

**REPORT OF  
COMARCH S.A.'s MANAGEMENT BOARD  
REGARDING THE ACTIVITIES OF  
THE CAPITAL GROUP  
IN 2018**

## Table of content

1. Information about Company .....	5
1.1. Shareholding Structure, Managing and Supervising Entities .....	5
2. Basic Economics and Financial Values .....	8
2.1. Selected Financial Data .....	8
2.2. Employment and Production Capacity of the Group .....	9
2.3. Comarch S.A. Stock Price Performance .....	10
3. Products and Services Offered by Comarch in 2018 .....	11
3.1. Telecommunications Sector .....	11
3.2. Finance, Banking and Insurance Sector .....	14
3.3. ERP Sector .....	15
3.4. Public Sector .....	18
3.5. Services Sector .....	19
3.6. Comarch e-Health .....	22
3.7. Comarch Technologies .....	25
3.8. Sports activities .....	26
4. Position of the Group in the IT Market and Information about Markets and Sources of Supply .....	26
5. Sales Structure .....	27
5.1. Revenue from Sales- Geographical Structure (in thousands of PLN) .....	27
5.2. Revenue from Sales – Market Structure (in thousands of PLN) .....	28
5.3. Revenues from Sales – Products Structure (in thousands of PLN) .....	29
6. Factors Essential for Development of the Comarch Group .....	30
6.1. Internal Factors .....	30
6.2. External Factors .....	30
7. Other Significant Factors, including Risks and Threats .....	31
7.1. Credit Risk .....	31
7.2. Risk of Change in Interest Rates .....	31
7.3. Risk of Fluctuation in the Exchange Rates .....	31
7.4. Financial Liquidity Risk .....	32
8. Perspectives of Development in the Group and Anticipated Financial Situation in 2019 .....	32
9. Financial Analysis .....	33
10. Credits, Loans, Suretyships, Guarantees and Significant Off- Balance Sheet Items .....	39
10.1. Non-Revolving Credits .....	39
10.2. Revolving Credits .....	42
10.3. Loans .....	43
10.4. Suretyships .....	44
10.5. Bank Guarantees .....	48
11. The Most Important Events in 2018 and after the Balance-Sheet .....	48
11.1. Contracts Significant for Issuers' Activities .....	48
11.2. Other .....	49
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 .....	52
12.1. Capital Investments .....	52
12.2. Real Estates .....	53
13. Activities in Special Economic Zone .....	53
14. Resolutions of the AGM and the Board of Supervisors .....	54
14.1. Corporate Governance Principles .....	54
14.2. Annual General Meeting – 27 <sup>th</sup> of June 2018 .....	54

15. Operations on Comarch S.A. Shares.....	56
15.1. Purchase/Disposal Transactions on Comarch S.A. Shares.....	56
15.2. Managerial Option Program for Members of the Management Board .....	57
16. Transactions on Shares of Subsidiaries and Associates of Comarch S.A. ....	57
17. Other Events in 2018 and after the Balance Sheet Date .....	57
17.1. Dates of Periodical Financial Reports in 2018 .....	57
17.2. The Management Board Statement regarding the Corporate Governance Principles.....	57
17.3. Amendment to the agreement with Bank Pekao S.A for providing Comprehensive Comarch Internet Banking (CIB) .....	57
17.4. Amendment to the Contract with Budimex S.A. for the Realization of the Sixth Construction Stage of the Investment in the Special Economic Zone in Krakow (SSE7).....	58
17.5. Dates of Periodical Financial Reports in 2019 .....	58
17.6. Forward Contracts Concluded after the Balance Sheet Date .....	58
18. Characteristic of Policy of the Development Direction in the Comarch Group .....	58
19. Achievements within Research and Development.....	59
20. Capital Affiliations of the Issuer .....	61
20.1. Capital Structure of the Comarch Group .....	61
20.2. Characteristics of Companies in the Comarch Group.....	62
20.3. Changes in Ownership and Organisational Structure in 2018.....	75
20.4. Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date .....	76
21. Non-Financial Data Report.....	76
22. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions.....	76
23. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before.....	76
24. Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal .....	76
24.1. Deferred Income Tax Asset .....	76
24.2. Valuation of Currency Translation Differences .....	76
24.3. Write-off Revaluating Receivables .....	77
24.4. Establishment of a Provision for the Payment of a Good Performance Guarantee for the ZUS KSI project .....	77
25. Changes in Methods of Company Management and Its Capital Group Management .....	77
26. Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year.....	77
27. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements .....	77
28. Systems that Control Employees Shares Programmes .....	79
29. Description of Company's Policy in the Field of Business Sponsorship and Charity .....	79
30. Significant Legal, Arbitration or Administrative Proceedings .....	81
30.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities .....	81
30.2. 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 .....	81

**PLN 87.5  
million of  
operating  
profit**

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

**PLN 1,370  
million of  
sales  
revenue**

**Over  
6,000  
professionals  
employed**

**57  
companies  
worldwide**

**PLN 1.2 billion  
of Comarch S.A.  
capitalisation  
on WSE  
(31.12.2018)**

**54% share of  
foreign sales in  
revenue from  
sales**

## 1. Information about Company

### 1.1. Shareholding Structure, Managing and Supervising Entities

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

Comarch S.A.'s share capital consists of 8,133,349 shares at total nominal value of PLN 8,133,349. According to the information possessed by Comarch S.A., as at 31<sup>st</sup> of December, 2018, shareholders holding at least 5% of votes at the Company's AGM are Janusz Filipiak, Elżbieta Filipiak and MetLife OFE.

##### AT THE 31<sup>ST</sup> OF DECEMBER, 2018

Akcjonariusze	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	84,526	1.04	122,126	0.81
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,887,238	47.80	3,887,238	25.69
<b>Total</b>	<b>8,133,349</b>	<b>100.00</b>	<b>15,126,949</b>	<b>100.00</b>

##### AT THE 29<sup>TH</sup> OF APRIL, 2019

Shareholders	Number of shares	% of share capital	Number of votes at the Company's AGM	% of votes at the Company's AGM
Janusz Filipiak	1,997,027	24.55	5,569,027	36.82
Elżbieta Filipiak	1,323,461	16.27	4,707,461	31.12
Other members of the Company's Management Board	84,904	1.05	122,504	0.81
MetLife OFE	841,097	10.34	841,097	5.56
Other shareholders	3,886,860	47.79	3,886,860	25.69
<b>Total</b>	<b>8,133,349</b>	<b>100.00</b>	<b>15,126,949</b>	<b>100.00</b>

\*) On the 4<sup>th</sup> of March, 2019, the Management Board of Comarch S.A. received persons acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16<sup>th</sup> of April, 2014, on market abuse. These transactions concerned: a purchase on the 4<sup>th</sup> of March, 2019, of 308 ordinary bearer shares on regulated market at the weighted average price of PLN 156.00 per 1 share (the value of the transaction amounted to PLN 48,048), and a purchase on the 4<sup>th</sup> of March, 2018, of 70 ordinary bearer shares on regulated market at the weighted average price of PLN 157.00 per 1 share (the value of the transaction amounted to PLN 10,990). The Company announced details in current reports no. [RB-3-2019](#) and [RB-4-2019](#), ENG: [RB-3-2019](#) and [RB-4-2019](#), dated the 4<sup>th</sup> of March, 2019.

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

#### a) Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2018:

Name and surname	Position	Comarch S.A.	Metrum Capital S.A.
		Number of shares / nominal value in PLN	Number of shares / nominal value in PLN
Elżbieta Filipiak	Chairman of the Supervisory Board	1,323,461/ PLN 1,323,461	-
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobniak	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-
Robert Bednarski	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / PLN 50,000

#### AT THE 29<sup>TH</sup> OF APRIL, 2019

Without changes.

#### b) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> of December, 2018:

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	30,080,	PLN 30,080
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	33,230	PLN 33,230
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



**AT THE 29<sup>TH</sup> OF APRIL, 2018**

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	30,150*	PLN 30,150
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	33,538**	PLN 33,538
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

\*) On the 4<sup>th</sup> of March, 2019, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16<sup>th</sup> of April, 2014, on market abuse. This transaction concerned a purchase on the 4<sup>th</sup> of March, 2018, 70 ordinary bearer shares on regulated market at the weighted average price of PLN 157.00 per 1 share. The value of the transaction amounted to PLN 10,990. The Company announced details in current report no. [RB-4-2019](#), ENG: [RB-4-2019](#), dated the 4<sup>th</sup> of March, 2019.

\*\*) On the 4<sup>th</sup> of March, 2019, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16<sup>th</sup> of April, 2014, on market abuse. This transaction concerned a purchase on the 4<sup>th</sup> of March, 2018, 308 ordinary bearer shares on regulated market at the weighted average price of PLN 156.00 per 1 share. The value of the transaction amounted to PLN 48,048. The Company announced details in current report no. [RB-3-2019](#), ENG: [RB-3-2019](#), dated the 4<sup>th</sup> of March, 2019.

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

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

None present.

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

None present.

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

Information is included in [note 3.16.3](#) and [note 3.33](#) of the financial statement.

