-6,522	2,681	-46	12	0	12	44	0	44	294	0	0	0
33	Bonus Management Sp. z o.o. SK-A	28,820	2,879	22,498	3,443	1,837	269	725	129	596	10,113	2,500	7,613	29,545	47	0	0
34	Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością Cracovia Park SK-A	1,878	800	1,601	-523	-310	-213	43	0	43	108	0	108	1,921	47	0	0
35	Bonus Development Sp. z o.o. SK-A	40,804	5,640	42,401	-7,237	-6,710	-537	45,216	40,781	4,435	2,626	0	2,626	86,020	2,178	0	0
36	Bonus Management Sp. z o.o. II Activia SK-A	14,956	1,555	13,998	-597	-448	-149	891	0	891	1,203	0	1,203	15,847	63	0	0
37	Bonus Development Sp. z o.o. II Koncept SK-A	9,340	101	8,832	407	262	144	93	0	93	1,520	0	1,520	9,433	845	0	0
38	Comarch Healthcare S.A.	-420	6,015	54,224	-60,659	-71,391	-18,168	38,311	27,961	10,350	3,667	11	3,656	37,891	16,044	0	0
39	Comarch Polska S.A.	4,000	500	9,500	-6,000	2,074	-8,074	6,985	164	6,821	3,882	0	3,882	10,985	25,132	0	0
40	Comarch Pointshub S.A.	4,250	750	2,250	1,250	-106	1356	527	2	525	1,872	0	1,872	4,778	2,153	0	0

41	Comarch Infrastruktura S.A.	6,255	575	575	5,105	4,383	722	1,073	3	1,070	2,434	0	2,434	7,327	3,726	0	0
42	iComarch24 S.A.	1,666	500	2,000	-834	-779	-55	829	0	829	661	0	661	2,495	1,917	0	0
43	CASA Management and Consulting Sp. z o.o. SK-A	18,711	3,114	28,027	-12,430	-12,424	-7	15	1	14	124	0	124	18,726	0	0	0
44	Comarch Swiss AG	9,770	1,016	508	8,246	-2,282	4,556	3,549	562	2,987	3,102	0	3,102	13,319	29,156	0	0
45	CAMS AG	244	343	0	-99	-66	-62	115	0	115	0	0	0	359	0		0
46	Opso Sp. z o.o.	165	205	0	-40	-83	43	193	0	193	38	0	38	358	2,416	0	0
47	MKS Cracovia S.A.	42,849	21,840	22,728	-1,719	-32,892	8,024	17,800	8,178	9,622	6,329	0	6,329	60,649	35,026	0	0
48	SoInteractive S.A.	1,642	791	1,260	-409	-600	191	3,687	245	3,442	4,104	1126	2,978	5,329	10,100	0	0
49	Metrum Capital S.A.	34	700	0	-666	-479	-187	20	0	20	30	0	30	53	207	0	0
50	Thanks Again LLC	-5,796	43,274	0	-49,070	-12,563	-13,880	17,392	0	17,392	1,700	0	1,700	10,828	5,228	0	0

Transactions with associates and personally related entities:

- purchases from personally related entities: PLN 2,848 thousand,
- sales to personally related entities: PLN 126 thousand,
- purchases from associates: PLN 9,418 thousand,
- sales to associates: PLN 6,363 thousand.



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

**KRAKOW, 28<sup>TH</sup> OF APRIL, 2017**

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**PLN 79  
million of  
operating  
profit**

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

**PLN 749  
million of  
sales revenue**

**4,276  
professionals  
employed**

**51  
subsidiaries  
worldwide**

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

**(31.12.2016)**

**Nearly 50%  
share of foreign  
sales in  
revenue from  
sales**



## 1. Information about the Company

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

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

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

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

#### AFTER THE BALANCE SHEET DATE

Without changes.

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

#### a) Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2016:

Name and surname	Position	Comarch S.A.	Metrum Capital S.A.
		Number of shares / nominal value in PLN	Number of shares / nominal value in PLN
Elżbieta Filipiak	Chairman of the Supervisory Board	1,323,461/ PLN 1,323,461	-
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobnik	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-
Robert Bednarski	Member of the	-	-

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

**AFTER THE BALANCE SHEET DATE**

Without changes.

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

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

**AFTER THE BALANCE SHEET DATE**

Without changes.

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

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

None present.

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

None present.

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

Information is included in note 40 of the financial statement.

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

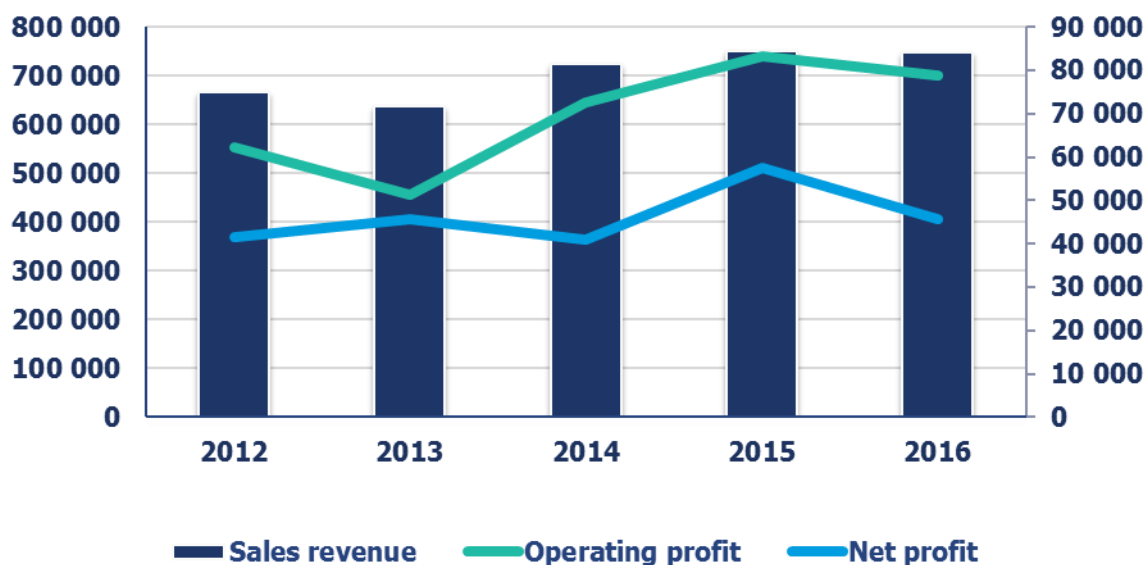
None present.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2016	2015	2014	2013	2012
Revenues from sales	749,213	749,556	724,825	637,692	666,859
Revenues from sales of proprietary IT solutions	720,021	677,941	638,094	537,902	495,343
Operating profit	78,834	83,377	72,508	51,305	62,392
EBITDA	114,135	114,881	102,044	80,162	84,779
Net profit	45,588	57,683	41,049	45,584	41,604
Profit per share (in PLN)	5.61	7.09	5.06	5.66	5.17
Assets	1,162,245	1,117,308	1,041,911	1,009,603	1,060,650
Book value	771,742	731,905	677,089	661,046	629,386
Book value per share (in PLN)	94.89	89.99	83.33	82.10	78.17

In 2016, the revenues from sales remained at the level of 2015 (a decrease of PLN 0.3 million, i.e. 0.05%). Operating profit amounted to PLN 78.8 million and was lower by 5.4% compared to that achieved in 2015, while net profit in 2016 was lower by PLN 12.1 million, i.e. by 21.0%.



EBIT margin decreased from 11.1% to 10.5% and net margin decreased from 7.7% to 6.1%.

### 2.2. Employment and Production Capacity of Comarch S.A.

As at 31<sup>st</sup> of December, 2016, in Comarch S.A. there were 4,276 employees compared to 3,943 persons as at 31<sup>st</sup> of December, 2015.

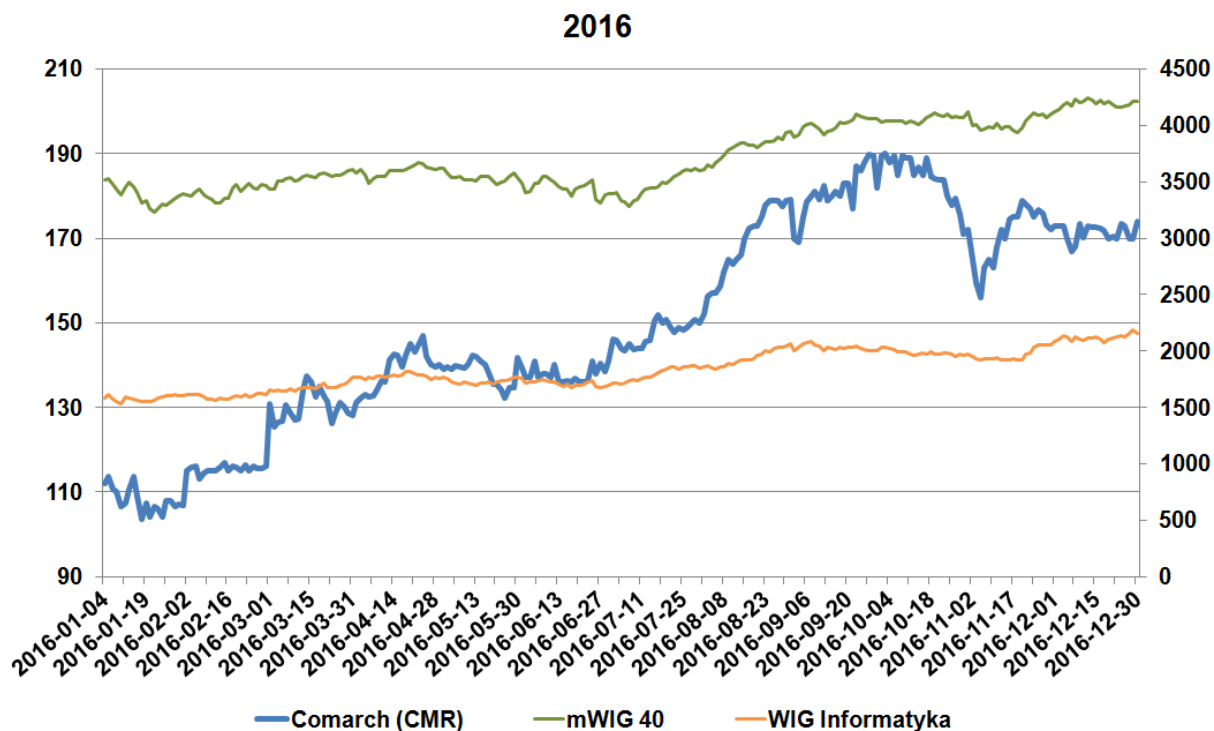
Average employment in Comarch S.A. from 2012 to 2016 is presented in tables below:

Number of employees:	2016	2015	2014	2013	2012
full-time	3 416	3 120	2 647	2 675	2 426
co-workers	733	731	548	651	535
<b>Total</b>	<b>4 149</b>	<b>3 851</b>	<b>3 195</b>	<b>3 326</b>	<b>2 961</b>

Employees:	2016	2015	2014	2013	2012
production employees and technical consultants	3 456	3 196	2 620	2 730	2 377
marketing and sales	344	323	288	306	302
management and administrative employees	349	332	287	290	282
<b>Total</b>	<b>4 149</b>	<b>3 851</b>	<b>3 195</b>	<b>3 326</b>	<b>2 961</b>

Most of production and services by Comarch consists in production and implementing of Company's own, versatile software and hardware products and in production of computer software on the basis of customer orders. The basic factor limiting the production capacity is human resources. As the Company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The Company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources. The Company diversifies the risk of limitations in availability of human resources by conducting business in 14 branches located in urban centers in Poland. As at 31<sup>st</sup> of December, 2016, 2,667 employees were employed in Krakow and 1,609 in other cities in Poland.

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



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

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

Data in PLN	12 months ended 31 December 2016 / 31 December 2016	12 months ended 31 December 2015 / 31 December 2015
Closing price at the balance sheet date	174.00	114.05
Average price during the reporting period	149.82	123.47
MIN price during the reporting period	103.70	103.20
MAX price during the reporting period	190.00	142.00
Average volume during the reporting period	6,314	4,796
Capitalization at the balance sheet date	1,415,202,726	927,608,453
Ratios for unconsolidated data		
P/E at the balance sheet date	31.02	16.09
P/BV at the balance sheet date	1.83	1.27
P/S at the balance sheet date	1.89	1.24

### 3. Products and Services Offered by Comarch in 2016

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

#### 3.1. TELECOMMUNICATIONS BUSINESS UNIT

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

#### PRODUCTS

##### IOT ECOSYSTEM

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

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

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

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

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

## SALES & CUSTOMER MANAGEMENT

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

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

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

## BILLING & CHARGING

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

**Comarch InterPartner Billing** allows service and content providers to exchange billing data and invoices and share revenue or cost information with partners. The system also facilitates the management of relations with domestic and international business partners, and supports various business models which include revenue sharing, wholesale and roaming services. The Comarch platform is easily scalable, ready to support today's newest services, and open to business evolution. The system can process high volumes of any kind of services (voice, data, messaging, content and others) within any kind of agreement, including bilateral, hubbing, revenue sharing, roaming, MVNO and content-based. The Partner Management functionality supports the management of relationships with partners and suppliers, and can automate most tasks required for cooperating with them.

## BSS TAILORED TO YOUR NEEDS

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



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

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

## FUTURE-PROOF OPERATIONS

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

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

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

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

## INTAGRATED ASSURANCE

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

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

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

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



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

## RESOURCE PLANNING & INVENTORY

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

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

**Comarch Network Planning** enables the Operator to manage telecom network planning, design and optimization processes comprehensively and efficiently. Process orchestrated planning is a future-proof way of making network investments, where the business value of the investment becomes more and more important in response to developing telecom opportunities. The solution simplifies the full use of your resources and adapts to changing demand in near real time.

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

**Comarch Configuration Management** enables service providers to automate network provisioning for all network domains, such as RAN, transmission, core and access. It is fully integrated with Inventory Planning & Design, which allows the planning and configuration loop to be closed and automates the whole end to end fulfilment process. Thanks to the reconciliation capability, configuration of the network is performed on the most up to date and accurate data from the live network.

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

## SERVICE DESIGN & FULFILLMENT

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

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

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

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

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

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

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

## PROFESSIONAL SERVICES

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

**Managed Services** offer telecom operators the opportunity to outsource system and/or process management, enabling them to optimize the delivery of services to customers and increase their availability, while decreasing the workload and business costs without compromising process quality or business/technology independence.

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

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

## 3.2. FINANCE, BANKING AND INSURANCE DIVISION

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

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

## PRODUCTS

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

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

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

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

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

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

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

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

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

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

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

### 3.3. COMARCH TECHNOLOGIES DIVISION

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

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

## PRODUCTS

### INTERNET OF THINGS

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

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

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

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

### FIELD SERVICE MANAGEMENT

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

### CYBER SECURITY

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

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

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

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

## RAPID PROTOTYPING & SHORT SERIES MANUFACTURING

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

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

## MOBILITY

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

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

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

## CERTIFICATION

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

## EMBEDDED SYSTEMS

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

## QUALITY ASSURANCE



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

## **OUTSOURCING**

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

### **3.4. ERP DIVISION**

#### **Comarch ERP Altum**

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

#### **Comarch ERP XL**

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

#### **Comarch ERP Optima**

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

#### **Comarch ERP XT**

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

#### **Comarch Retail**

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

#### **Comarch Mobile**

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

#### **Comarch WMS**

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

**Comarch Business Intelligence**

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

**Comarch BI Point**

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

**Comarch IBARD**

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

**iKsięgowość24**

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

**Comarch ERP Contractor Desk**

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

**Comarch e-Shop**

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

**Wszystko.pl**

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

**Comarch ERP e-Pracownik**

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

**Comarch ERP Inwentaryzacja**

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



### 3.5. PUBLIC DIVISION

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

#### **Comarch Workflow**

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

#### **Comarch Portal**

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

#### **Comarch e-Investor**

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

#### **Comarch e-Tourist**

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

#### **Comarch e-Office**

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

#### **Comarch ERP Egeria**

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

#### **Comarch ERP Egeria e-Health**

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

#### **Comarch ERP Egeria Education**

This is an integrated tool to provide support for academic institutions. The system consists of two parts: Front Office, to support didactic processes, control over student and scientific issues, and Back

Office, which is responsible for accounting, warehousing, HR and other processes related to administration over higher education institutions. The system is fitted with a wide range of reporting tools.

**Comarch ERP Egeria Virtual University**

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

**Comarch ERP Egeria Mobile Virtual University**

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

**Comarch ERP Egeria Leasing**

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

**Comarch ERP Egeria Leasing Partner Care**

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

**Comarch ERP Egeria Public Administration**

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

**Comarch ERP Egeria Utilities**

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

**Comarch Egeria EBOK**

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

**Comarch Mobile Inventory and Mobile Inventory**

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

**Comarch ERP Egeria Smart Office**

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

**Comarch Work Expenditures Recording**

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

**Comarch CBO for media trading companies and distributed recipients**

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

**Comarch CBO for media distribution companies**

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

**Comarch Network Assets Management System**

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

**Comarch IT Cost & Risk Analysis**

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

**Comarch Business Intelligence**

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

**Comarch Database Archive**

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

**Comarch Security Platform**

It is solution merging elements of both physical security and cybersecurity. It's an innovative Physical Security Information Management system supporting security of objects and protected areas. Our

solution integrates multiple security systems such as anti-theft alarms, CCTV, fire alarms and access control system, allowing users to manage all the security measures throughout one central security system. Additional components regarding image analysis, data correlation and predefined action procedures allows for automation of work, increasing security of protected area or building. Information analysis modules allows for detection and prevention of physical (terrorism, demonstrations) and cyber (hackers, botnets) threats.

#### **Comarch Smart City Platform**

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

#### **Comarch eRecording**

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

#### **Comarch Video Terminal**

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

### **3.6. SERVICES DIVISION**

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

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

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

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

#### **Comarch CRM&Marketing includes the following solutions and services:**

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

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

**Comarch Campaign Management** - was created to help marketers to easily define and manage marketing campaigns (both single channel and complex multi-wave designs) and deliver the right message to the right audience over the right channel. The solution streamlines integration and automation of marketing activities in order to get campaigns faster to market and increase revenue and business performance. The system helps users to apply process flows and tasks to optimize the resources across organization and collaborate efficiently. The tool allows the user to build drag-and-drop campaign lifecycles and execute multi-step, multi-channel, triggered and meaningful communication with customers. The system simplifies the automation of personalized campaigns based on specific customer interactions. The solution helps also to get a better insight into marketing costs and budget according to the campaign level and measure campaign results through a wide range of easy-to-access reports and customized dashboards.

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

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

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

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

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



communication planning, program organization and the development of detailed procedures and an IT requirements analysis.

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

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

**Customer Analytics** - our confidence and experience regarding analytical projects covers: data gathering, data cleaning and auditing, improving and maintaining data quality, and data analysis. We specialize in: elevating and understanding client needs, identifying purchase triggers, uncovering mechanisms responsible for creating engagement and customer loyalty. We do this by using a variety of methods and approaches taken from scientific practices and background.

## Management Solutions for motivation of employees

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

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

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

## Electronic Data Interchange solutions

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

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

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

- Reporting.

**Comarch EDI solutions:**

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

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

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

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

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

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

**Solutions for document and process management:**

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

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

**As part of Comarch ECM the following modules are offered:**

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

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

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

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

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

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

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

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

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

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

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

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

## **Solutions to support sales and distribution**

**Comarch SFA (Sales Force Applications)** are mobile and web solutions dedicated to running and optimizing business processes, including those related to sales, logistics and customer service. Our



portfolio includes systems for sales support and sales representatives' work management, integration solutions and communication services with business partners, as well as web-based applications for managing sales and trade marketing, marketing and promotions.

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

#### **Comarch SFA platform include:**

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

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

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

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

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

### **IT Infrastructure Management – Comarch ICT**

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

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

#### **Comarch Data Center**

Comarch has almost 20 years' experience in the provision of data centre services. These are services based on advanced technological data centers with high-availability and architecture TIER III and TIER IV that are an alternative for companies to expanding their IT infrastructure resources. They

allow clients to benefit from the use of a specially designed space, without the need to build it and without creating expensive infrastructure. We accompany the client at all stages of the project, starting from preparation of the initial concept, through design solutions, their implementation and migration, to maintenance and management.

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

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

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

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

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

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

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

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

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

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

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

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

## Comarch IT Outsourcing & Integration

Due to the dynamic changes in the market of IT infrastructure, an experienced technology partner is crucial these days for business development. IT environment of the company in hands of Comarch

engineers and analysts is a guarantee of continuity and availability of the required systems. Comarch offers a wide range of IT services, which are always tailored to individual customer needs. The most important services in this area include Comarch IT Outsourcing, Comarch Comarch IT Integration and Comarch Business Continuity.

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

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

**Comarch Business Continuity** - is a group of services designed to provide customers with high-availability systems, minimize the consequences of accidents and disasters, and the possibility to enable a quick return to the pre-failure state. Based on Comarch office space in Krakow and Warsaw, we offer customers a spare office for their key employees. The high-availability solution is a service for those customers for whom even a few minutes' critical system failure is a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the validity of the data stored and processed in IT systems. In addition, within this group of services we also provide audit services for various IT areas.

## Comarch IT Networks

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

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

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

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

Network Operations Center provides customers a current knowledge on the availability and performance of individual elements of their IT infrastructure, operating systems, and operating platform.

### **3.7. MEDICAL SECTOR**

Comarch is a provider of solutions dedicated to the health market. Its offer includes ERP software for hospitals and medical clinics, medical solutions for the education sector, Business Intelligence, IT solutions for regions and cities, and software for radiology.

#### **Comarch ERP**

Comarch ERP is a software supporting the management of the administrative part medical facility. Comarch ERP Egeria offers a broad portfolio of reports and analyses. At the same time, it allows users to define their own reports and statements, and various tools for analysing of recorded data.

#### **Business Intelligence for medical facilities**

BI for medical facilities is a software that allows you not only to process data from the ERP system and HIS, but also from EDM and many other domain systems used in medical facilities. It allows you to build multi-dimensional analyses of the whole process carried out in the institution. It also offers a number of ready-made desktops of information dedicated to specific employee groups and management levels and provides an easy way to create ad-hoc dashboards for specific users.

#### **Comarch Radiology Information System**

RIS is a modern software to support the work of diagnostic imaging facilities. The software has a full range of features to manage patient services as well as the flow of information in a medical facility. It can be an integral part of the HIS system, but also fully independently manage the department of diagnostic imaging.

#### **Comarch DICOM Runner**

Comarch DICOM Runner is a universal browser for radiological images. The browser allows you to watch radiological examinations in DICOM format of any modality and origin. It allows to perform measurements and transformations of radiological images.

#### **City of Health**

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

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

Due to the type of IT systems offered by Comarch S.A., medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. The Company's offer is dedicated to both Polish and foreign customers. Since many years, the Company's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe and South and North America. Sale in the Company is highly diversified, with no dependency on one major client. In 2016, the share of sale to none of the customer exceeded 10% of the Comarch S.A. sales.

Due to the specific nature of the industry, in which Comarch S.A. manages its operations, international concerns, which are producers of computer systems and programmer's tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply.

In 2016, share of none of the product provider exceeded 10% of the value of Comarch S.A. sales.

## 5. Sales Structure

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

	2016	%	2015	%	2014	%
Domestic	390,379	52.1%	431,929	57.6%	469,576	64.8%
Export	358,834	47.9%	317,627	42.4%	255,249	35.2%
<b>Total</b>	<b>749,213</b>	<b>100.0%</b>	<b>749,556</b>	<b>100.0%</b>	<b>724,825</b>	<b>100.0%</b>

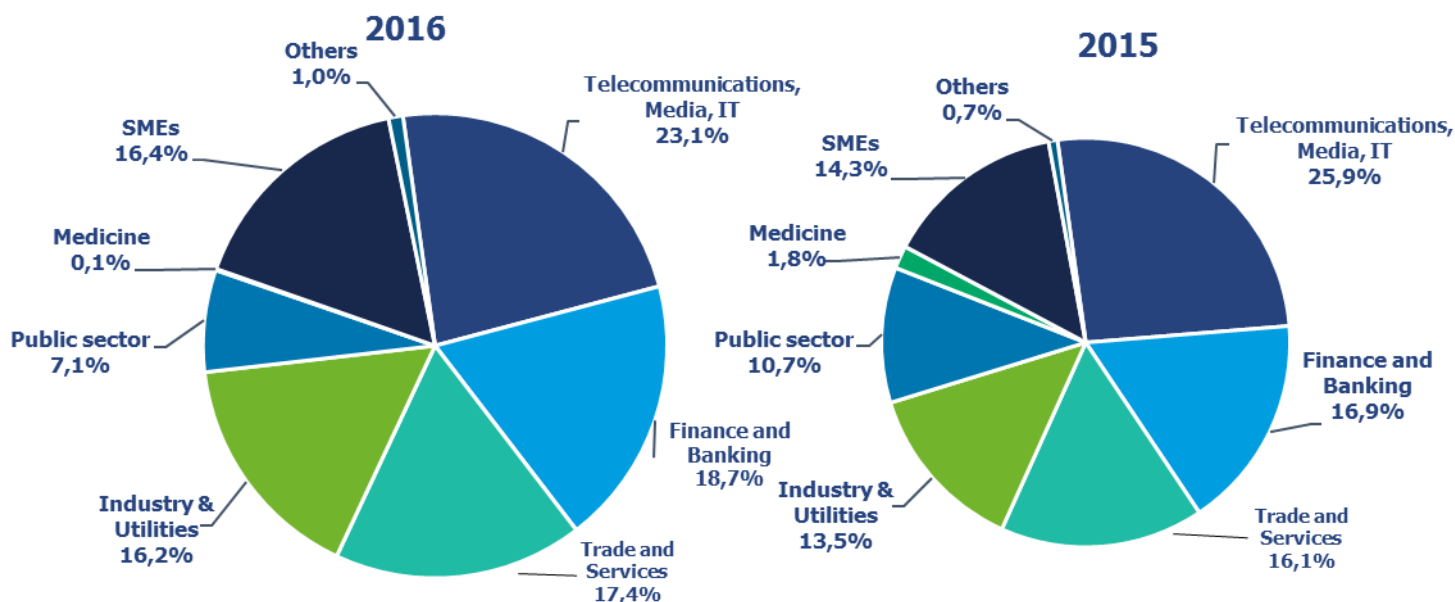
In 2016, revenues from the Company's sales remained at the same level as in 2015 (decrease of PLN 0.3 million, i.e. 0.05%). Export sales increased by PLN 41.2 million, i.e. 13.0%. Due to slowdown in Public sector, domestic sales decreased by PLN 41.6 million, i.e. 9.6%. The geographical sales structure has remained at the stable level throughout the year.