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

None present.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2018	2017**	2016	2015	2014
Revenues from sales	1,369,619	1,125,110	1,112,813	1,131,580	1,038,351
Revenues from sales of proprietary IT solutions	1,242,114	1,047,393	1,041,133	994,152	910,216
Operating profit	87,543	58,364	116,893	113,028	98,529
EBITDA*	152,748	122,673	179,901	166,511	152,909
Profit before income tax	62,480	87,149	104,777	108,129	92,577
Net profit attributable to the Parent Company's shareholders	30,616	64,626	73,034	79,651	67,894
Profit per share	3.76	7.95	8.98	9.80	8.37
Assets	1,665,945	1,508,452	1,444,875	1,304,828	1,216,555
Equity	876,108	851,190	862,064	780,581	700,693

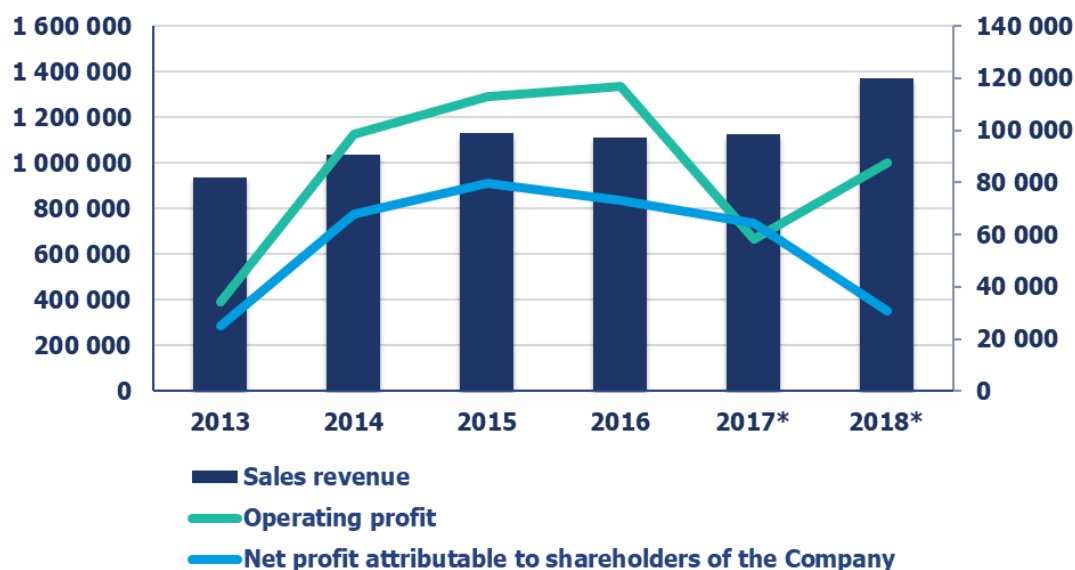
\*) Operating profit + Depreciation

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

In 2018, the revenue from Comarch Group sales were higher than PLN 244.5 million, i.e. 21.7% compared to the previous year. Operating profit amounted to PLN 87.5 million and was higher by 50.0% compared to that achieved in 2017. Net profit attributable to the Parent Company's shareholders in 2018 was lower by 52.6% and amounted to PLN 30.6 million.

Operating profitability amounted to 6.4% (in the previous year 5.2%), net profitability 2.2% (5.7% in 2017).

The value of assets of the Comarch Group at the end of 2018 increased by PLN 157.5 million compared to the previous year, i.e. by 10.4%. The value of equity increased in 2018 by PLN 24.9 million, mainly as a result of the transfer of retained profit for 2017 to supplementary capital and development of net profit in 2018.





\*) From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the data for the 2017 was also restated in accordance with IFRS 15.

## 2.2. Employment and Production Capacity of the Group

As at 31<sup>st</sup> of December, 2018, in Comarch S.A. there were 4,679 employees compared to 4,303 persons as at 31<sup>st</sup> of December, 2017, while in the Comarch Group number of employees increased to 6,040 persons, compared to 5,541 persons as at 31<sup>st</sup> of December, 2017.

Average employment in the Comarch Group, from 2014 to 2018 is presented in tables below:

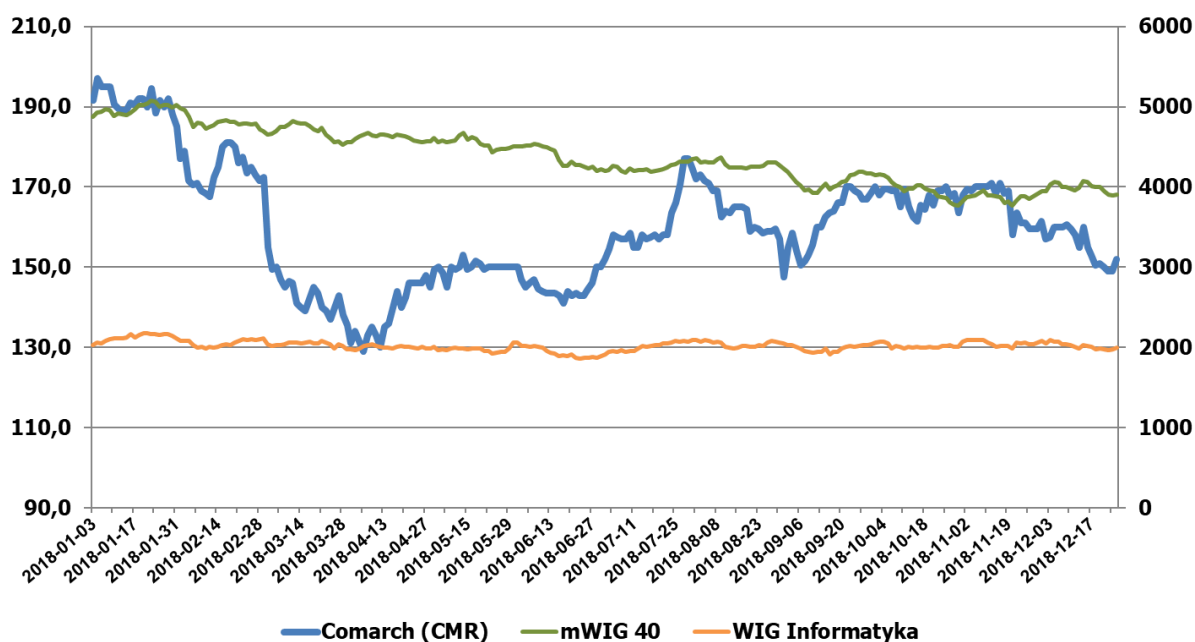
Average number of employees:	2018	2017	2016	2015	2014
full-time	4,727	4,393	4,323	4,066	3,439
co-workers	1,364	1,245	1,276	1,238	1,037
<b>Total</b>	<b>6,091</b>	<b>5,638</b>	<b>5,599</b>	<b>5,304</b>	<b>4,476</b>

Average number of employees:	2018	2017	2016	2015	2014
production employees and technical consultants	4,797	4,369	4,342	4,104	3,438
marketing and sales	298	293	336	339	287
management and administrative employees	495	458	434	427	376
other	501	518	487	434	375
<b>Total</b>	<b>6,091</b>	<b>5,638</b>	<b>5,599</b>	<b>5,304</b>	<b>4,476</b>

Most of production by Comarch consists in production of company's own, versatile software products and in production of computer software on the basis of customer orders. The basic factor limiting the production capacity is human resources. As the company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources. The Group diversifies the risk of limitations in availability of human resources by conducting business in 17 branches located in urban centres in Poland. As at 31<sup>st</sup> of December, 2018, 3,410 employees were employed in Krakow, 2,001 in other cities in Poland and 629 abroad.

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



Period	The highest	The lowest
I quarter of 2018	197.00	135.50
II quarter of 2018	153.00	129.00
III quarter of 2018	177.00	147.50
IV quarter of 2018	171.00	149.00

Between the 1<sup>st</sup> of January, 2018, and 31<sup>st</sup> of December, 2018, the closing rate of Comarch S.A. shares decreased from PLN 190.00 to PLN 152.00, i.e. by 20.0%. During the year, the maximum closing rate amounted to PLN 197.00.

<i>Data in PLN</i>	12 months ended 31 December 2018 / 31 December 2018	12 months ended 31 December 2017 / 31 December 2017
Closing rate at the balance sheet date	152.00	190.00
Average price during the reporting period	159.96	198.17
MIN price during the reporting period	129.00	160.60
MAX price during the reporting period	197.00	239.00
Average volume during the reporting period	3,236	4,592
Capitalization at the balance sheet date	1,236,269,048	1,545,336,310
Ratios for consolidated data		
P/E at the balance sheet date	40.38	23.90
P/BV at the balance sheet date	1.44	1.85
P/S at the balance sheet date	0.90	1.37

### 3. Products and Services Offered by Comarch in 2018

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, tele informatic network management and billing systems, Business Intelligence, security and protection of data, electronic devices and many other solutions. Apart from providing innovative IT solutions to its customers, Comarch is focused on professional customer service and on providing consulting, advisory and integration services as a uniform package, with which our customers can take full advantage of the possibilities offered by modern IT systems.