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

	2016	%	2015	%	2014	%
Telecommunication, Media, IT	173,480	23.1%	194,003	25.9%	165,444	22.8%
Finance and Banking	140,228	18.7%	126,834	16.9%	121,524	16.8%
Trade and Services	130,028	17.4%	120,961	16.1%	90,261	12.5%
Industry & Utilities	121,470	16.2%	101,194	13.5%	89,441	12.3%
Public Sector	52,959	7.1%	80,070	10.7%	147,969	20.4%
Medical Sector	931	0.1%	13,366	1.8%	6,485	0.9%
Small and Medium Enterprises	122,857	16.4%	107,549	14.3%	99,598	13.7%
Others	7,260	1.0%	5,579	0.7%	4,103	0.6%
<b>Total</b>	<b>749,213</b>	<b>100.0%</b>	<b>749,556</b>	<b>100.0%</b>	<b>724,825</b>	<b>100.0%</b>

Within 12 months of 2016 the downward sales trend to customers in the public sector has been continued: decrease of PLN 27.1 million, i.e. 33.9%, which is associated with a reduction of purchases by customers in this sector, due to transition restrictions in access to EU funding, but also reduced supplies of proprietary finished products of the Group. The public sector was responsible for 7.1% of Comarch SA revenues in the reporting period. Revenues from sales to customers in the Medical sector also decreased significantly. Revenues from sales to customers in the sector with the highest share in the structure of the Company's customers - TMT sector decreased by PLN 20.5 million (i.e. 10.6%) and its share diminished to the level of 2013 and reached 23.1%. Sales to customer

from other sectors compensated the drop in revenue in the above motioned sectors. The highest growth was recorded in sales to the customers in industry&utilities sector: an increase of PLN 20.3 million, i.e. 20.0%, and its share increased from 13.5% in 2015 to 16.2% in 2016. Revenues from sales to customers in the Finance and Banking sector noticeably increased (by PLN 13.4 million, i.e. 10.6%), as well as in the SME sector (an increase of PLN 15.3 million, i.e. 14.2%). The value of sales in the Trade and Services sector also increased: an increase of PLN 9.1 million, i.e. 7.5%, and its share in total sales is in third position and amounts of 17.4%.



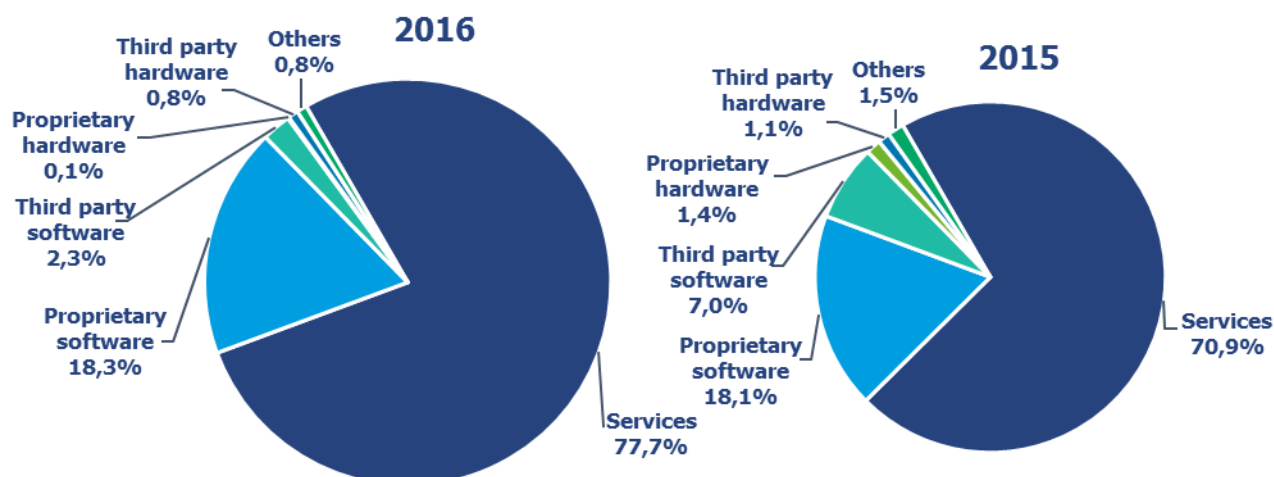
In each quarter of 2016, the structure of sales by customers remained stable.

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

	2016	%	2015	%	2014	%
Services	582 389	77,7%	531 255	70,9%	496 733	68,5%
Proprietary Software	137 214	18,3%	135 987	18,1%	102 413	14,1%
Third party Software	17 069	2,3%	52 159	7,0%	42 337	5,8%
Finished goods	418	0,1%	10 699	1,4%	38 948	5,4%
Hardware	5 963	0,8%	8 356	1,1%	26 439	3,7%
Others	6 160	0,8%	11 100	1,5%	17 955	2,5%
<b>Total</b>	<b>749 213</b>	<b>100,0%</b>	<b>749 556</b>	<b>100,0%</b>	<b>724 825</b>	<b>100,0%</b>

Within 2016, products sales structure was characterized by continuous increase in sales of services, which constitute an increasing share of sales revenues in Comarch S.A.: this is related, among others, to the ongoing changes into business model of services in sales of IT solutions. Within 12 months of 2016, total sales of services and proprietary software significantly grew: by PLN 52.4 million, i.e. 7.8%. This is both a consequence of an increase in sales of services (an increase of PLN 51.1 million, i.e. 9.6%) and better sales of proprietary software (an increase of PLN 1.2 million, i.e. 0.9%). Total share of sales of services and proprietary software in total sales amounted to 96.0%. Total sales of third-party software and computer hardware decreased by PLN 37.5 million, i.e. 61.9%, and accounted for only 2.7% of total sales. The sales of finished goods was significantly lower than in 2015 (a decrease of PLN 10.3 million, i.e. 96.1%), mainly as the result of reduced deliveries of third-party software to customers in the domestic market.





Over the whole 2016, sales structure by products remained stable.

## 6. Factors Essential for Development of the Issuer

### 6.1. Internal Factors

- a) Steady increase in export sales and significance of foreign sales;
- b) Position and reputation of the Company affecting the nature of clients acquired;
- c) Commercial operations of Comarch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
  - lower costs, especially variable costs related to a single contract,
  - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
  - broader and more diversified circle of clients, which means a broader scale of activities,
- e) Attractive training policy and attractive work conditions offered for employees of the Company;
- f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through marketing campaigns, including sports marketing (MKS Cracovia SSA);
- g) Necessity of continuous investment in human resources to maintain the Company's competitive edge in following years;
- h) High levels of investment expenditure designated for research and development activity and development of new products and IT services;
- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

### 6.2. External Factors

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;

- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the cloud computing model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Continued pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) Growing competition on the local labour market in IT sector in Krakow and other locations where the Company conducts its business;
- h) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- i) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The international economic situation, in particular in Europe, which influences the demand for IT products and services on this market, as well as the financial credibility of the customers in this region;
- k) The international political situation, including increasing risk of terrorist attacks in places of project management complicates their implementation.

## **7. Other Significant Factors, including Risks and Threats**

The Company is exposed to the following main types of financial risk:

### **7.1. Credit Risk**

Comarch S.A. establishes the financial credibility of potential clients before signing contracts for the supply of IT systems and adjusts the conditions of each contract to the potential risk depending on its assessment of the financial standing of the client. Concentration of credit risk is limited due to diversification of the Comarch's sales to a significant number of customers in different branch of economy, in different world's regions.

### **7.2. Risk of Change in Interest Rates**

The Company is exposed to the risk of changes in interest rates related to cash and cash equivalents, as well as long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR and EURIBOR index. The group has been hedging this interest rate risk using IRS contracts and it continuously monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

### **7.3. Risk of Fluctuation in the Exchange Rates**



The Company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EUR/PLN, USD/PLN, GBP/PLN, CAD/PLN, BRL/PLN, CHF/EUR and RUB/PLN. At the same time, part of the Parent Company's costs are also expressed in, or related to exchange rates for foreign currencies. In individual cases, the Company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change of credit's currency from PLN to EUR performed lately). The balance sheet value of assets and financial liabilities of the Company denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date.

#### **7.4. Financial Liquidity Risk**

The Company has a liquidity risk management system to manage its short, medium and long-term funds. The fundamental financial liquidity risk arises because the majority of costs incurred by the Company are fixed, while revenue from sales, as is typical for a services Company, fluctuates. The Company manages liquidity risk by holding the appropriate amount of working capital, by holding reserve credit lines in the current account, by constantly monitoring the forecasted and actual cash flows and by analysing the maturity profiles of financial assets and liabilities.

### **8. Perspectives of Development in the Company and Anticipated Financial Situation in 2017**

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

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

- risks related to R&D work (developing proprietary software products);
- risks related to implementation of long-term contracts;
- risks related to failure to meet contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- risk of foreign legal and political environment related to execution of export contracts;
- the credit risk related to the sale with deferred payment, and frequently with a long period of execution of contracts;
- risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees, the risk of increased labour costs;
- the risk of fluctuations in exchange rates and interest rates;

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

The Company does not expect any significant changes in its financial situation or in terms of the risks associated with its activities.

## 9. Financial Analysis

	31 December 2016	%	31 December 2015	%	2016/2015	%
<b>I. Non-current assets</b>	<b>701,603</b>	<b>60.4%</b>	<b>689,344</b>	<b>61.7%</b>	<b>12,259</b>	<b>1.8%</b>
Intangible assets	8,506	0.7%	10,469	1.0%	(1,963)	(18.8%)
Property, plant and equipment	296,496	25.5%	258,116	23.1%	38,380	14.9%
Long-term investment	388,998	33.5%	412,612	36.9%	(23,614)	(5.7%)
Non-current prepayments	7,603	0.7%	8,147	0.7%	(544)	(6.7%)
<b>II. Current assets</b>	<b>460,642</b>	<b>39.6%</b>	<b>427,964</b>	<b>38.3%</b>	<b>32,678</b>	<b>7.6%</b>
Inventories	43,273	3.7%	27,746	2.5%	15,527	56.0%
Current receivables	324,572	27.9%	291,780	26.1%	32,792	11.2%
Short-term investment	55,488	4.8%	71,127	6.4%	(15,639)	(22.0%)
Current prepayments	37,309	3.2%	37,311	3.3%	(2)	0.0%
<b>TOTAL ASSETS</b>	<b>1,162,245</b>	<b>100.0%</b>	<b>1,117,308</b>	<b>100.0%</b>	<b>44,937</b>	<b>4.0%</b>

As of the end of 2016, the value of the Company's assets increased by 4.0% compared to 2015, i.e. from PLN 1,117.3 million to PLN 1,162.2 million, as a result of an increase of current assets and partly also non-current assets. There was an increase of non-current assets of PLN 12.3 million compared to the previous year and this is mostly a consequence of increase in value property, plant and equipment of PLN 38.4 million, and the decrease in long-term investment of PLN 23.6 million. A decrease in the value of long-term investments is the result of repayment of granted loans and revaluation of investments in Comarch's Group subsidiaries. The increase in property, plant and equipment from PLN 258.1 million to PLN 296.5 million results from the expansion of the Company's infrastructure (building SSE7 in Krakow as well as purchase of land property in the Special Economic Zone in Krakow). The increase of PLN 32.7 million in current assets is mostly a consequence of an increase of 11.2% in current receivables from PLN 291.8 million to PLN 324.6 million and an increase of 56.0% (from PLN 27.7 million to PLN 43.3 million in inventories. An increase in inventories of PLN 15.5 million is mainly the result of an increase in rough products and products in progress. Decrease in short-term investments by 18.6% results from a decrease in cash. The value of prepayments remained was similar compared to December 2015. A decrease in short-term investment of 22.0% is a result of a decrease in cash.

	31 December 2016	%	31 December 2015	%	2016/2015	%
<b>I. Equity</b>	<b>771,742</b>	<b>66.4%</b>	<b>731,905</b>	<b>65.5%</b>	<b>39,837</b>	<b>5.4%</b>
Share capital	8,133	0.7%	8,133	0.7%	-	-
Supplementary capital	619,975	53.3%	562,292	50.3%	57,683	10.3%
Revaluation reserve	97,301	8.4%	103,052	9.2%	(5,751)	(5.6%)
Other reserve capitals	745	0.1%	745	0.1%	-	-
Previous years' profit (loss)	-	-	-	-	-	-
Net profit (loss)	45,588	3.9%	57,683	5.2%	(12,095)	(21.0%)
<b>II. Liabilities and provisions for liabilities</b>	<b>390,503</b>	<b>33.6%</b>	<b>385,403</b>	<b>34.5%</b>	<b>5,100</b>	<b>1.3%</b>
Provisions for liabilities	124,646	10.7%	140,669	12.6%	(16,023)	(11.4%)
Non-current liabilities	121,363	10.5%	101,209	9.0%	20,154	19.9%
Current liabilities	126,800	10.9%	131,535	11.8%	(4,735)	(3.6%)
Accruals	17,694	1.5%	11,990	1.1%	5,704	47.6%

**TOTAL EQUITY AND LIABILITIES**

<b>1,162,245</b>	<b>100.0%</b>	<b>1,117,308</b>	<b>100.0%</b>	<b>44,937</b>	<b>4.0%</b>
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Due to the high profit generated in 2016 and as a result of the net profit generated in 2015 taken into account in the supplementary capital, equity increased in 2016 by 5.4% and its share in the total equity and liabilities structure is slightly higher than last year (66.4% compared to 65.5% in 2015). Liabilities and provisions for liabilities constituted 33.6% in total equity and liabilities compared to 34.5% in the previous year. In 2016, short-term liabilities amounted PLN 126.8 million and was lower by PLN 4.7 million compared to that in 2015. Provisions for liabilities decreased by 11.4%, i.e. PLN 16.0 million, mostly resulting from a decrease in provisions for court proceedings, unused annual leaves and cash prizes. Value of non-current liabilities decreased by PLN 20.2 million. Other items of total equity and liabilities did not change significantly.

	2016	%	2015	%	2016/2015	%
I. Net revenues from sales of products, finished goods and materials	749,213	100.0%	749,556	100.0%	-343	0.0%
II. Cost of products, finished goods and materials sold	529,985	70.7%	524,252	69.9%	5,733	1.1%
III. Gross profit (loss) from sales (I-II)	219,228	29.3%	225,304	30.1%	(6,076)	(2.7%)
IV. Costs of sales	67,002	8.9%	76,706	10.2%	(9,704)	(12.7%)
V. Administrative costs	55,719	7.5%	53,663	7.2%	2,056	3.8%
VI. Profit (loss) on sales (III-IV-V)	96,507	12.9%	94,935	12.7%	1,572	1.7%
VII. Other operating revenues	1,318	0.2%	2,148	0.3%	(830)	(38.6%)
VIII. Other operating costs	18,991	2.6%	13,706	1.8%	5,285	38.6%
IX. Profit (loss) on operating activities (VI+VII-VIII)	78,834	10.5%	83,377	11.1%	(4,543)	(5.4%)
X. Financial revenues	6,398	0.9%	7,620	1.0%	(1,222)	(16.0%)
XI. Finance costs	28,686	3.9%	24,278	3.2%	4,408	18.2%
XII. Profit (loss) on business activities (IX+X-XI)	56,546	7.5%	66,719	8.9%	(10,173)	(15.2%)
XIII. Gross profit (loss) (XII)	56,546	7.5%	66,719	8.9%	(10,173)	(15.2%)
XIV. Income tax	10,958	1.5%	9,036	1.2%	1,922	21.3%
XV. Net profit (loss) (XIII-XIV)	45,588	6.1%	57,683	7.7%	(12,095)	(21.0%)

In 2016, revenues from the Company's sales remained at the same level as in 2015 (a decrease of PLN 0.3 million, i.e. 0.05%). Operating profit reached PLN 78.8 million and decreased by 5.4% compared to operating profit in 2015. Net profit decreased by 21.0% compared to that in the previous year. EBIT margin in 2016 decreased from 11.1% to 10.5% and net margin decreased from 7.7% to 6.1%. The reason for the improvement in profitability was a significant increase in revenues from sales of proprietary products and services and lower other operating costs. Despite the small decline, EBIT margin and net margin remained satisfactory.

Profitability Analysis	2016	2015	2014	2013	2012
Margin on sales	29.3%	30.1%	30.6%	24.6%	25.6%
EBIT margin	10.5%	11.1%	10.0%	8.0%	9.4%

Gross margin	7.5%	8.9%	7.4%	7.6%	6.5%
Net margin	6.1%	7.7%	5.7%	7.1%	6.2%
Return on assets	3.9%	5.2%	3.9%	4.5%	3.9%
Return on equity	6.3%	8.6%	6.5%	7.4%	7.1%

The margin on sales decreased slightly from 30.1% to 29.4%. The other indicators have also slightly decreased.

Liquidity analysis	2016	2015	2014	2013	2012
Current ratio	3.2	3.0	3.1	2.5	2.0
Quick ratio	2.6	2.5	2.7	2.1	1.7
Cash to current liabilities ratio	0.4	0.5	0.7	0.3	0.1

As in previous years, also in 2016 the Company was characterized by very good financial liquidity. The increase in ratios compared to that in 2015 was due to higher level of current receivables, and at the same time, lower level of short-term liabilities. In the opinion of the Management Board, Comarch SA has no problems with meeting its liabilities. The Company invests temporarily free funds in safe financial instruments (bank deposits, shares in investment funds).

Turnover analysis	2016	2015	2014	2013	2012
Current asset turnover ratio	1.6	1.8	1.8	1.6	1.4
Receivables turnover ratio (days)	156	140	131	167	218
Inventories turnover ratio (days)	24	15	12	16	21
Liabilities turnover ratio (days)	137	128	130	148	193
Liabilities turnover excluding liabilities due to investment credit ratio (days)	70	72	69	97	143

Turnover ratios confirm the effective use of the Company's funds. In 2016, the receivables turnover ratio, the inventory turnover ratio, and liabilities turnover ratio were extended, while the liabilities turnover excluding liabilities due to investment credit ratio was slightly shortened. Rotation of current assets once again decreased slightly.

Debt analysis	2016	2015	2014	2013	2012
Debt ratio	33.6%	34.5%	35.0%	34.5%	40.7%
Debt ratio due to non-current credits	10.4%	9.1%	10.0%	8.3%	7.9%
Debt/equity ratio	50.6%	52.7%	53.9%	52.7%	68.5%

Due to the significant increase in equity, most of debt ratios in 2016 were improved compared to the previous year. Debt to equity ratio fell from 52.7% to 50.6%, while the debt ratio due to non-current credits grew from 9.1% to 10.4%. 66.4% of the Company's funds come from internal financing and 33.6% come from outside financing.

## Methods of Calculation of Financial Ratios

### Debt ratios

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

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

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

### Profitability Ratios

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

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

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

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

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

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

### Liquidity ratios

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

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

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

### Turnover ratios

$$\text{current asset turnover ratio} = \frac{\text{net revenues from sales of products, finished goods and materials}}{\text{current assets}}$$

$$\text{receivables turnover ratio (days)} = \frac{(\text{current receivables}) * 360}{\text{net revenues from sales of products, finished goods and materials}}$$

$$\text{inventories turnover ratio (days)} = \frac{\text{inventories} * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{liabilities turnover ratio (days)} = \frac{(\text{non-current liabilities} + \text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{liabilities turnover excl. liabilities due to invest. credit ratio (days)} = \frac{(\text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

## 10. Credits, Loans, Suretyships, Bank Guarantees

### 10.1. Non-Revolving Credits

- a) An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to PLN 44,000 thousand. The crediting period may last a maximum of 16 years, i.e. till 2024. This credit has a variable interest rate EURIBOR1M+margin. 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 December, 2016, the value of the credit to be repaid amounted to EUR 4,802 thousand, i.e. PLN 21,244 thousand (EUR 5,422 thousand, i.e. PLN 23,104 thousand as at the 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of July, 2024.
- b) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4,126 thousand. The crediting period may last 8 years, i.e. till 2021. This credit has a variable interest rate EURIBOR1M+margin. The real estate mortgage in the amount of EUR 6,189 thousand and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 2,493 thousand, i.e. PLN 11,028 thousand (EUR 2,966 thousand, i.e. PLN 12,638 thousand as at the 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 31<sup>st</sup> of October, 2018.
- c) An investment credit from BGŻ BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2,400 thousand. The crediting period may last until 2016. The credit was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+margin. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. In the second quarter of 2016, the credit was fully repaid.



- d) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wrocław acquired in the first quarter of 2013, for financing of Company's operations. The credit amounts to EUR 7,400 thousand. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+margin. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at the 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 3,899 thousand, i.e. PLN 17,249 thousand (EUR 4,774 thousand, i.e. PLN 20,345 thousand as at the 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 28<sup>th</sup> of June, 2019.
- e) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323 thousand. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+margin. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage, cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. As at the 31<sup>st</sup> of December, 2016, the value of the credit to be repaid amounted to EUR 11,519 thousand, i.e. PLN 50,960 thousand (EUR 13,184 thousand, i.e. PLN 56,185 thousand as at the 31<sup>st</sup> of December, 2015). In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of November, 2023.
- f) An investment credit agreement with Bank Handlowy w Warszawie S.A. with its registered office in Warsaw, for financing and refinancing of not more than 75% of net costs of an investment related to construction of office building SSE7 in the Special Economic Zone in Krakow. The credit amounts to EUR 13,333 thousand, i.e. PLN 58,144 thousand as at the date of the agreement. The crediting period: 12 years and lasts until the 15<sup>th</sup> of May, 2028. The credit was granted in EUR and has a variable interest rate EURIBOR1M + margin. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16<sup>th</sup> of May, 2018. Securities for this credit are: contractual mortgage established on real estate on which the investment is implemented, declaration of submission to enforcement, power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. and cession of rights in the building SSE7 insurance contract, concluded after completion of the investment. As at the 31<sup>st</sup> of December, 2016, the credit has not been run. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 29<sup>th</sup> of February, 2028.
- g) A non-revolving long-term credit in Bank Handlowy w Warszawie S.A. with its registered office in Warsaw for financing current operations. The credit amounts to EUR 2,508 thousand, i.e. PLN 10,938 thousand at the date of the agreement. The crediting period is 43 months and lasts until the 16<sup>th</sup> of December, 2019. The credit was granted in EUR, the interest rate of the credit is based on a variable rate EURIBOR1M + margin. The credit disbursement should take place within 24 months from the date of signing the agreement, i.e. until the 16<sup>th</sup> of May, 2018. Securities for this credit are: declaration of submission to enforcement and power of attorney to manage Comarch S.A. bank accounts in Bank Handlowy w Warszawie S.A. As at the 31<sup>st</sup> of December, 2016, the value of launched credit amounted to EUR 2,365 thousand, i.e. PLN 10,465 thousand. In order to hedge the interest rate risk of this credit, Comarch SA entered into an IRS transaction valid until the 30<sup>th</sup> of September, 2019.
- h) An investment credit agreement with DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing up to 100% of investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand as at the date of the agreement. The crediting period lasts until the 30<sup>th</sup> of December, 2023. The credit was granted in EUR and has a variable interest rate



EURIBOR1M + margin. The credit was used in the first quarter of 2017. Securities for this credit are: registered pledge on devices which are the subject of financing to the amount of 150% of the credit, cession of rights under the insurance contract of devices, a declaration of submission to enforcement by Comarch S.A. and a power of attorney to manage Comarch S.A. bank accounts in DNB Bank Poland SA. As at the 31<sup>st</sup> of December, 2016, the credit has not been run.

As at the 31<sup>st</sup> of December, 2016, Comarch S.A. had liabilities due to non-revolving long-term credits in the amount of PLN 110,946 thousand.

## **10.2. Revolving credits**

As at 31<sup>st</sup> of December, 2016, Comarch S.A. has the credit limits in current account in the amount of PLN 40,000 thousand.

- Credit limit in current account in bank Alior Bank Spółka Akcyjna (formerly 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, 2017. A blank promissory note and an authorization to manage Comarch S.A.'s accounts in Alior Bank Spółka Akcyjna (formerly BPH S.A.) are security for this credit. This credit has a variable interest rate amounted to EURIBOR1M+margin. As at the 31<sup>st</sup> of December, 2016, the credit was not used, as well as at the 31<sup>st</sup> of December, 2015.
- Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 30,000 thousand. It can be used by the 30<sup>th</sup> of June, 2018. An authorization to manage Comarch S.A.'s accounts in bank Pekao S.A. and a declaration of submission to enforcement are security for this credit. This credit has a variable interest rate amounted to EURIBOR1M+margin. As at the 31<sup>st</sup> of December, 2016, the credit was not used, as well as at the 31<sup>st</sup> of December, 2015.

## **10.3. Loans**

### **a) Loans Taken by Comarch S.A.**

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 reached its maturity date in September, 2016. It had a fixed interest rate. The loan was fully repaid in 2016.

In the third quarter of 2016, 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 12,980 thousand. The loan will reach its maturity date in March, 2022. As at the 31<sup>st</sup> of December, 2016, the value of capital outstanding was PLN 10,415 thousand.

### **b) Loans Granted to Companies in Comarch Group**

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

<b>Company</b>	<b>Due date</b>	<b>Value</b>	<b>Currency</b>	<b>Interest</b>	<b>Value in PLN</b>
Comarch Chile SpA	2019-12-31	1,200,000	USD	3.5640%	5,015,160
Comarch Yazilim A.S.	2018-06-30	250,000	EUR	2.0490%	1,106,000
Bonus Development	2028-12-31	3,858,729	PLN	4.6200%	3,858,729

Sp. z o.o. SK-A

SoInteractive S.A.	2019-09-30	410,000	PLN	3.7900%	410,000
<b>Total</b>					<b>10,389,889</b>

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

#### c) Loans Granted to Employees of Comarch S.A.

None present.

#### d) Loans Granted to Members of the Management Board and Members of the Supervisory Board

As at 31<sup>st</sup> of December, 2016, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

### 10.4. Suretyships

- a) Due to conclusion in August, 2010, of a contract with a customer by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. has granted a surety for the customer. This surety has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG. The value of the guarantee equals the value of the contract, i.e. approximately EUR 53,666 thousand. The financial conditions, that the surety was provided on, do not differ from the market conditions.
- b) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for obligations of Comarch Inc. The value of the surety amounts to USD 3,000 thousand and it is valid for the whole term of the contract.
- c) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5,495 thousand.
- d) Due to Bank Pekao S.A. granting an investment loan in the amount of PLN 15,889 thousand to Comarch Healthcare S.A., 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, 2017.
- o) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. approximately EUR 10 thousand monthly and is valid till the termination of the contract.
- p) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- q) Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The total amount of granted surety is PLN 50 thousand and is valid till the 31<sup>st</sup> of May, 2017.