#### 3.1. Telecommunications Sector

Since 1993 Comarch has specialist telecoms unit providing IT solutions to some of the biggest telecoms brands in the world, including LG CNS Co. Ltd., Deutsche Telekom IT GmbH, KPN B.V., Huawei Technologies (UK) Co., Ltd., Telefonica Germany GmbH & Co. OHG, Colombia Telecomunicaciones S.A. ESP, NGENA GmbH, Telefonica del Peru S.A.A., Saudi Telecom Company, Orange Polska S.A., Telia Finland Oyj, Orange Communications Luxembourg S.A., Vodafone Procurement Company S.a.r.l., ORANGE B4B TECHNOLOGY, S.A. It builds technology solutions to meet the key requirements of telecoms companies, namely to: increase revenue; grow business efficiency; simplify systems; cut costs; enhance the customer experience; and build new services and shorten their time to market. Comarch's OSS and BSS solutions have been consistently listed on Gartner's Magic Quadrant report. It has also been recognised for its work in the telecoms industry by other analysts, including Forrester, Informa and Frost & Sullivan.

#### IOT ECOSYSTEM

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

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

**Comarch IoT Billing** is tailored to the needs of your IoT operations. It enables to charge not only for connectivity, but also for IoT devices, vertical applications and bundled services. IoT customers are looking for the well-suited offer answering their businesses in the most appropriate way. System supports all kinds of multileveled business relations (B2B, B2B2C, B2B2B).

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

#### ENHANCING DIGITAL CUSTOMER JOURNEYS

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

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

### **DIGITIZING ENTERPRISE CUSTOMERS**

**Comarch Enterprise Billing, Charging & Revenue Management** - a telecom invoicing software that addresses the needs of even the most complex corporate environments by providing features such as multi-branch and multi-department organizational structure support, split billing with flexible definition of rules based on time of connection or service type, ad hoc reporting of data with current buckets consumption, charging based on thresholds, shared bundles at the level of company or branch, closed user groups, availability of usage data and financial data in the middle of the cycle.

**Comarch Telecom Digital B2B Platform** lets CSPs provide enterprises with offers across all telco services, including mobile and fixed voice, data and VPN. These services can be bundled with unified communication, security and cloud solutions in a single Product Catalogue that drives all order management processes in a manner that satisfies the needs of modern enterprises and lets CSPs introduce new services seamlessly.

**B2B Sales & Ordering** - this proven solution provides a full lead to cash experience within a single package. It ensures accurate, automatic and near-instant quotes which, thanks to the product catalogue-driven mechanism, become agreements seamlessly upon approval.

### **PROVIDING ENTERPRISE SERVICES GLOBALLY**

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

**Digital Billing and Revenue Management** delivers multi-currency and multi-taxation handling as well as generation of financial documents not only for customers, but also for partners involved in the entire process of service delivery.

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

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

### **5G NETWORK OPERATIONS**

**Zero-touch Network Provisioning** - a solution to IoT and 5G demands for rapid, automatic implementation of telecom network elements. System allows devices to be connected, pre-configured and updated.

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

**Comarch Self-Organizing Network (SON)** 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.

**Service & Resource Orchestration** is a solution which aims to help CSPs to transform service and network management into a much more automated solution, shifting to the idea of zero-touch network

& service management. Orchestration aims to automate not just the fulfilment area, but all processes related to the complete service and resource lifecycle.

## INTELLIGENT ASSURANCE & ANALYTICS

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

**Comarch OSS Service Desk (OSSSD)** is a comprehensive solution supporting engineers working in operations centres and handling situations with the potential to impact subscribers and, subsequently, the company's revenue stream. This indispensable tool supports network and service operators, allowing them to resolve incidents swiftly in accordance with specific SLAs. It facilitates efficient root-cause analysis of reported problems and aids wise planning of changes in the network to minimize the impact on customers and business agreements.

**Integrated Assurance** brings pro-activeness and significant reduction of mean time to repair (MTTR) due to automation enabled by close integration of traditionally stand-alone applications such as fault management, service problem management, resource & service test management, resource & service performance management, service quality management, and service assurance control, as defined by eTAM.

**BSS/OSS Data Analytics** - with its big data analytics for telecom operators, the solution processes data from the network in real time, combines this information with that from external systems, and aggregates it. Comarch BSS/OSS Data Analytics effectively helps telecoms companies improve their overall net promoter score (NPS) and customer satisfaction (CSAT) result, as it takes into account the real customer experience when using a given service provided by the network.

## RESOURCE MANAGEMENT

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

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

**Comarch Auto-discovery & Reconciliation** - provides a 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. It is a solution that manages configuration in a manner that goes beyond the traditional radio access network (RAN) approach, implementing network provisioning in the transmission, core and access domains too.

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

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

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

## 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.

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

## 3.2. Finance, Banking and Insurance Sector

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



## PRODUCTS

**Comarch Corporate Banking** is a platform designed for the specific needs of companies, and offered to banks catering to companies. It's a transactional banking system, a financial management tool, and a solution to facilitate handling of bulk payments – all rolled up into one. It supports corporates in managing accounts, buying currencies, or making local and international payments.

**Comarch Wealth Management** is a platform dedicated to retail, affluent and private banking client segments. The system supports relationship managers – in advisory and financial planning tasks, end-clients – in self-driven robo-advisory processes, wealth managers – in discretionary portfolio management, and analysts – in running performance and risk calculations of client portfolios.

**Comarch Digital Insurance** is, on one hand, a system dedicated to insurance agents, brokers or intermediaries. It helps them advise on and sell insurance products but also provide post-sales support, manage their tasks and monitor own business performance. On the other hand, Comarch Digital Insurance allows individual customers to purchase a policy online and manage their insurance portfolio.

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

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

Designed primarily for banks, the **Transaction Protection** – or tPro suite consists of two solutions for customer authentication and transaction authorization: tPro ECC and tPro Mobile. Comarch tPro ECC is a USB token for digital signature. Comarch tPro Mobile is a variant of the solution, based on what the user has – a mobile phone with an app; and what the user knows – PIN or pattern.

### 3.3. ERP Sector

**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 solution dedicated to management staff as well as mobile employees, e.g. sales representatives, service technicians or sales assistants, who carry out their tasks outside the office using a smartphone or tablet. The package includes: **Comarch Mobile Management, Comarch Mobile Sales, Comarch Mobile Monitoring, Comarch Mobile mPOS, Comarch Mobile Service and Comarch Mobile Shopping**. Individual applications from the Comarch Mobile package enable management of mobile employees and the sales they have achieved, monitoring the effects of work and the current location of employees on the map and routes registered by them. It enables efficient execution of vanselling transactions and preselling directly during the client's visit, as well as registration of offers and purchase orders from suppliers, e.g. during trade fairs. Comarch Mobile also enables the execution of service orders, e.g. during inspections, assembly or repair of devices.

**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 for the warehouse manager, used to control warehouse operations and manage the flow of goods within its structure. Comarch WMS Warehouse facilitates the implementation of operations by employees directly in the warehouse, using data collectors working online.

**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 all-in-one cloud service solution for storage, data backup and collaboration. Comarch IBARD enables users to backup files, folders, and data bases, safely store all kinds of data in the cloud, share files and collaborate. Users can access their data from all devices (Desktop, Android, iOS and Windows Phone). Comarch IBARD ensures the highest safety level by storing data in Comarch's own certified high-tech Data Centres localized in Poland, Germany and France. Application is available in 5 languages: English, Polish, German, French, and Spanish. Can be offered in White Label model.

**Comarch TNA** (Time and Attendance) is an innovative system for tracking and monitoring working time, vacations, and business trips. It is a solution based on the cooperation of an original mobile application with Comarch TNA Gateway devices. Working time can be registered with the use of both, mobile application and RFID proximity cards. Being a stand-alone solution with possibility to integrate with any system, Comarch TNA is a universal solution for any company.

**Comarch CSM** – Comarch Cloud Service Management (CSM) is an end-to-end comprehensive Service Delivery Platform (marketplace) that supports providers (e.g. telecom operators) in offering and sale of cloud-based services, applications, infrastructure and other products. It is easily extensible with more 3rd party Applications and Services. Integrations with existing BSS/OSS systems, external SSO, SMS Echo, Comarch Cloud Services, etc. are possible.

**Comarch SSO** – (ang. Single Sign-On) a secure single sign-on system for logging into cloud services. Provides and users are given full security when logging in a multi-service environment.

**Comarch Hosting** – integrated, comprehensive solution tailored to individual customer requirements, which consists in leasing the hardware platform placed in the Comarch Data Centre together with the necessary licenses of external manufacturers (including Microsoft). The offer also includes a number of services related to the management and administration of the hardware and software platform. A unique feature of the solution is the possibility to manage resources in a flexible way, as solutions offered in our hosting model can be easily scaled as customer's demand grows.

**iKsięgowość24** - Accountancy and bookkeeping services for enterprises, provided by more than 1,000 accountant offices which use Comarch ERP Optima.