- r) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.
- s) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and for a period of 5 years.
- t) Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- u) Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. o.o. SK-A funding in the amount of PLN 38,800 thousand (EUR 9,262 thousand on the date of signing the agreement) and due to the conclusion of the agreement on treasury transactions related to securing exchange rate risk and interest rate of above mentioned credit, Comarch S.A. granted a sureties for the liabilities of Bonus Development Sp z o.o. SK-A resulting from these contracts. Sureties are valid until repayment of all obligations under the credit agreement, the maturity date is on the 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, i.e. 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 14<sup>th</sup> of September, 2017.
- x) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- y) Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- z) Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- aa) Due to conclusion of a contract by Comarch Inc., a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch S.A. granted a surety for Comarch Inc. The surety was granted up to the amount of USD 420 thousand and is expired due to termination of the contract.

- bb) Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- cc) Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.
- dd) Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 9,570 thousand and is valid for the duration of the contract.
- ee) Due to conclusion of by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- ff) Due to conclusion of a contract by Comarch SAS, a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch SAS was granted to the amount of EUR 2,414 thousand and is valid for the duration of the contract.

## 10.5. Bank Guarantees

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

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

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

### 11.1. Contracts Significant for Issuers' Activities

The most important contracts signed in 2016 are:

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

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

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



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

1. On implementation of the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract is construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building will be 27,736 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. Completion of the investment was in the fourth quarter of 2016.

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

### **11.1.3. Investment Credit Agreement with BGŻ BNP Paribas**

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. 2/2016 dated the 15<sup>th</sup> of March, 2016. The credit amounts to EUR 8,000 thousand, i.e. PLN 34,164 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 18<sup>th</sup> of September, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 18<sup>th</sup> of September, 2017. Comarch S.A. announced details in current report no. 4/2016 dated the 18<sup>th</sup> of March, 2016.

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

In connection with conclusion by Comarch S.A.S., a subsidiary of Comarch S.A. and Comarch S.A. (as co-borrower) on the 18<sup>th</sup> of March, 2016, a credit agreement with a bank BGŻ BNP Paribas S.A. (Comarch S.A. announced it in the current report 4/2016 dated the 18<sup>th</sup> of March, 2016), the value of contracts signed in the last 12 months between the entities of Comarch Group and entities of BNP Paribas Group exceeded 10% of the equity of Comarch 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 no. 5/2016 dated the 18<sup>th</sup> of March, 2016

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

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

- 1) investment credit agreement for financing and refinancing of 75% of net costs of an investment related to construction of an office building SSE7 in the Special Economic Zone in Krakow, about which Comarch S.A. informed in current report no. 3/2016 dated the 18<sup>th</sup> of March, 2016. The credit amounts to EUR 13,332,640.00, i.e. PLN 58,143,643.04 (exchange rate as of the date of signing the

agreement). The crediting period is 12 years and lasts until the 15<sup>th</sup> of May, 2028, the credit currency is EUR, the interest rate of the credit is based on a variable rate. The credit should be taken out within 24 months from the date of signing the credit agreement, i.e. by the 16<sup>th</sup> of May, 2018. The credit is secured by: the conventional mortgage of EUR 16,665,800.00, i.e. PLN 72,679,553.80 (exchange rate as of the date of signing the agreement) established on the property on which construction works are being implemented (SSE7 building), a statement of Comarch S.A. of submission to enforcement, power of attorney to accounts of Comarch S.A. maintained in Bank Handlowy w Warszawie S.A., cession of rights in the insurance policy of SSE7 building, concluded after the completion of the investment.

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

#### **11.1.6. Conclusion of Significant Agreements with Telefonica Group**

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

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

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

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

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

#### **11.1.7. Investment Credit Agreement with DNB Bank Polska**

The Management Board of Comarch S.A. announces that on the 19<sup>th</sup> of August, 2016, Comarch S.A. signed an investment credit agreement with bank DNB Bank Polska Spółka Akcyjna with its registered office in Warsaw, for financing/refinancing 100% of net investment expenditures related to the purchase of technical devices, which are the equipment of IoT laboratory (Internet of Things) located in building SSE6 in Special Economic Zone in Krakow. The credit amounts to EUR 2,531 thousand, i.e. PLN 10,854 thousand (exchange rate as of the date of signing the agreement). The crediting period lasts until the 30<sup>th</sup> of December, 2023, the interest rate of the credit is based on a variable rate. The credit should be taken out by the 30<sup>th</sup> of December, 2016. The credit is secured by:

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

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

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

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

### **AFTER THE BALANCE SHEET DATE**

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

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

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

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

Geopolis sp. z o.o. supports informatization in public administration units by creating and implementing integrated registers and records of a spatial nature, systems for managing of state surveying and cartographic resource database as well as geoportals. Acquiring of Geopolis sp. z o.o. will allow Comarch Group to expand the product portfolio dedicated to the public sector.

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





## **11.2. Other**

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

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

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

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

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

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

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

## **AFTER THE BALANCE SHEET DATE**

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

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

In the opinion of the Issuer the request directed to CA Consulting S.A. has neither justification nor grounds in the provisions of the Agreement of 2005. According to the Issuer, exceeding the parameters of the SLA results from the reasons attributable to the Bank which are beyond the control of CA Consulting S.A., including in particular the fact that the volume of transactions processed by the System repeatedly exceeded the project assumptions set out in the Agreement, as well as the lack of sufficient Bank investment in the modernization of the infrastructure, necessary for the functioning of the CIB System over the last nine years. The large part of currently existing infrastructure comes from

2008 and it has the same computing power as at that time, which is currently not enough for proper operation of the System. CA Consulting S.A. has repeatedly informed the Bank about this fact, including in writing, informing about necessity of revitalization and modernization work aimed at increasing initial performance benchmarks, as well as performing works adjusting the System to the number of processed transactions, among others in the letter of January 2017 from the Management Board of Comarch S.A. to the Management Board of Pekao S.A., as well as from the Management Board of CA Consulting S.A. to the managers of Pekao S.A.

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

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

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

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

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

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

The Group does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, Comarch will consistently aim at increase in international sales, especially in Western Europe. The sales will be executed directly to the final client (through Comarch S.A. or another Company from the Comarch Group) or through partner companies.

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the Company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, but also with bank credits.

### **12.1. Capital Investments**

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

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

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

On the 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 256,802 at the exchange rate of 31.12.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

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

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

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

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

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

## **12.2. Real Estates**

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

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

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

Comarch S.A. in 2016 purchased the land property located in the Special Economic Zone in Krakow with an area of 1.31 ha. The transaction price amounted to PLN 3,831 thousand.

## **13. Resolutions of the AGM and the Board of Supervisors**

### **13.1. Corporate Governance Principles**

Pursuant to the detailed principle number II.Z.11 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board announced in EBI current report no. 3/2016 that on the 16<sup>th</sup> of May, 2016, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2016 in which projects of the resolutions at the AGM, to be held on the 15<sup>th</sup> of June, 2016, are given positive opinions.

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

### **13.2. Annual General Meeting – 15<sup>th</sup> of June, 2016**

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

On the 16<sup>th</sup> of May, 2016, pursuant to article 395, 399 § 1, article 402 with index 1 and 402 with index 2 of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the Company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 11:00 o'clock on the 15<sup>th</sup> of June, 2016, at ul. Prof. Michała Życzkowskiego 23 in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402 with index 2 of the Code of Commercial Companies and Partnerships, the Company's Management Board has presented information on participation in the Company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,

- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 30<sup>th</sup> of May, 2016,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The Company's website and e-mail address.

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

## **b) Content of the Resolutions Passed at the AGM**

The AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the Company's financial statement for the fiscal year 1.01.2015 - 31.12.2015;
- approving the report of the Management Board regarding the activities of the Company in 2015;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2015 - 31.12.2015;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2015;
- approving the activity report of the Company's Board of Supervisors for the fiscal year 2015, including assessment of the Company's situation;
- distribution of the Company's net profit for the fiscal year 1.01.2015 - 31.12.2015;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2015 - 31.12.2015;
- appointment of the Members of the Board of Supervisors:
  - Elżbieta Filipiak – Chairman of the Supervisory Board,
  - Maciej Brzeziński – Vice-Chairman of the Supervisory Board,
  - Robert Bednarski – Member of the Supervisory Board,
  - Danuta Drobnik – Member of the Supervisory Board,
  - Wojciech Kucharzyk – Member of the Supervisory Board,
  - Anna Ławrynowicz – Member of the Supervisory Board,
  - Anna Pruska – Member of the Supervisory Board.
- appointment of the Members of the Management Board:
  - Janusz Filipiak – Chairman of the Management Board,
  - Marcin Dąbrowski – Vice-President of the Management Board,
  - Paweł Prokop – Vice-President of the Management Board,
  - Andrzej Przewięźlikowski – Vice-President of the Management Board,
  - Zbigniew Rymarczyk – Vice-President of the Management Board,
  - Konrad Tarański – Vice-President of the Management Board,
  - Marcin Warwas – Vice-President of the Management Board.
- changes in the Company's Statute. Changes in the Company's Statute were registered by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register on the 29<sup>th</sup> of August, 2016 (current report no 23/2016 dated the 6<sup>th</sup> of September 2016).

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



**c) Resolution of the AGM Regarding Dividend for 2015**

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

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

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

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

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

**14. Operations on Comarch S.A. Shares****14.1. Purchase/Disposal Transactions on Comarch S.A. Shares**

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

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

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

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

On the 5<sup>th</sup> of July, 2016, the Management Board of Comarch S.A. received from a person closely related to the persons discharging managerial responsibilities, a notification of transactions referred to

in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16<sup>th</sup> of April, 2014, on market abuse. This transaction concerned:

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

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

#### **AFTER THE BALANCE SHEET DATE**

None present.

### **14.2. Change in the total number of votes at Comarch S.A.**

On the 5<sup>th</sup> of July, 2016, the Management Board of Comarch S.A. received from Mr. Janusz Filipiak a Notification, pursuant to Art. 69 par. 2 point 2 of the Act on Public Offering, the terms for introducing and trading financial instruments on the stock exchange, as well as public companies, that contained information about the change of so far held over 33% of the total number of votes by at least 1% of the total number of votes in Comarch S.A. Reduction of the involvement of at least 1% of the total number of votes was a result of disposal of shares of the Company on the 30<sup>th</sup> of June, 2016. Directly before the change Mr. Janusz Filipiak held 2,674,488 of shares, representing 32.88% of the share capital of the Company and entitled to 6,246,488 votes at the General Shareholders Meeting, which constituted 41.30% of total votes at the General Shareholders Meeting of the Company. Currently, Mr. Janusz Filipiak holds 1,997,027 shares, representing 24.55% of the share capital and entitling to 5,569,027 votes at the General Shareholders Meeting, which constitutes 36.82% of total votes at the General Shareholders Meeting of the Company.

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

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

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

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



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

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

### **14.3. Managerial Option Program for Members of the Management Board**

None present.

## **15. Other Events in 2016 and after the Balance Sheet Date**

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

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

#### **AFTER THE BALANCE SHEET DATE**

### **15.2. Dates of Periodical Financial Reports in 2017**

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

- 1) Q4 2016 - on 1<sup>st</sup> of March, 2017
- 2) Q1 2017 - on 22<sup>nd</sup> of May, 2017
- 3) Q3 2017 - on 17<sup>th</sup> of November, 2017
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2017 - on 31<sup>st</sup> of August, 2017
- 5) Annual report for 2016 - on 28<sup>th</sup> of April, 2017
- 6) Consolidated annual report for 2016 - on 28<sup>th</sup> of April, 2017

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

Between the 1<sup>st</sup> of January, 2017 and the 28<sup>th</sup> of April, 2017, Comarch S.A. concluded forward contracts for the sales of RUB 76,000 thousand. The total net value of open forward contracts as of the 28<sup>th</sup> of April, 2017 amounted to EUR 33,560 thousand, USD 17,300 thousand, GBP 100 thousand and RUB 64,000 thousand. The open forward contracts as of the 28<sup>th</sup> of April, 2017 were valued at plus PLN 14,706 thousand. The contracts will be settled within 33 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the

remuneration is set in a foreign currency, as well as to secure cash flows from an investment loan granted in euro, but run in PLN.

## 16. Achievements within Research and Development

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

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to PLN 131.3 million, thus reached 17.5% of revenue in 2016. Comarch allocated their internal funds as well as acquired actively European funds.