**Comarch B2B** - a B2B platform enables, among others, ordering goods via the Internet. A logged-in contractor has access to the history of his orders, payments, complaints, preview of the status of service orders and production orders. The application works with 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 HRM** - 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 e-Sprawozdania** is a program supporting the creation of electronic financial statements in compliance with, among others, the Polish Accounting Act. It is characterized by its ample functionality (enabling electronic signatures in the application), ease of use, and a possibility to integrate with ERP systems. The software makes it possible to use both a desktop version installed on a computer and a cloud version provided in a subscription model for any computer connected to the Internet. The application creates financial statement structures **compliant with the requirements of the Ministry of Finance**.

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

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

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

- **Comarch eRechnung** - system designed for servicing electronic invoices in Germany in accordance with applicable regulations; the application works with Comarch's German financial and accounting systems.

### 3.4. Public Sector

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

#### **Comarch ERGO**

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

#### **Comarch EZD**

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

#### **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 Internet.

#### **Comarch ERP Egeria**

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

#### **Comarch Security Platform**

Comarch Security Platform 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 Parking**

Comarch Smart Parking is a complex solution that allows efficient management of the car park areas. Our system provides car park operators and managers with tools that facilitate their daily work like detection of free parking spaces in real time using Intelligent Video Analytics functionality or a sensor

network, support for both outdoor and indoor car parks, Park&Ride, municipal or private or generating operational and managerial reports, statistics concerning occupancy and car parks.

### **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.

### **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.

## **3.5. Services Sector**

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

The Services Sector implements projects in 35 countries on five continents. Among our clients are: BMW Bank GmbH, Media Saturn IT Services GmbH, Ford Motor Company, European Organisation for Astronomical Research in the Southern Hemisphere (DE), ExxonMobil Global Services Company, BP Europa SE, KORUS CONSULTING SNG, Tab Limited, Livelio S.A., Valeo Schalter und Sensoren GmbH, Whitbread Group PLC, JetBlue Airways Corporation, BP Europa SE.

### **Comarch CRM & Marketing**

The offer addressed to large enterprises involves a comprehensive suite of business applications and professional services that helps organizations build and manage engaging loyalty programs, create rich consumer experiences and personalized interactions across multiple touch points, automate marketing processes, and ultimately boost profits. Comarch also provides business intelligence solutions and innovative customer engagement systems based on gamification.

#### **Available solutions:**

**Comarch Loyalty Management for Retail** – a loyalty program management system that supports B2C and B2B operators, enabling the launch of multiple programs on a single platform and support for all areas (customer registration, profile management, promotions based on different currencies, communication with users, rewarding with gifts and special offers).

**Comarch Loyalty Management Travel Edition** – a platform dedicated for transport and tourist companies, (especially airlines), supporting loyalty programs for all carrier types, both for individual customers (frequent flyer programs) and in the B2B model. The system supports the creation of rules for calculating points and defining rewards and privileges.

**Comarch Loyalty Management Cloud** - providing a wide range of features designed to build comprehensive loyalty strategies, this stands out as a highly practical and cost-effective solution available in a subscription-based pricing model. CLM Cloud was designed to keep up with the latest system updates, introduced in accordance with the Comarch roadmap.

**Comarch Campaign Management** – created to help marketers define and manage marketing campaigns easily (both single-channel and complex multi-wave designs), and to deliver the right message to the right audience over the right channel. The solution streamlines the integration and automation of marketing activities in order to get campaigns to market faster, increase revenue and improve business performance. The solution also helps to optimize workflow and create clear tasks,



guaranteeing that resources are allocated flawlessly across your organization and ensuring efficient collaboration.

**Comarch Customer Engagement** – an efficient solution for increasing customer engagement, motivation and loyalty. This innovative tool offers a variety of fully customizable plugins to engage and reward users, especially by using virtual elements such as badges, challenges, leaderboards, storytelling and other games mechanics. The solution is based on the 3F rule: fun, friends and feedback.

**Comarch Enterprise Engagement Platform**– designed for companies, this tool comprehensively implements mechanisms of gamification in the work environment in order to improve the engagement, productivity and motivation of employees and business partners. The system allows the definition and engaging tasks (in social media, education, sales and entertainment), for which program members are awarded with badges, a higher level or a better ranking position.

**Comarch Location-Based Services** – Enables companies and organizations to communicate with their customers on a very personal and customized level. Using location data from geo-fencing, wi-fi triangulation, beacons and other sensors, it launches precise marketing campaigns as well as short and to the point messages conveyed via push notifications. The solution is fully integrated with Comarch's breakthrough Internet of Things unit, which is responsible for manufacturing hardware (beacons and sensors) and plugging it into software codes for smarter usage.

**Comarch Business Intelligence** – provides responses with a comprehensive picture of customer buying patterns, their value, campaign effectiveness and overall loyalty program performance. The aim of implementing Comarch Business Intelligence is to provide aggregate, pure, multi-section data, facilitating improved decision-making in managing loyalty programs. All information is available in an interactive, 100% web solution with responsive design, an intuitive interface which facilitates the creation of reports (including ad hoc), and dashboards with many forms of visualization such as graphs, indicators, sparklines, maps and tables.

**Loyalty Consulting** – services that help to create comprehensive, innovative programs, attract clients, increase profits and build a stronger bond between the client and the brand (developing the strategy, program concepts, rewarding methods, marketing communication, procedures and analysis of IT requirements).

**Program Management Services** - our competences include program maintenance, targeted and creative communications, establishing partnerships, handling reward fulfilment and contact centre operations. In order to provide the highest quality program management, we created a cross-functional network of dedicated teams consisting of experienced marketers, program managers, data analysts and integration experts.

**Customer Analytics** - collecting, cleaning and auditing customer data, improving and maintaining data quality and analysis, creating customer segmentation models, analysing migrations and customer activation strategies, forecasting and scoring models, analysing database marketing and customer satisfaction. We offer advice and guidelines on how to utilize customer data and build, adapt and maintain advanced analytical models.

**Comarch e-Invoicing** – enables efficient document management and automation of sales and business processes in the supply chain. A comprehensive approach to communication with global partners, covering the electronic exchange of products, retail, logistics and financial data, brings business tangible benefits including rapid access to information and significant cost reductions.

Comarch e-Invoicing offers the following solutions:

**EDI (Electronic Data Interchange)** – a platform enabling rapid and secure exchange of electronic documents between business partners from around the world in different industries. It facilitates increased accuracy of the transmitted information and provides prompt access to business data. Integration with mobile sales solutions and comprehensive reporting tools guarantees access to reliable business data.

**MDM (Master Data Management)** – a central product catalogue that allows you to effectively manage and exchange product data between business partners from around the world. It guarantees



access to reliable, up to date product information. As a certified GDSN catalogue, Comarch MDM ensures rapid synchronization of product data within the GDSN network with partners around the world.

**e-Invoicing** – a solution that provides full control over the entire invoice management processes (accounts payable/accounts receivable). It enables the rapid replacement of paper invoices with electronic versions, archiving, and legal compliance with national regulations. Multi-channel support allows the processing and validation of data in various formats.

The EDI and MDM-class solutions are fully compatible, and their use guarantees companies a significant improvement in the quality of transaction data (for example orders and invoices) and logistics. Comarch offers global solutions that guarantee compliance of international e-invoicing projects with local legal regulations and support dedicated company processes, including the invoice cycle in accordance with internal company regulations.

Further development is planned towards the integration of existing systems, in order to use the synergy of individual applications and gain a competitive advantage over other e-Invoicing solutions providers.

### Comarch ICT

Comarch ICT solutions allow control of the IT infrastructure of enterprises in telecommunications, outsourcing and data centre sectors, based on global standards and technology partnerships with IT market leaders in data security.

### Comarch Data Centre Solutions

**Comarch Data Centre** – advanced technological centres with high availability and Tier III and Tier IV architecture. They are an alternative for clients who do not wish to possess their own IT infrastructure resources. Comarch S.A. owns four Data Centres and partners with 11 others around the world. Comarch provides a wide range of Data Centre services:

- Co-location - providing space for the customer's devices in one of our several data centres. As part of the service, the customer receives the agreed space for their own devices in a room with guaranteed physical, energy, environmental and fire safety protection.
- **Disaster Recovery Centre** – an optional service for all the above-mentioned solutions. This includes a backup data processing centre for critical systems. The service is offered in PaaS or SaaS models, ensuring data replication between two centres and the activation of the backup environment in the event of failure of the primary location.
- Data Centre Managed Services – transform your data centre management and IT operations, giving you the technological flexibility, you need, and maximizing the efficiency and availability of your applications. We provide the right people, processes, security, and technology across on-premises, cloud, and network-based solutions to optimize your data centre services. We offer full management, so you can focus on strategic initiatives.
- IBM Power Services - fully managed services for IBM and Power Systems, a secure and reliable solution for any mid-sized or enterprise-level business. These services will allow your company to increase efficiency and reduce costs associated with operating your IBM and systems.

**Comarch Cloud Infraspaces** – unified and flexible cloud infrastructure with the highest security standards. The platform contains a wide range of tools supporting applications built on the basis of micro-services. The cloud solution provided by Comarch was created to help solve problems associated with the lack of computing power, allowing capacity to be adjusted to meet the real level of demand for IT resources. The solution allows clients to reap all the benefits of the cloud, such as lower IT costs, increased efficiency and full control over existing IT resources, while optimizing the reliability of corporate data and maximizing flexibility. All this in a secure IT environment in the Comarch Data Centre.