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

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

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



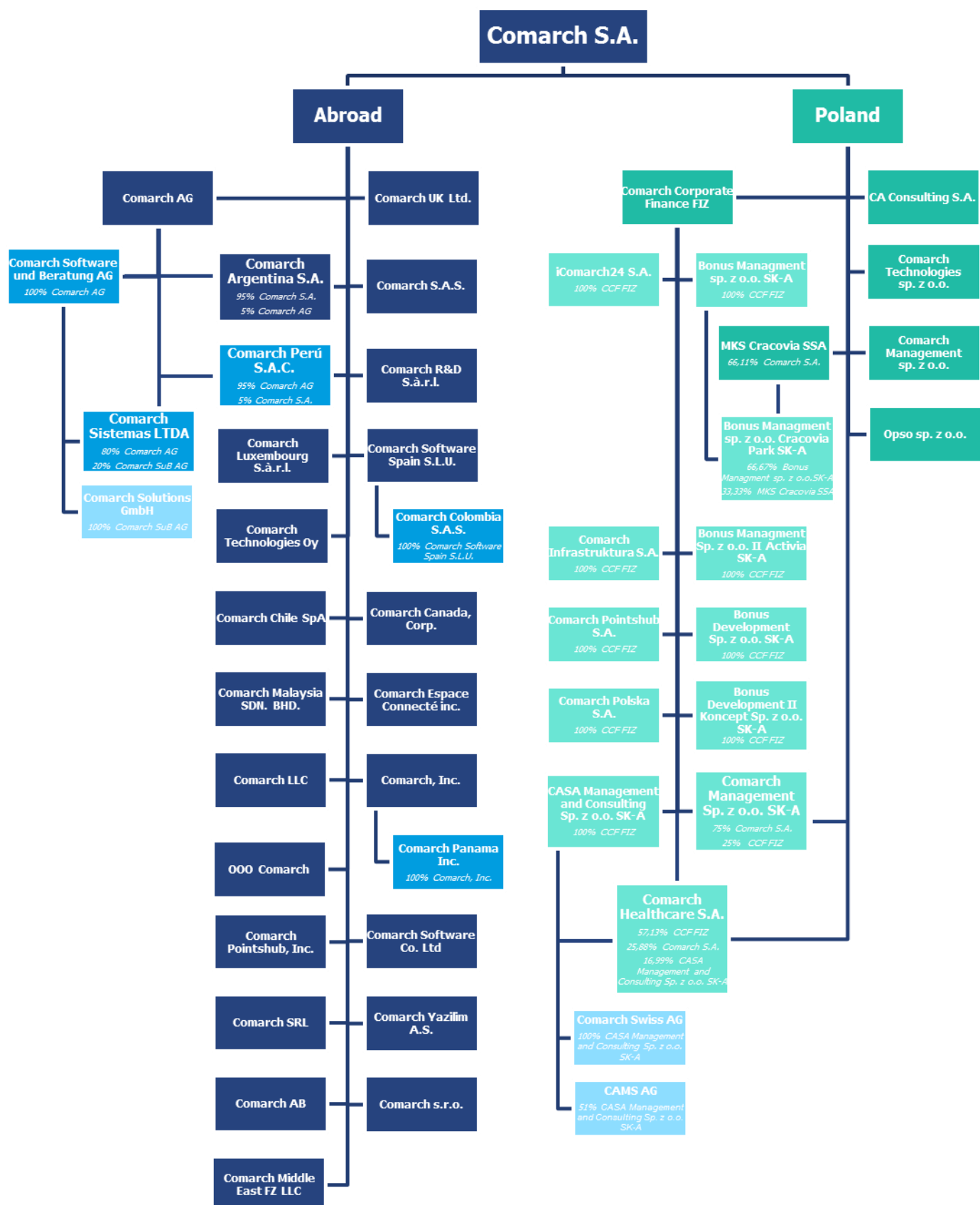
**Fundusze Europejskie**  
Inteligentny Rozwój

**Unia Europejska**  
Europejski Fundusz  
Rozwoju Regionalnego



## **17. Capital Affiliations of the Issuer**

## 17.1. Capital Structure of the Comarch Group



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

## 17.2. Changes in Ownership and Organisational Structure in 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, i.e. EUR 500 thousand (PLN 2,203,750 at the exchange rate of the 15<sup>th</sup> of January, 2016).

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

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

On the 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 256,802 at the exchange rate of 31.12.2016) and consists of 182,000 shares with a nominal value of COP 1,000 each.

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

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

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

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

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

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

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

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

On 3<sup>rd</sup> of April, 2017 Comarch S.A. acquired 100% of shares of Geopolis sp. z o.o., acquired the whole copyrights to the ERGO software which belongs to the Geopolis sp. z o.o. and committed itself to recapitalization of Geopolis sp. z o.o. The total value of the transactions amounted to PLN 8.05 million. Geopolis sp. z o.o. supports informatization in public administration units by creating and implementing integrated registers and records of a spatial nature, systems for managing of state surveying and cartographic resource database as well as geoportals. Acquiring of Geopolis sp. z o.o. will allow Comarch Group to expand the product portfolio dedicated to the public sector.

## **18. Branches of Comarch S.A.**

As at the 31<sup>st</sup> of December, 2016, Comarch S.A. had branches in the following cities:

- Tirana (branch in Albania),
- Białystok,
- Bielsko-Biała,
- Gdańsk,
- Gliwice,
- Katowice,
- Kielce,
- Kraków,
- Lublin,
- Łódź,
- Poznań,
- Rzeszów,
- Tarnów,
- Warszawa,

- Wrocław.

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

## **19. Non-Financial Data Report**

On 28<sup>th</sup> of April, 2017 the Company has published on the website [www.comarch.pl](http://www.comarch.pl) Consolidated Non-Financial Data Report for 2016.

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

None present.

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

The Company has not published the results forecast for 2016.

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

None present.

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

None present.

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

In accordance with applicable regulations and professional standards, the Supervisory Board of Comarch S.A. passed a resolution no. 01/06/2015, dated the 26<sup>th</sup> of July, 2015, on selection of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. to audit and review the financial statements of Comarch S.A. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k., with its registered office in Warsaw at ul. Jana Pawła II 19, is registered at no. 73 in the list of entities entitled to audit financial statements. Comarch S.A. has used the services of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. within the scope of reviewing the financial statements for the first 6 months of 2006-2009 and 2011-2014, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A. for 2006- 2009 and 2011-2014.

Details of the remuneration of entities authorized to audit financial statements have been included in note 46 of the financial statement.

## **25. Systems that Control Employees Shares Programmes**

None present.

## **26. Description of Company's policy in the field of business sponsorship and charity**



For many years Comarch S.A. has been taking a number of pro-social activities, among others, by actively supporting the sport, embracing patronage of cultural events, to support the education and development of science and engaging in helping the most needy.

## **Sport**

The Company most actively supports the sport. It promotes both the development of sport and active lifestyles among its employees. Comarch S.A. is the main, title sponsor of the oldest sports club in Poland - MKS Cracovia SSA. Comarch's patronage of the club lasts 14 years (since 2001.). Cracovia, the club with more than a century of history, the legend of Polish football. Thanks to Comarch once again it became a brand in the Polish sport. The football team is a five-time Polish champion.

Comarch Cracovia ice hockey team has won its twelfth championship title in the 2016/2017 season. The trophy gained in the 2015/2016 season became a pass to the Hockey Champions League. In mid-August 2016, Comarch Cracovia, as the first Polish team, debuted in elite competitions of the best teams in Europe, scoring against Sparta Prague and Färjestad BK. Since 2015 Comarch SA has also included his patronage of the Swiss football club Zug 98. It also supports a rugby team from the Architectura Sports Club, which is operating at the Faculty of Architecture at the Polytechnic University of Madrid.

In addition to financial support for sports clubs Comarch promotes among its employees a passion for the sport. The highlight of the annual corporate event are sports competitions and Comarch employees compete in different disciplines: volleyball, football, athletics.

Comarch also promotes cycling as an alternative means of transport to work, not only by organizing bicycle parking. In many locations, employees can use the free service for their two-wheelers or self-repair stations. In addition, in 2016 Comarch employees already, for the second time competed during the running event "Comarch ON Run" and bike event "Comarch ON Bike". The purpose of the competition was to encourage outdoor physical activity, support for regular training, stimulation of creativity and a spirit of competition among employees. That initiative was very popular and is being continued in 2017, among others, due to the positive feedback from the employees.

There are organized sport competitions, during the annual, great outdoor event for employees of the Company and their families. The Comarch Mundial, Turniej Siatkówki and Bieg o Puchar Prezesa competitions arouse many emotions each year. Also, many events are accompanied by integrating sports activities.

Comarch encourages its employees also to participate in sports events organized by other entities. Income from many of them is used for social impact objectives. In 2016, the Company enabled its employees to take part in a dozen or so of such events – among others Cracovia Marathon, Three Mound Run, 4RestRun, Football tournament - Lublin IT Industry Championships, Szpot Swarzędz, The Color Run, Half-Marathon Philips Piła, Lechit Run, Poznań Marathon, Bike Challenge, The Independence Run, The Warsaw Uprising Run, Run Warsaw, IT Run and Bieg Świetlików (The Eyebright Run).

Last year was also the beginning of Wawel training of dragon boats, which Comarch team took second place in Amatorskie Mistrzostwa Polski Smoczyh Łodzi (The Amateur Polish Championship in Dragon Boat Race) in Krakow.

There is also a Recreation Center (swimming pool, gym, sauna) in the headquarters of the Company.

Physical activity is also important in the winter. That is why Comarch employees and their families were able to go out on the skating rink for free.

## **Education and science**

Popularization of knowledge on the latest IT technology not only by sponsoring conferences or business meetings is another of the initiatives undertaken by Comarch S.A. For years, the Company actively cooperates with schools, universities and other educational institutions. Employees substantively support various projects, competitions, workshops and scientific conferences.



Last year, Comarch S.A. joined for the first time to organization of "Malopolska Night of Researchers". This conference over the years permanently inscribed in the calendar of popular events of the province of Malopolska. Its aim is, first of all, to show participants how interesting the work of scientists on new technologies is.

### Cultural patronage

In 2016, it is 15th concert of the Last Night of the Proms in Krakow sponsored by Comarch S.A., inspired by the most important musical event in the UK – The Proms, series of classical music concerts.

In 2016, it was the second time when Comarch has been the main partner of the St. Mary's Organ Festival. Between the 2<sup>nd</sup> of August and the 20<sup>th</sup> of September 2016 there was eight concerts, during which there were great names associated with the artistry of the organ sound. The event was primarily aimed at popularization of organ music, in both the professional musicians, as well as among amateur music lovers.

Kazik Staszewski, who was accompanied by Kwartet Proforma, Wu-Hae, Piotr Wróbel, Stonerror, Five Stitches, Natty Dead, Doomsday, as well as laureates of the amateur bands competition, they took part in September in the Festival of Nowa Huta Alternative, organized by the "Art of the Future" Foundation. Comarch has financially supported the organization of this event.

Cultural events are often accompanied by charity events. In 2016 Comarch was not only the sponsor of a charity concert for Bohdan Smoleń, but also donated items to the auction accompanying it.

### Charitable activity

Every year, on the occasion of Children's Day, Comarch employees organize the collection in kind for orphanages and other residential institutions. It became also a tradition, that during the Christmas time Comarch is involved in preparing Christmas gifts for the charges of public benefit organizations. Last year, the support received among others: Little Child's Home of Jan Brzechwa in Krakow, Agape Foundation and the "Stowarzyszenie Wiosna", as part of the "Szlachetna Paczka", Hospice Foundation and Orphaned Children Foundation, Children's Home in Bielsko-Biała, Poznań or Katowice, The Administrative Center of Ewa Szelburg-Zarembina, Pediatric Hospital of Maria Konopnicka in Łódź, Children's Home no. 10 in Warsaw, Noclegownia św. Brata Alberta dla Bezdomnych Kobiet i Matek z Dziećmi (St. Brother Albert Night Shelter for Homeless Women and Mothers with Children) in Wrocław. On the other hand, the employees in Łódź decided to help the veterans and joined in the action "Paczka dla Bohatera".

During annual, charitable events, Comarch employees also remember about homeless animals. In 2016, once again in the headquarter and several branch offices in Poland were carried out collection shelters or foundations for homeless animals. In 2016, there were 10 institution which received the support.

The Company regularly donates of cash and in the form of computer equipment to selected charities, organizations promoting physical culture and health, educational and religious purposes.

In 2016, took place two editions of the #ComarchCares grant contest: on Spring and on Autumn, in which teams of Comarch employees together with the selected institution, were able to propose competition projects supporting local communities and help address the challenges in areas such as:

- new technologies,
- ecology and protection of animals,
- culture,
- education
- sport,
- addiction prevention,
- activities for the disabled, socially excluded children and youth, seniors.

The winning team received a prize of PLN 2500 for the project. In both competitions, three initiatives of Comarch employees were rewarded:

- co-organization of a stationary sailing camp for youth from the community integration and day care center,
- departure of disabled youth to an agritourism farm,
- programming workshops for school children from small towns.

## **27. Significant Legal, Arbitration or Administrative Proceedings**

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

None present.

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

None present.

Krakow, 28<sup>th</sup> of April, 2017

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

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## **REPORT REGARDING THE ACCEPTANCE OF CORPORATE GOVERNANCE PRINCIPLES IN COMARCH SA IN 2016**

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Statement of the Management Board of Comarch S.A. on the application in the Company of corporate governance rules in accordance with § 91 section 5 point 4 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state.

## 1. Corporate Governance Principles that Apply to an Issuer

Comarch SA, a company listed on the Warsaw Stock Exchange, was in 2016 a subject to the corporate governance principles set out in the document "Best Practices of WSE Listed Companies 2016" (Annex to Resolution of the WSE Council No 26/1413/2015 of the 13<sup>th</sup> October 2015). The rules are available on the website [www.gpw.pl/dobre\\_praktyki\\_spolek\\_regulacje](http://www.gpw.pl/dobre_praktyki_spolek_regulacje)

([https://www.gpw.pl/regulations\\_best\\_practices](https://www.gpw.pl/regulations_best_practices)), which is the official website of the Warsaw Stock Exchange devoted to these issues.

The Best Practices include six sections:

- Disclosure Policy, Investor Communications,
- Management Board, Supervisory Board,
- Internal Systems and Functions,
- General Meeting, Shareholder Relations,
- Conflict of Interest, Related Party Transactions,
- Remuneration.