### IT Services Solutions

Due to dynamic changes in the IT infrastructure market, an experienced technology partner is important for business growth. Placing your company's IT environment in the hands of Comarch's engineers and analysts guarantees required system availability and service continuity customized to your needs.

**Comarch IT Services** - continuous and comprehensive IT services ranging from full support for the end user (Service Desk and job support) to LAN/WAN network administration, server and security infrastructure, and IT process management, according to good practices of the ITIL library.

**Comarch IT Integration** - services that adapt the client's IT environment to new business and technical requirements. We support clients from the analysis and design stage of the new IT platform, to the supply of appropriate devices and software and the implementation phase.

**Comarch Business Continuity** - services that ensure a high level of system availability, minimize the effects of failures and disasters and guarantee a quick return to the "before failure" state. In addition, we offer audits in various IT areas.

**Comarch Network Managed Services** - solutions designed to create and maintain data transmission networks (including WAN/LAN/WLAN). CNMS is a comprehensive product for the construction or modernization of existing transmission networks, the management and administration of these networks, and their security.

**Comarch Network Operations Centre** – a single contact point providing technical support in IT infrastructure and business applications for all types of enterprises and institutions. Clients gain knowledge about the current availability and performance of individual components of their IT infrastructure, operating systems, and operating platform.

### IT Risk and Security Management Solutions

**Managed IT Security Services** - an effective and high-quality solution addressed to companies seeking strategic partners who undertake comprehensive IT security management as part of outsourcing. Monitoring and analysis of security events, penetration tests and sensitivity scans are just a few examples of managed services. Comarch adapts the services it provides to meet business and operational demands, and helps clients to comply with IT management procedures and regulatory requirements in their country, handle corporate risk management, and implement industry standards.

**IT Security Auditing and Compliance** - services related to evaluating, processing and complying with all security standards at regional and international levels. Regular data security audits can detect potential threats and prevent them early enough to neutralize the risk. We provide a wide range of services related to detailed IT security auditing, customized to meet market needs and customer expectations.

**IT Security Integration and Support** - we offer a full range of IT integration and support services, from network security solutions to SIEM (security information and event management) systems. Thanks to a team of highly qualified network engineers and security specialists, and many years of security management experience, we are able to provide solutions tailored to our clients' needs.

## 3.6. Comarch e-Health

Comarch e-Health sector provides a wide range of solutions dedicated to the medical industry. The offer includes, among other things, IT systems for hospitals and software for health record management in medical facilities, cities, and regions. Comarch e-Health is a provider of innovative Remote Medical Care solutions, based on own software, devices and medical infrastructure.

### MEDICAL INSTITUTIONS MANAGEMENT SOFTWARE

#### COMARCH OPTIMED NXT

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

**COMARCH OPTIMED24**

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

**COMARCH ERP**

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

**COMARCH BUSINESS INTELLIGENCE**

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

**SOFTWARE SUPPORTING THE MANAGEMENT OF HEALTH RECORD****COMARCH EHR (ELECTRONIC HEALTH RECORD)**

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

**COMARCH CONCIERGE**

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

**COMARCH MEDNOTE**

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

**REMOTE MEDICAL CARE**

Remote Medical Care is a telemedicine service, which allows constant monitoring of the patient's condition and performance of preventive and control check-ups outside medical facilities. This form of care is made possible by the use of mobile devices which measure vital signs. Results are transmitted to the Remote Medical Care Centre, where they are automatically analysed. If any abnormalities are detected, medical staff contact the patient and calls an ambulance in the event of an emergency.

**REMOTE CARDIAC CARE**

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

## **REMOTE PULMONARY CARE**

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

## **REMOTE OBSTETRIC CARE**

Remote Maternity Care enables passive CTG examinations in the home. Measurements are automatically sent to the Remote Medical Care Centre and verified by a specialist. CTG tests, performed during the third trimester, allow full monitoring of fetal heartbeat and uterine contractions, without the expectant mother having to leave home.

## **REMOTE CARE FOR SENIORS**

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

## **DIAGNOSTIC POINTS**

Diagnostic Points are stations equipped with measuring devices, where patients can use remote medical care services in office buildings, airports, insurance companies, etc. Measurements of basic vital signs are taken independently by the patient and then evaluated by physicians through a telemedicine platform.

## **E-CARE PLATFORM**

The provision of Remote Medical Care services is possible thanks to the cloud-based Comarch e-Care Platform, which enables constant remote patient monitoring. The e-Care Platform collects and processes medical data obtained from integrated systems, applications and measuring devices. Artificial Intelligence (AI) is deployed to analyse a large amount of information, and to indicate correlations and abnormalities. AI, in combination with developed procedures, supports medical personnel in providing effective care.

## **TELEMEDICINE EQUIPMENT**

Comarch has own R & D centre, where measuring devices, cooperating with the e-Care platform, are designed, tested and manufactured. Among them are portable heart recorders, i.e. Comarch PMA and CardioVest. Further work on the development of telemedicine equipment is continuing.

## **REMOTE MEDICAL CARE CENTER**

The Remote Medical Care Centre with healthcare personnel monitoring patient health status is the key component of the telemedicine system.

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

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

## iMed24 HEALTHCARE CENTER

iMed24 Healthcare Centre as Comarch Healthcare S.A.'s healthcare centre this is naturally an environment for the development of solutions dedicated to this sector. iMed24 was the first healthcare centre in Małopolska to offer Remote Medical Care (more than 6,000 patients). The facility has about 100 doctors who work in more than 30 specialist out-patient clinics.

## 3.7. Comarch Technologies

### 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 Smart Manufacturing (Industry 4.0)** – Comarch Smart Manufacturing - is a solution based on the Comarch IoT Platform, which allows for quick configuration and management of intelligent lighting in the city, public buildings or in industry. The solution also uses a Smart Lighting module that allows you to transform your existing lighting infrastructure into an intelligent system.

**Comarch Asset Tracking** – is a solution based on the Comarch IoT Platform, allowing you to locate devices, things inside buildings. The system from the hardware side is based on Comarch devices and radio modules.

**Comarch Smart Metering** – is a solution dedicated to monitor critical infrastructure for utility companies (water, electricity, gas). The solution consist of dedicated HW gateway able to read the metering data using industry standards and transmits it wirelessly using LPWAN technology (4,5G) through telco operator networks (NB-IoT or LTE-CatM) to the cloud.

**Comarch Modul BLE** – a certified radio module for Bluetooth Low Energy technology (BLE) with a Comarch software stack, in the form of a PCB for use in various applications, among others IoT, as the BLE interface.

**Comarch Radio Module** – a certified wireless module in mesh technology (MESH) operating on the 2.4 GHz band, based on IEEE 802.15.4. Module in the form of a PCB to use in a variety of applications including IoT, as a radio interface.

**Comarch Smart Lighting Module (CSL)** – a certified module for wireless lamp control, among others made in LED technology. Using various Comarch radio modules as a transport layer. The product is available in several functional variants with different radio interfaces.

**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.

#### 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.

An innovative production line that allows short-run production of consumer electronics prototypes in a very short period of time, with particular emphasis on the quality of products and services provided. The IoT Plant production hall was created for the needs of electronics assembly, i.e. EMS services, it functions as part of the Integrated Management System Comarch S.A.

**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.

## 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.

### 3.8. Sports activities

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

Revenues from sports activities of MKS Cracovia SSA include sums of revenues due to advertising services and other services, as well as receipts from the sale of tickets for sporting events organized by the company.

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

largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal



nature and are offered to all groups of customers. The Comarch's offer is dedicated to both Polish and foreign customers. Since many years, the Company's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe, South and North America and Asia. Sale in the Company is highly diversified, with no dependency on one major client. In 2018, the share of sale to none of the customer exceeded 10% of the Comarch Group sales.

Due to the specific nature of the industry, in which Comarch manages its operations, international concerns, which are producers of computer systems and programmer's tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In 2018, share of none of the product provider exceeded 10% of the value of Comarch sales.

## 5. Sales Structure

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

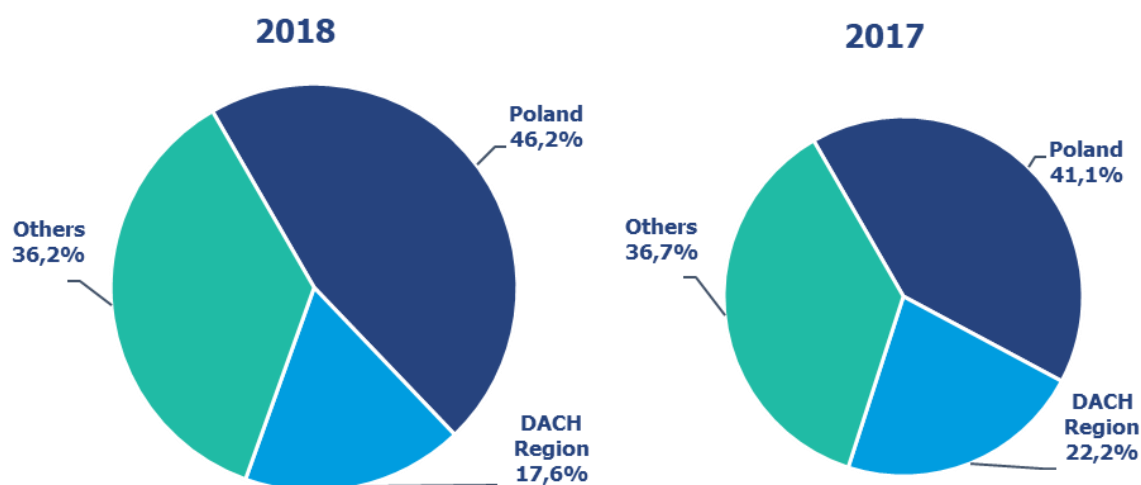
	2018	%	2017*	%	2016	%
Domestic	632,372	46.2%	462,922	41.1%	451,680	40.6%
Export	737,247	53.8%	662,188	58.9%	661,133	59.4%
<b>Total</b>	<b>1,369,619</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>1,112,813</b>	<b>100.0%</b>

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

In 2018, the Group generated PLN 632,372 thousand of revenues from domestic sales, by PLN 169,450 thousand PLN (i.e. by 36.6%) more than in 2017. Such a large increase was mainly due to the development of sales to clients from the Public sector and the growing sales of ERP solutions to the SME sector in Poland.

The value of revenues from export sales in 2018 amounted PLN to 737,247 thousand and were higher by PLN 75,059 thousand (i.e. by 11.3%) than in the previous year and accounted for 53.8% of the Group's total revenue.

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



	2018	%	2017*	%	2016	%
Poland	632,372	46.2%	462,922	41.1%	451,680	40.6%
DACH	241,637	17.6%	249,361	22.2%	235,241	21.1%
Remaining countries	495,610	36.2%	412,827	36.7%	425,892	38.3%
<b>Total</b>	<b>1,369,619</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>1,112,813</b>	<b>100.0%</b>

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

In 2018, the Group's sales in DACH region decreased by PLN 7,724 thousand, i.e. 3.1% compared to the previous year and its share in total Group's sales amounted to 17.6%. Other foreign sales increased by PLN 82,783 million PLN, which is an increase of 20.1%. Share of other foreign sales in total Group's sales amounted to 36.2%.

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

	2018	%	2017*	%	2016	%
Telecommunication, Media, IT	316,416	23.1%	264,866	23.5%	276,620	24.9%
Finance and Banking	204,532	14.9%	187,168	16.6%	163,811	14.7%
Trade and Services	202,406	14.8%	187,367	16.7%	183,314	16.5%
Industry & Utilities	138,344	10.1%	143,105	12.7%	146,100	13.1%
Public Sector	193,000	14.1%	64,018	5.7%	72,856	6.5%
Small and Medium Enterprises – Poland	160,874	11.7%	136,085	12.1%	116,566	10.5%
Small and Medium Enterprises – DACH	99,568	7.3%	99,771	8.9%	111,223	10.0%
Medical Sector	27,351	2.0%	16,020	1.4%	13,184	1.2%
Others	27,128	2.0%	26,710	2.4%	29,139	2.6%
<b>Total</b>	<b>1,369,619</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>1,112,813</b>	<b>100.0%</b>

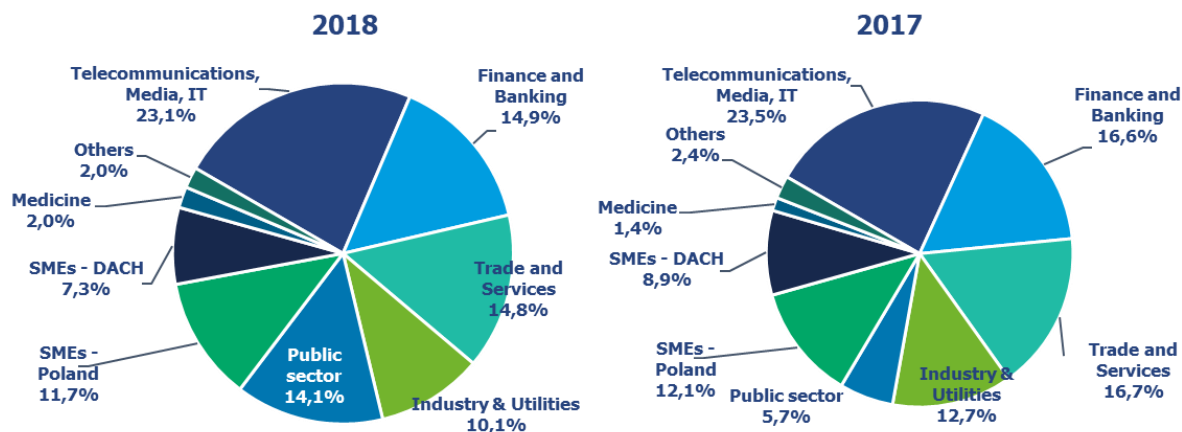
\*) From 1 January 2018, the Group started using the principles resulting from IFRS 15 for sales revenues. For comparative purposes, the data for the 2017 was also restated in accordance with IFRS 15. Data for 2016 have not been restated in accordance with IFRS 15.

In 2018, sales revenue of the Comarch Group to clients from the TMT sector amounted to PLN 316,416 thousand, which means an increase of PLN 51,550 thousand (i.e. by 19.5%) compared to 2017, thanks to the implementation of new contracts acquired on foreign markets. Clients from the finance and banking sector purchased products and services in the amount of PLN 204,532 thousand, higher than in the previous year by PLN 17,364 thousand, i.e. by 9.3%, which is due to the increase in revenue from sales on the domestic market. The increase was recorded in the sales of loyalty solutions, EDI and ICT to customers from the trade and services sector (of PLN 15,039 thousand, i.e. 8.0%), while it decreased in the case of customers from the industry and utilities sector (by PLN 4,761 thousand, i.e. by 3.3%). Revenue from sales to the public sector recipients grew dynamically, by PLN 128,982 thousand, i.e. by 201.5%, mainly due to the implementation of a contract for the supply and implementation of a digital system for registering court proceedings in common courts. The increase also took place in the case of sales to the Medical sector (increase by PLN 11,331 thousand, i.e. by 70.7%), as a result of new contracts for computerization of hospitals. Customers from the SME sector

in Poland purchased products and services, which were higher than PLN 24,789 thousand (i.e. 18.2%) in the previous year. Sales to clients from the SME sector in the DACH region and to other clients remained at a level similar to that achieved in the previous year.

The structure of sales remained stable during the financial year.

The business situation in 2018 confirmed that the diversity of the offer and maintaining the industry and geographical diversification of revenue sources is beneficial for the stable development of the Comarch Group's activity.



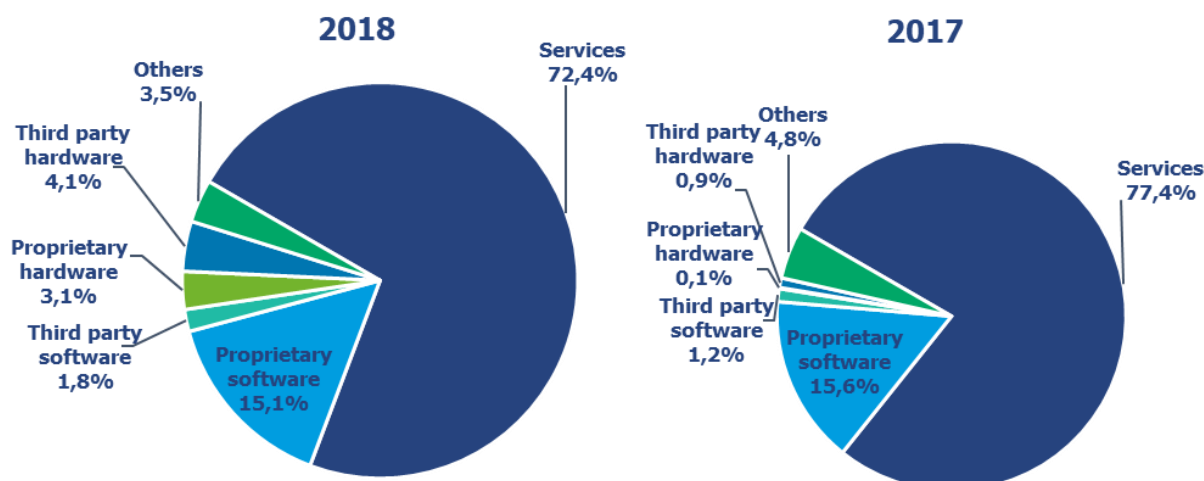
### 5.3. Revenues from Sales – Products Structure (in thousands of PLN)

	2018	%	2017*	%	2016	%
Services	992,627	72.4%	871,415	77.4%	859,367	77.2%
Proprietary Software	207,271	15.1%	175,174	15.6%	178,092	16.0%
Third party Software	24,041	1.8%	13,475	1.2%	21,086	1.9%
Finished goods	42,216	3.1%	804	0.1%	3,674	0.4%
Hardware	55,728	4.1%	10,096	0.9%	9,038	0.8%
Others	47,736	3.5%	54,146	4.8%	41,556	3.7%
<b>Total</b>	<b>1,369,619</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>1,112,813</b>	<b>100.0%</b>

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

In 2018, the value of revenue from sales of proprietary software amounted to PLN 207,271 thousand and was higher by PLN 32,097 thousand (i.e. 18.3%) than in the previous year. Revenue from sales of services increased by PLN 121,212 thousand, i.e. by 13.9%. The sales of finished goods increased very significantly, by PLN 41,412 thousand, i.e. by 5,150.7%, similarly sales of third party hardware (increase in revenue of PLN 45,632 thousand, i.e. by 452.0%). This was the result of the implementation in Q2 and Q3 2018 of the contract for the supply and implementation of a digital system for registering court proceedings in common courts. Revenue from sales of the third party software increased by PLN 10,566 thousand, i.e. by 78.4%. Other sales decreased by PLN 6,410 thousand, i.e. by 11.8%.