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the Company in 2015 as attachment to the annual statement published on 29<sup>th</sup> of April, 2016.

Additionally, on 29<sup>th</sup> of April, 2016, the Management Board of Comarch S.A. presented statement of the Company's compliance with the corporate governance recommendations and principles contained in the Best Practices of WSE Listed Companies 2016 which is available at <http://www.comarch.pl/relacje-inwestorskie/lad-korporacyjny/> (<http://www.comarch.com/investors/corporate-governance/>)

## 2. Recommendations for Corporate Governance Principles not Implemented by the Issuer along with an Explanation of the Circumstances and Reasons surrounding the Decision not to Implement a Particular Principle

### a) Recommendations for Best Practices of Listed Companies

*IV.R.2. f justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through:*

- 1) real-life broadcast of the general meeting,*
- 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting,*
- 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary.*

The principle is not applied in full by the Company. A shareholder may participate in a General Meeting and exercise voting right personally or by proxy. Power of attorney to participate in the General Meeting and to exercise a voting right should be granted in writing or in electronic form. Power of attorney in electronic form does not require safe electronic signature verified with the valid classified certificate. The Company does not provide the possibility of voting by correspondence, voting using means of electronic communication or participating in the General Meeting using means of electronic communication, however enables on-line broadcasts of General Meetings over the Internet real-time bilateral communication. Due to the current shareholding structure (relatively little dispersed ownership), in the Company's opinion, currently there is no reason to implement voting by correspondence using means of electronic communication.

## **b) Detailed Principles for Best Practices of Listed Companies**

*VI.Z.4. In this activity report, the company should report on the remuneration policy including at least the following:*

- 1) general information about the company's remuneration system,*
- 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group,*
- 3) information about non-financial remuneration components due to each management board member and key manager,*
- 4) significant amendments of the remuneration policy in the last financial year or information about their absence,*
- 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.*

In terms of disclosures of remuneration the Company applies generally applicable laws. The Company complies with the principle VI.Z.4 partially. Comarch SA has a remuneration policy which defines the form, structure and level of remuneration of the Company's employees, including members of Management and Supervisory Boards. The remuneration of the members of the Management Board is determined by the Supervisory Board on the basis of qualifications, experience and responsibilities of a Board member. Remunerations of the Management Board members include variable components, the amount of which depends on the financial performance and the degree of implementation of goals designated by the Supervisory Board. The remuneration of the Management Board members is paid by the Company and the subsidiaries, depending on the degree of involvement in the operations of individual subsidiaries. Remuneration of the Supervisory Board members is determined by General Meeting of Shareholders and it does not contain variable components. The Company presents in annual reports the amount of total remuneration of Management Board members (without division into fixed and variable components) and the Supervisory Board members, in division for paid by the Company and jointly by the other Group entities.

### 3. Shareholders Holding Directly or Indirectly Significant Shares in Votes at the General Shareholders Meeting as at 28<sup>th</sup> of April, 2017

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

### 4. Owners of Securities Entitling them to Special Control Rights as well as a Description of these Rights

Janusz Filipiak, President of the Management Board, holds 893,000 registered share preference votes (1:5). These entitle him to 4,465,000 votes at the company's general shareholders' meeting. Elżbieta Filipiak, Chairman of the Supervisory Board, holds 846,000 registered share preference votes (1:5). These entitle her to 4,230,000 votes at the Company's general shareholders' meeting. Paweł Prokop, Vice-President of the Management Board, holds 9,400 registered share preference votes (1:5). These entitle him to 47,000 votes at the Company's general shareholders' meeting.

### 5. All Restrictions Relating to Execution of Voting Rights, i.e. Restriction of Voting Rights through Holding a Particular Share or Number of Votes, Time Restrictions regarding Voting Rights or Records according to which, in Collaboration with the Company, Capital Rights Related to Securities are Separated from Securities Holdings

None present.

### 6. All Restrictions Regarding Transferring the Holding Rights of an Issuer's Securities

According to art. 8 point 5 of Comarch S.A.'s Articles of Association

*„5. Disposing registered shares requires consent of the Management Board provided in writing. In case of refusal of disposing, the Management, within 2 months of filing with the Company of the intention of assigning shares, appoints the purchaser and price of shares. Price of shares may not be lower than average stock exchange price from the three recent months preceding the month of filing, provided that shares of the Company are in stock exchange trading. Otherwise, price of shares may not be lower than the book value per share as of the last balance sheet date. Price is due within one month of the date of resolution of the Management indicating the purchaser of shares.”*



## **7. Principles for the Appointing and Dismissing of Management and their Rights, notably the Right for Decision Making on Shares Issue or Buyout**

### **a) Principles for Appointing and Dismissing**

According to the Articles of Association of the Company, the Management Board of the Company consists of 2 to 8 persons appointed and dismissed by the Annual General Meeting. Members of the Management Board are appointed for the common term of office of three years. The AGM defines salaries for the Management Board, provided that this competency may be passed on in part or in entirety to the Supervisory Board. The Supervisory Board suspends on important reasons, selected or all members of the Management Board in their duties and delegating members of the Supervisory Board for the period not longer than 3 months for temporary execution of activities of those members of the Management Board who have been dismissed, who resigned or who cannot execute their duties on other reasons.

### **b) Rights according to art. 9, 20 - 22 of the Comarch S.A.'s Articles of Association and the Commercial Companies Code**

- The Management Board may appoint proxies.
- President of the Management Board single-handedly or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised for making statements on behalf of the Company and representing the Company in Court and off Court.
- In agreements between the Company and members of the Management Board and in disputes with them, the Company is represented by the Supervisory Board or by a proxy appointed with a resolution of the General Meeting. The Supervisory Board may authorise, by way of a resolution, one or more members of the Supervisory Board to perform such legal actions.
- The Management Board defines internal organisation of the Company.
- According to art. 445 and 446 of the Commercial Companies Code, the General Meeting passes a resolution on amendments to the statutes, providing for the authorisation for the management board to increase the share capital within the limits of the authorised capital. According to art. 9 sec. point 5 of the Comarch S.A.'s Articles of Association, within the target capital, the Management Board of the Company may issue shares only in conversion for cash contributions and may not issue preferential shares or allocate personal rights for the shareholder, referred to in Article 354 of the Code of Trade Companies. In the scope of all the issues related to increasing the share capital within the target capital, in particular on excluding or limiting collection right and determining the issue price, obtaining consent of the Supervisory Board is required

## **8. Description of Principles for Changes in Articles of Association**

A General shareholders' Meeting may pass a resolution regarding changes in articles of association, including an increase or a decrease in share capital, and a resolution on a significant change in the Company's subject matter.

## **9. Description of Operating Principles for General Meetings and Their Essential Rights and Shareholders' Rights as well as Modality, in particular Principles resulting from Rules for General Shareholders' Meeting if such Rules were passed, unless these Information Results from Law**

1. Annual General Shareholders' Meetings may be ordinary or extraordinary.

2. An ordinary General Meeting of the Management Board shall be called no later than the end of June each year.
3. General meetings shall be called in accordance with the Polish Commercial Companies Code, the Company's Articles of Association and with the Rules for General Shareholders' Meeting dated the 28<sup>th</sup> of June, 2010.
4. Meetings shall take place at the Company's headquarters.
5. At least two members of the Company's Management Board and at least two members of its Supervisory Board should take part in the Annual General Shareholders' Meeting.
6. If the subject of debate is to concern the financial affairs of the Company an auditor shall be present.
7. Representatives of the media may attend the General Shareholders' Meeting as observers.
8. Only persons who are Company's shareholders 16 (sixteen) days prior the date of the General Meeting are entitled to participate in the General Meeting.
9. Shareholders who are physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote themselves or via a proxy.
10. Shareholders who are not physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote via a person empowered to submit a declaration of intent in their name, or via a proxy.
11. The chairman of the Annual General Shareholders' Meeting conducts debates, takes decisions in matters of the agenda and procedure, and is authorized to interpret the present rules.
12. The duties of the chairman of the Annual General Shareholders' Meeting include:
  - Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - Directing the debate: deciding who shall speak and in what order,
  - Receiving proposed and draft resolutions and opening them to debate and
  - Organizing and conducting the voting.
13. The Annual General Shareholders' Meeting shall choose a three-person returns committee from the candidates notified by the chairman. The returns committee shall ensure that each vote is correctly conducted, supervise the practical aspects of the vote and check, confirm and declare the results. Where the Annual General Shareholders' Meeting is attended by a small number of shareholders a returns committee shall not be selected unless a shareholder or proxy submits a request for a returns committee to be selected. Where a returns committee is not selected its functions shall be performed by the chairman of the Annual General Shareholders' Meeting.
14. The Annual General Shareholders' Meeting shall take decisions in the form of resolutions adopted by open voting except:
  - Voting on an issue of selecting or deselecting members of bodies of the Company, or liquidators,
  - Motions to prosecute members of bodies of the Company or liquidators,
  - In personal matters,
  - At the request of at least one shareholder,
  - In other circumstances stipulated in the regulations currently binding.
15. Shareholders shall notify the chairman of the Annual General Shareholders' Meeting of their candidates for membership of the Supervisory Board in writing or verbally.
16. Proposals for Supervisory Board candidates should be supported in detail with particular emphasis placed on the candidate's education, qualifications and professional experience.

17. Before a resolution is adopted on the composition of the Supervisory Board the General Shareholders' Meeting shall vote on a resolution to determine the number of members the Supervisory Board is to have.
18. The Company may organise the General Meeting in such a way as to enable shareholders to participate at the General Meeting using means of electronic communication.

## **10. Membership, Changes in Membership during Last Financial Year and Rules of Operations of the Company's Managing and Supervising Persons as well as Their Committees**

### **a) Members of the Comarch S.A.'s Supervisory Board as at 31<sup>st</sup> of December, 2016:**

Name and Surname	Position
Elżbieta Filipiak	Chairman of the Supervisory Board
Maciej Brzeziński	Vice-Chairman of the Supervisory Board
Robert Bednarski	Member of the Supervisory Board
Danuta Drobnik	Member of the Supervisory Board
Wojciech Kucharzyk	Member of the Supervisory Board
Anna Ławrynowicz	Member of the Supervisory Board
Anna Pruska	Member of the Supervisory Board

On the 15<sup>th</sup> of June, 2016, Elżbieta Filipiak, Maciej Brzeziński, Robert Bednarski, Danuta Drobnik, Wojciech Kucharzyk, Anna Ławrynowicz and Anna Pruska were appointed to the posts of members of the Supervisory Board on the ordinary General Meeting. They were appointed to the posts of members of the Supervisory Board for the next term.

The Supervisory Board shall undertake constant supervision of all areas of the Company's operations. The Supervisory Board shall operate according to the regulations of the Polish Commercial Companies Code, the Company's Articles of Association, the Corporate Governance Principles in force at the Company and the Rules for the Supervisory Board dated the 30<sup>th</sup> of June, 2003 approved at the Annual General Shareholders' Meeting (and amendments). The detailed operations of the Supervisory Board were presented in the above-mentioned documents.

### **b) The most important rules included in the Rules for the Supervisory Board are:**

1. The Supervisory Board shall contain three to seven people chosen by the Annual General Shareholders' Meeting. The Meeting shall, by a resolution, specify the number of members of the Supervisory Board before voting commences to select candidates for that Board.
2. Supervisory Board members shall be appointed for a common term of office lasting three years.
3. Members of the Supervisory Board shall perform their rights and duties directly and in person. Any member of the Supervisory Board may be dismissed before their term of office has been completed. Members of the Supervisory Board may be re-elected.
4. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.
5. The chairman of the Supervisory Board:
  - convenes meetings of the Supervisory Board;
  - conducts meetings of the Supervisory Board
  - opens debates at the Annual General Shareholders' Meeting.

6. When the chairman is absent his place shall be taken by the vice-chairman of the Supervisory Board.
7. The Supervisory Board may select supervisory committees from amongst its members for specific sectors of the Company's operations. In particular, this shall concern an auditing committee.
8. These committees may sit separately and may vote on resolutions. These may concern the findings of inspections and audits concerning the way the company operates.
9. Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board. The Management Board or another member of the Supervisory Board may demand that the chairman convene a meeting of the Supervisory Board. This demand should be accompanied by a proposed agenda. The chairman of the Supervisory Board shall convene a meeting within two weeks of receiving the demand. If the meeting is not convened in accordance with the procedure stipulated above, the petitioner may himself call the meeting.
10. The agenda of meetings of the Supervisory Board shall be stipulated by the convener and, along with any relevant materials, be sent to members of the Supervisory Board three (3) days before the planned date of the meeting unless circumstances arise to justify shortening this period.
11. The agenda of meetings of the Supervisory Board may only be changed or supplemented.
12. Meetings of the Supervisory Board should be convened at least four times in each financial year.
13. Resolutions of the Supervisory Board shall be adopted by a majority of the votes present. Where there is a tie the chairman shall have the deciding vote.
14. A resolution of the Supervisory Board shall be valid where all its members have been invited and where more than half the members of the Supervisory Board, including the chairman or vice-chairman of the Supervisory Board, are present.
15. Provided all members of the Supervisory Board express their written agreement to this, resolutions of the Supervisory Board may be adopted by written ballot without a meeting being convened.
16. Meetings of the Supervisory Board may also be conducted using resources for remote communication, such as the telephone, facsimile machines, electronic mail and teleconferencing, by using the Internet in another manner and by the use of other telecommunications resources.
17. Members of the Supervisory Board may take part in voting on resolutions of the Supervisory Board by voting in writing via another member of the Supervisory Board.
18. The mode of voting on resolutions by the Supervisory Board specified above is not acceptable in the matters set out in art. 388 paragraph 4 of the Polish Commercial Companies Code. These are:
  - The selection of the chairman and vice-chairman of the Supervisory Board;
  - The appointment and dismissal of a member of the Management Board;
  - The suspension of a member of the Management Board.
19. Members of the Management Board may take part in meetings of the Supervisory Board. The Management Board shall be informed of all dates and agendas of meetings of the Supervisory Board.
20. The Supervisory Board may invite members of the Management Board to take part in a meeting.
21. At each of its meetings the Supervisory Board shall be informed by the Company of the current individual and consolidated financial results of the Company and of significant matters concerning the Company's operations. Where this is justified by the Company's situation, this shall include the risk associated with operations and ways to manage this risk.
22. Members of the Management Board shall not take part in those sections of meetings of the Supervisory Board which concern the dismissal, scope of responsibility, or pay and conditions of Management Board members.