Over the whole 2018, sales structure by products remained stable.



## 6. Factors Essential for Development of the Comarch Group

### 6.1. Internal Factors

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

### 6.2. External Factors

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

- 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, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales;
- j) The international economic situation, in particular in Europe, which influences the demand for IT products and services on this market, as well as the financial credibility of the customers in this region;
- k) The international political situation, including increasing risk of terrorist attacks in places of project management complicates their implementation.

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

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

### **7.1. Credit Risk**

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

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

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

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

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

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

payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through undertaking in last periods credit liabilities expressed in EUR). The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date.

Financial analysis of the Group's financial result sensitivity to exchange rate fluctuation risk is included in notes 2.3.2. of the consolidated financial statement.

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

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

### **8. Perspectives of Development in the Group and Anticipated Financial Situation in 2019**

In 2018, the demand for IT services and IT products has increased, with changes in its structure. The Group observed an increase in demand for solutions for telecommunication sector, for public sector as well as, for ERP products and a stable demand for IT solutions for clients from other sectors. The Group's backlog now ensures full use of its production capacity in several subsequent periods.

The development of the political and economic situation in Poland and in the world, as well as the situation on the labour market will have a decisive impact on Comarch Group's operations and financial results in 2019. Thanks to consistently executed strategy of positioning itself on the market as a technological and product-based Company, Comarch's offer is very well diversified. Customer base is constantly expanding and a considerable part of them are international companies, what allows to continue the development of the Company. Dynamically developing activity of Comarch Group in international markets additionally increases sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of enterprise. It also means the need to make numerous capital investment abroad Poland (principally through the establishment of foreign subsidiaries). Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Company, especially on the level of IT investments by medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. An opportunity for the Group is its high innovativeness and growth in demand for delivery of IT solutions in a service model - Comarch Group thanks to the wide range of its own products, owned infrastructure and human and capital resources can flexibly adapt to business models expected by customers.

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

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



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

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

## 9. Financial Analysis

<b>Balance Sheet</b>						
	<b>31 December 2018</b>	<b>%</b>	<b>31 December 2017*</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	551,063	33.1%	556,838	34.7%	-5,775	-1.0%
Investment real estates	32,683	2.0%	15,357	1.1%	17,326	112.8%
Goodwill	42,197	2.5%	42,197	2.8%	0	0.0%
Other intangible assets	59,447	3.6%	63,319	4.2%	-3,872	-6.1%
Non-current prepayments	2,834	0.2%	3,321	0.1%	-487	-14.7%
Investment in associates	1,520	0.1%	11,233	1.0%	-9,713	-86.5%
Other assets at fair value	935	0.1%	2,904	0.0%	-1969	-67.8%
Other investment	211	0.0%	112	0.0%	99	88.4%
Deferred income tax assets	35,045	2.1%	31,237	2.4%	3,808	12.2%
Other receivables	20,906	1.3%	5,392	0.3%	15,514	287.7%
	<b>746,841</b>	<b>44.8%</b>	<b>731,910</b>	<b>46.6%</b>	<b>14,931</b>	<b>2.0%</b>
<b>Current assets</b>						
Inventories	97,198	5.8%	114,967	5.3%	-17,769	-15.5%
Trade and other receivables	435,372	26.1%	392,153	28.1%	43,219	11.0%
Current income tax receivables	2,555	0.2%	2,222	0.4%	333	15.0%
Long-term contracts receivables	134,800	8.1%	46,886	2.8%	87,914	187.5%
Available-for-sale financial assets	-	-	-	-	-	-
Other financial assets at fair value – derivative financial instruments	3,264	0.2%	8,516	0.1%	-5,252	-61.7%
Stock or shares	-	-	-	-	-	-
Cash and cash equivalents	245,915	14.8%	207,937	16.3%	37,978	18.3%
	<b>919,104</b>	<b>55.2%</b>	<b>772,681</b>	<b>53.0%</b>	<b>146,423</b>	<b>18.9%</b>
<b>Available-for-sale financial assets</b>	<b>-</b>	<b>-</b>	<b>3,861</b>	<b>0.4%</b>	<b>-3,861</b>	<b>-100.0%</b>
<b>Total assets</b>	<b>1,665,945</b>	<b>100.0%</b>	<b>1,508,452</b>	<b>100.0%</b>	<b>157,493</b>	<b>10.4%</b>

\*) Data as at 31<sup>st</sup> of December, 2017 were restated according to the principles resulting from the application of IFRS 15.

As of the end of 2018, the value of Comarch Group's assets increased by PLN 157.493 million, i.e. 10.4%. The value of non-current assets at the end of 2018 increased by PLN 14,931 thousand, i.e. 2.0% as compared to 2017, mainly as a result of the increase in the value of infrastructure investments from PLN 15,357 thousand to PLN 32,683 thousand (increase of 112.8%, compared to 2017), increase in deferred income tax assets of PLN 3,808 thousand PLN (i.e. by 12.2%) and other receivables (increase of PLN 15,514 thousand, i.e. by 287.7%). The value of property, plant and equipment decreased by PLN 5,775, i.e. 1.0%, as compared to the previous year, due to the transfer of one of the office buildings in Krakow to the position of investment real estates. Investments in affiliates decreased by PLN 9,713 thousand, i.e. by 86.5%, mainly as a result of impairment losses on shares in the Thanks Again affiliate. The share of other non-current assets positions remains at a level

comparable to 2017. The value of current assets increased by PLN 146,423 thousand, i.e. by 18.9% compared to last year's level. The value of revenues due to long-term contracts increased the most: by PLN 87,914 thousand, i.e. by 187.5%, which is the effect of the Group's implementation of large projects acquired during 2018. The increase was also recorded in the value of trade and other receivables (of PLN 43,219 thousand, i.e. 11.0%), as well as cash and cash equivalents (of PLN 37,978 thousand, i.e. 18.3%). The value of inventories decreased by PLN 17,769 thousand, i.e. by 15.5%, and the value of derivative instruments decreased by PLN 5,252 thousand, i.e. by 61.7% compared to last year.

EQUITY	31 December 2018	%	31 December 2017*	%	Change	Change%
<b>Capital attributable to the company's shareholders</b>						
Share capital	8,133	0.5%	8,133	0.5%	0	0.0%
Other capital	143,041	8.6%	143,041	9.5%	0	0.0%
Exchange differences	8,837	0.5%	4,169	0.3%	4,668	112.0%
Net profit for the current period	30,616	1.8%	64,626	4.3%	-34,010	-52.6%
Undivided financial result	667,519	40.1%	665,525	44.1%	1,994	0.3%
Changes in the undivided result due to the application of IFRS 15	0	0.0%	-50,432	-3.3%	50,432	-100.0%
	<b>858,146</b>	<b>51.5%</b>	<b>835,062</b>	<b>55.4%</b>	<b>23,084</b>	<b>2.8%</b>
Minority interest	17,962	1.1%	16,128	1.1%	1,834	11.4%
<b>Total</b>	<b>876,108</b>	<b>52.6%</b>	<b>851,190</b>	<b>56.4%</b>	<b>24,918</b>	<b>2.9%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	175,010	10.5%	185,596	12.3%	-10,586	-5.7%
Credit and loans	9,801	0.6%	6,928	0.5%	2,873	41.5%
Other liabilities	1,338	0.1%	736	0.0%	602	81.8%
Financial liabilities at fair value – derivative financial instruments	410	0.0%	446	0.0%	-36	-8.1%
Provision due to deferred income tax	43,625	2.6%	43,962	2.9%	-337	-0.8%
Provisions due to other liabilities and charges	-	-	-	-	-	-
	<b>230,184</b>	<b>13.8%</b>	<b>237,668</b>	<b>15.8%</b>	<b>-7,484</b>	<b>-3.1%</b>
<b>Current liabilities</b>						
Trade and other liabilities	182,502	11.0%	177,320	11.8%	5,182	2.9%
Current income tax liabilities	9,007	0.5%	4,942	0.3%	4,065	82.3%
Invoiced revenues for long-term contracts	163,818	9.8%	65,133	4.3%	98,685	151.5%
Credit and loans	40,267	2.4%	39,111	2.6%	1,156	3.0%
Financial liabilities at fair value – derivative financial instruments	479	0.0%	509	0.0%	-30	-5.9%
Other financial liabilities	328	0.0%	165	0.0%	163	98.8%
Provisions for other liabilities and charges	163,252	9.8%	132,414	8.8%	30,838	23.3%
	<b>559,653</b>	<b>33.6%</b>	<b>419,594</b>	<b>27.8%</b>	<b>140,059</b>	<b>33.4%</b>
<b>Total liabilities and charges</b>	<b>789,837</b>	<b>47.4%</b>	<b>657,262</b>	<b>43.6%</b>	<b>132,575</b>	<b>20.2%</b>
<b>Total equity and liabilities</b>	<b>1,665,945</b>	<b>100.0%</b>	<b>1,508,452</b>	<b>100.0%</b>	<b>157,493</b>	<b>10.4%</b>

\*) Data as at 31<sup>st</sup> of December, 2017 were restated according to the principles resulting from the application of IFRS 15.