23. Meetings of the Supervisory Board shall be minuted. The minutes should include the agenda for debate, the name and surname of all the Supervisory Board members present and the results of the votes on resolutions.
24. The Supervisory Board shall undertake constant supervision of all areas of the Company's operations.
25. The specific competences of the Supervisory Board are as follows:
  - Assessing the Company's annual financial statement and the consolidated financial statement of the Comarch capital group;
  - Assessing the Management Board's reports on the Company's operations and on the Comarch capital group and, in addition, assessing the Management Board's conclusions on distributing profits and covering losses;
  - Submitting a written report containing the information required by points above of the present section;
  - Scrutinizing the work of the Management Board in effecting resolutions adopted at the Annual General Shareholders' Meeting;
  - Selecting statutory auditors for the financial statements of the Company and of the Comarch capital group. The Supervisory Board may adopt a resolution to apply stricter criteria for the statutory auditor's independence than are demanded by the legal regulations;
  - Appointing and dismissing members of the Management Board, stipulating the compensation attracted by performing the function of member of the Management Board, suspending – for substantial reasons – individual members, or all members, of the Management Board, designating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, or suspending the Management Board itself;
  - Giving consent to increase share capital within the context of authorized capital;
  - Giving consent to acquire and dispose of real estate or shares in real estate;
  - Giving consent to conclude an agreement with an issue underwriter in accordance with the provisions set out in art. 433 paragraph 3 of the Polish Commercial Companies Code;
  - Exercising, in respect of members of the Management Board and on behalf of the Company, rights and privileges arising from an employment relationship;
  - Approving the Company's growth strategy;
  - Expressing its opinion on draft resolutions for the Annual General Shareholders' Meeting sent to it by the Management Board and shareholders.
26. Once every year the Supervisory Board must adopt a resolution in the matter of its assessment of the Company's situation. This document shall be passed on to the Annual General Shareholders' Meeting.
27. To aid it in performing its function, the Supervisory Board has the right to see all the Company's documents and may demand reports and explanations from the Executive Board and from Company's employees. The Supervisory Board may also conduct a review of the state of the Company's assets.
28. The Supervisory Board operates as a collective body but may, however, delegate its individual members to particular supervisory activities.
29. Members of the Supervisory Board should hold the interests of the Company as their highest priority.
30. Members of the Supervisory Board shall be bound to inform other members of the Supervisory Board of any conflict of interest arising and, following this, not take place in the debate concerning the matter that is subject to a conflict of interest. Where it is uncertain whether a conflict of interest has arisen, the Supervisory Board shall vote on a resolution to resolve this uncertainty.

31. Members of the Supervisory Board shall keep secret all information they acquire in the course of their duties concerning the Company's activities and the activities of companies within the Comarch Capital Group.
32. Within fourteen days of their selection a member of the Supervisory Board shall make a written submission of any economical, familial or other involvements with a shareholder holding five per cent or more of the votes at the Annual General Shareholders' Meeting. The Management Board shall inform the Supervisory Board in writing at that board's next meeting of any case where any entity acquires five per cent or more of the votes at the Annual General Shareholders' Meeting. Where information of this nature is passed to them, the members of the Supervisory Board shall submit – within fourteen days of the sitting of the Supervisory Board at which they were informed – written information concerning any conflict of interest arising. Should the involvements referred to in the present section change, members of the Supervisory Board are obliged – without summoning the Company to meet – to provide details of these changes within fourteen days.
33. Members of the Supervisory Board delegated to long-term, individual supervisory duties may not, unless the Company gives permission, involve themselves in competing business interests or participate in the business of a competitor Company as a partner or associate, or as a member of a body of a joint-stock Company. Further, they may not participate in the business of a competitor Company in a different legal personality as a member of a Company body. Additionally, members of the Supervisory Board are forbidden to participate in a competitor capital group where they hold ten per cent or more of the shares or participation rights, or where they enjoy the right to appoint at least one member of the Management Board.
34. Permission for members of the Supervisory Board delegated to long-term, individual supervisory duties to pursue competing commercial interests shall be granted according to a decision of the Supervisory Board.
35. Duties and Responsibilities of members of the Supervisory Board
  - Members of the Supervisory Board shall inform the Company and Financial Supervision Authority when they or related persons, on their own account, acquire or dispose of shares in the company or when they acquire or dispose of shares in a Company, derivatives related to the Company's shares and other financial instruments related to these securities, admitted to regulated stock exchange or being in the process of seeking admission to such trading, where this exceeds EUR 5,000 in one year or a transaction exceeds EUR 5000. Members of the Supervisory Board shall submit this information within five working days of the date of transaction. Whenever the sum of transactions, mentioned in the section 1, do not exceed EUR 5,000 in one year, providing the information mentioned in the section 1 shall be done by 31<sup>st</sup> of January of the year following the year of the transaction.
  - Members of the Supervisory Board delegated to long-term supervisory tasks shall submit a monthly, written report detailing their activities to the Supervisory Board.
  - Members of the Supervisory Board should not resign their positions in mid-term where this would make it impossible for the Supervisory Board to function or where, especially, this would delay the adoption of vital resolutions.
  - Members of the Supervisory Board shall receive compensation according to terms stipulated by the Annual General Shareholders' Meeting.
  - Two members of the Supervisory Board shall participate in the debates at the Annual General Shareholders' Meeting. Members of the Supervisory Board shall themselves select these delegates to represent the Board at the Annual General Shareholders' Meeting.
  - Members of the Supervisory Board should make all efforts to participate in Supervisory Board meetings.
  - Members delegated to long-term, individual supervisory tasks have the right to participate in meetings of the Management Board.



36. The compensation for members of the Supervisory Board delegated to long-term, individual supervisory tasks shall be stipulated by the Supervisory Board.
37. The Company shall cover the costs of the Supervisory Board's operation.
38. The Supervisory Board shall use the Company's office space, equipment and material.
39. The Company's Management Board shall provide the Supervisory Board with administrative and technical support.

## c) Committees

In 2016, the Audit Committee (equivalent of the Audit Committee within the meaning of Annex I to the European Commission Recommendation of the 15<sup>th</sup> of February, 2005 concerning executive directors (...)), consisted of Danuta Drobnia - Chairman of the Audit Committee, Elżbieta Filipiak - Member of the Audit Committee and Robert Bednarski - Member of the Audit Committee. According to the information available to the Company, one member of the Audit Committee fulfilled the conditions for independence and at least one of them had qualifications in accounting or auditing.

Tasks of the Audit Committee are, in particular:

- Monitoring the process of financial reporting;
- Monitoring the effectiveness of internal control systems, internal audits and risk management;
- Monitoring financial reviews;
- Monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- The Audit Committee make recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

Comarch S.A. provides the Audit Committee with information related to the accountancy policy, finance, Company's operating activity and information on settlement methods of significant one-off events. On the Audit Committee's request, the Finance Director participates in its meetings.

As at the 31<sup>st</sup> of December, 2016, the Supervisory Board of Comarch S.A. did not call any nomination committee or remuneration committee.

## d) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> December , 2016:

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

On the 15<sup>th</sup> of June, 2016, Janusz Filipiak, Marcin Dąbrowski, Paweł Prokop, Andrzej Przewięźlikowski, Zbigniew Rymarczyk, Konrad Tarański and Marcin Warwas were appointed to the post of member of the Management Board on the ordinary General Meeting. They were appointed to the post of member of the Management Board for the next term.

The Management Board leads the affairs of the Company and operates according to the provisions of the Polish Commercial Companies Code, the Company's Articles of Association, resolutions of the Supervisory Board, resolutions of the Annual General Shareholders' Meeting, the Rules for the

Management Board dated the 15<sup>th</sup> of February, 2010 (update of document dated the 28<sup>th</sup> of September, 2015) and to the generally binding legal regulations. The detailed operations of the Management Board were presented in the above-mentioned documents.

**e) The most important rules included in the Rules for the Management Board are:**

1. The Management Board performs its functions jointly and takes resolutions at meetings of the Management Board and in the manner stipulated below.
2. Meetings of the Management Board shall be held at least once every month. In 2015, all meetings of the Management Board were held on the Company's premises at the Special Economic Zone in Krakow, at the address ul. Prof. Michała Życzkowskiego 23.
3. A meeting of the Management Board shall be called by the President of the Management Board or, in his absence, a member of the Management Board acting as the President of the Management Board.
4. Where all members of the Management Board are present at a meeting of the Management Board, a meeting of the Management Board may be called informally.
5. The President of the Management Board or, in his absence, the person acting as President of the Management Board, may call a meeting of the Management Board at the request of any member of that Board and with the agenda specified by the member making the request. Meetings of the Management Board called in this way shall, however, not be restricted exclusively to this agenda and may consider other items placed on the agenda.
6. Meetings of the Management Board shall be chaired by the President of the Management Board, a person acting as the President of the Management Board or a person nominated by the President of the Management Board.
7. The Management Board shall take decisions in the form of resolutions adopted by open vote.
8. The chairman shall order a secret vote where even one member of the Management Board taking part in the meeting requests this.
9. Resolutions shall be adopted by an absolute majority of votes.
10. A resolution adopted at a meeting of the Management Board is valid only where at least four members of the Management Board, including the President of the Management Board or the person acting as the President of the Management Board, are present.
11. The Management Board may adopt a resolution outside meetings of the Management Board in the following ways:
  - By written vote – in this case each member of the Management Board votes in writing and gives this to the President of the Management Board or to the person acting as President of the Management Board;
  - By written vote – each member of the Management Board signs the contents of the resolution and gives this to the President of the Management Board or to the person acting as the President of the Management Board;
  - Voting by facsimile or Internet.
  - Votes cast in the manner set forth in a-c) shall be recorded in the book of resolutions and appended to the minutes of the meeting of the Management Board.
  - Where adopted in the manner set out in point c), a resolution shall require the votes of all members of the Management Board to be valid.
12. Non-members of the Management Board may be invited to attend its meetings.
13. All meetings of the Management Board require that minutes be taken. These should include at least:
  - The date and place of the meeting.
  - The agenda of the meeting.



- The names and surnames of the members of the Management Board present at the meeting.
  - The names and surnames of people invited to the meeting of the Management Board and present at the meeting.
  - The exact content of resolutions.
  - The number of votes cast for and against resolutions including the number of abstentions.
  - The subjects discussed.
  - A written record of dissenting opinions expressed.
  - The signatures of the members of the Management Board present at the meeting.
14. The minutes of Management Board meetings shall be kept in the Minutes Book. The Minutes Book shall be maintained by the CEO secretariat.
15. The minutes of Management Board meetings shall be drawn up immediately by CEO secretariat.
16. Where there is a direct or indirect conflict between the interests of a member of the Management Board and those of the Company, that member shall inform the Company's Supervisory Board that this is the case.
17. Two members of the Management Board shall participate in the debates of the Annual General Shareholders' Meeting. Members of the Management Board shall themselves decide on which of their number should represent them at the Annual General Shareholders' Meeting.

## **11. A Description of the Basic Features of the Internal Control and Risk Management Systems the Issuer Uses and How These Relate to the Process of Preparing the Financial Statements**

The Company's Management Board is responsible for the Company's accounting in accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994 (consolidated text, Journal of Laws from 2016, pos. 1,047 with subsequent changes) and compliant with the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (consolidated text, Journal of Laws from 2014, pos. 133 with subsequent changes).

When preparing financial statements and consolidated financial statements internal control and risk management at Comarch S.A. are effected in accordance with the Company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994, the Company maintains documents describing the accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and sets of data. The accounting for all economic events is computerized and uses a system called EGERIA and XL. This system is protected against unauthorized access and access limitations set according to the function a person performs or the post a person occupies.

Both financial statements and consolidated financial statements are prepared jointly by people working in the accountancy, the capital market, the control and the finance departments under the supervision of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited, and half-year financial statements are reviewed by an independent expert auditor elected by the Company's Supervisory Board.

## The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit financial statements, that audited the annual financial statement for the year 2016 was selected compliant with the law and that the entity and expert auditors who audited this statement perform under conditions to provide an unbiased and independent opinion on the audited annual consolidated financial statement, compliant with the binding law and professional standards.

Kraków, 28<sup>th</sup> of April, 2017

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

## The Management Board's statement regarding the reliability of the financial statement

The Management Board of Comarch S.A. states that to the best of our knowledge, the annual financial statement for the year 2016 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the issuer and its financial results. Furthermore, the annual report regarding the issuer's activities truly describes the development image and achievements as well as the issuer's situation including basic threats and risk.

Kraków, 28<sup>th</sup> of April, 2017

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