In 2018, the share structure of equity and liabilities did not change significantly, as compared to 2017. Equity grew in 2018 by 2.9%. There was a slight increase in the minority interest (PLN 17,962 thousand compared to PLN 16,128 thousand in 2017). The share of equity attributable to the company's shareholders in the liabilities structure remained at a similar level (51.5% compared to 55.4% in 2017). Liabilities constituted 47.4% of total equity and liabilities (43.6% a year earlier). Their value increased by PLN 132,575 thousand, i.e. by 20.2% compared to the last year. This increase was caused by significant changes in the value of liabilities due to long-term contracts (increase of PLN 98,685 thousand, i.e. 151.5%), increase in provisions for other liabilities and charges (increase of PLN 30,838 thousand, i.e. 23.3%) and trade payables and other liabilities (increase of PLN 5,182 thousand, i.e. 2.9%). The biggest decrease concerned loans in the long-term part (of PLN 10,586 thousand, i.e. 5.7%).

Debt analysis	2018	2017*	2016	2015	2014
Debt ratio	12.9%	14.9%	12.1%	10.6%	11.7%
Debt/equity ratio	25.1%	26.9%	20.6%	17.9%	20.7%

\*) Data as at 31<sup>st</sup> of December, 2017 were restated according to the principles resulting from the application of IFRS 15.

Debt ratios in 2018 decreased as a result of the completion of intensive investment in real estates, mortgage credit and loans. The Group is financed with internal means (52.6%) and with external means (47.4%).

	2018	%	2017*	%	Change	Change %
<b>Revenue</b>	<b>1,369,619</b>	<b>100.0%</b>	<b>1,125,110</b>	<b>100.0%</b>	<b>244,509</b>	<b>21.7%</b>
Cost of sales	-1,008,042	-73.6%	-832,750	-74.0%	-175,292	21.0%
<b>Gross profit</b>	<b>361,577</b>	<b>26.4%</b>	<b>292,360</b>	<b>26.0%</b>	<b>69,217</b>	<b>23.7%</b>
Other operating income	20,160	1.5%	17,673	1.6%	2,487	14.1%
Sales and marketing costs	-139,417	-10.2%	-134,529	-12.0%	-4,888	3.6%
Administrative expenses	-106,123	-7.7%	-98,076	-8.7%	-8,047	8.2%
Other operating expenses	-48,654	-3.6%	-19,064	-1.7%	-29,590	155.2%
<b>Operating profit</b>	<b>87,543</b>	<b>6.4%</b>	<b>58,364</b>	<b>5.2%</b>	<b>29,179</b>	<b>50.0%</b>
Finance revenue -net	-13,951	-1.0%	31,867	2.8%	-45,818	-143.8%
Share of profit / (loss) of associates	-11,112	-0.8%	-3,082	-0.3%	-8,030	260.5%
<b>Profit before income tax</b>	<b>62,480</b>	<b>4.6%</b>	<b>87,149</b>	<b>7.7%</b>	<b>-24,669</b>	<b>-28.3%</b>
Income tax expense	-30,029	-2.2%	-21,038	-1.9%	-8,991	42.7%
<b>Net profit for the period</b>	<b>32,451</b>	<b>2.4%</b>	<b>66,111</b>	<b>5.9%</b>	<b>-33,660</b>	<b>-50.9%</b>
Attributable to:	/	/	/	/	/	/
<b>Shareholders of the Parent Company</b>	<b>30,616</b>	<b>2.2%</b>	<b>64,626</b>	<b>5.7%</b>	<b>-34,010</b>	<b>-52.6%</b>
<b>Interests not entitled to control</b>	<b>1,835</b>	<b>0.1%</b>	<b>1,485</b>	<b>0.1%</b>	<b>350</b>	<b>23.6%</b>

\*) For comparative purposes, data for 12 months 2017 have been restated according to the rules resulting from the application of IFRS 15.

In 2018, the Comarch Group generated sales revenue which amounted to PLN 1,369,619 thousand. They were higher by 244,509 thousand, i.e. by 21.7% than in 2017. The operating result reached PLN 87,543 thousand and was higher by PLN 29,179 thousand, i.e. 50.0% than in 2017. The net result

attributable to the shareholders of the parent company amounted to PLN 30,616 thousand and was lower by PLN 34,010 thousand than in 2017.

Profitability analysis	31 December 2018	31 December 2017	31 December 2016	31 December 2015	31 December 2014
Margin on sales	26.4%	26.0%	31.3%	30.1%	29.6%
EBIT margin	6.4%	5.2%	10.5%	10.0%	9.5%
Gross margin	4.6%	7.7%	9.4%	9.6%	8.9%
Net margin	2.2%	5.7%	6.6%	7.0%	6.5%

In 2018, the margin on sales and EBIT margin decreased to 26.4% and 6.4%, respectively. Return on gross sales and net sales reached 4.6% and 2.2% respectively. Operating profitability of Comarch Group, in 2018, has improved compared to 2017. Net margin was slightly lower than in the previous year, which is due to the worse than in 2017 financial result and higher amount of income tax.

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

- dynamic development of domestic sales (increase of PLN 169,450 thousand, i.e. by 36.6%), which resulted from the implementation of new contracts in the public sector and dynamic development of sales of ERP solutions,
- increase in revenue from export sales of PLN 75,059 thousand (i.e. of 11.3%), which was achieved mainly due to higher sales of IT solutions for telecommunications for European countries and Asia,
- increase in operating expenses, resulting from wage pressure in the IT sector - the basic wage bill in the Comarch Group in the reporting period increased by 7.7% compared to 12 months 2017,
- a negative result on financial activities, caused by the strengthening of PLN against EUR and USD during 2018. Transactions carried out and the balance sheet valuation of financial instruments hedging the Group's foreign exchange risk, decreased the Group's net result by PLN 1,657 thousand. Balance sheet valuation of credits and loans contracted in foreign currencies decreased the Group's net result by PLN 8,770 thousand,
- high value of current income tax for 2018 amounted to PLN 34,174 thousand and was the result of high profitability of operations of the Group companies in Germany, Great Britain and a high share of Comarch S.A. income not covered by the scope of the permit to operate in the Special Economic Zone in Krakow,
- high value of created write-offs for doubtful trade receivables, mainly related to operations in the Middle East. They reduced the Group's operating and net result in 2018 by PLN 40,819 thousand,
- inclusion in 2018 of the shares in the result and impairment losses on shares in the associated company Thanks Again LLC, which decreased the Group's net result by PLN 10,770 thousand,
- application of the IFRS 15 accounting standard in 2018, which caused that a significant portion of revenue from sales of Comarch software licenses was not recognized in the income statement for 2018. The value of the correction, in this respect, amounted to minus PLN 29,371 thousand in the entire year 2018,
- creation of a provision of PLN 24,200 in connection with the receipt of a request for payment of a bank guarantee the proper performance of the Agreement for the support service of operation and maintenance of the Comprehensive IT System of the Social Insurance Institution (KSI ZUS Agreement).

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

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

- significant investments in human capital,
- development and sale of IT solutions based mainly on own products,
- sales development on foreign markets, in particular in Western Europe, Asia and the Americas,
- constant improvement of operational efficiency through the improvement of procedures and cost rationalization,
- developing further business areas, especially in the field of medicine and Internet of Things (IoT),
- promoting the IT sales service model,
- investments in own IT technologies.

Liquidity analysis	31 December 2018	31 December 2017*	31 December 2016	31 December 2015	31 December 2014
Current ratio	1.6	1.8	2.0	1.9	1.9
Quick ratio	1.2	1.4	1.7	1.7	1.6
Cash to current liabilities ratio	0.4	0.5	0.6	0.6	0.7

In 2018, as in previous years, the Comarch Group had very good financial liquidity. In the opinion of the Management Board, the Comarch Group has no problems with meeting contracted financial liabilities on time. Temporarily free funds are invested by the Group in safe financial instruments such as bank deposits and shares in financial investment funds.

Turnover analysis	31 December 2018	31 December 2017*	31 December 2016	31 December 2015	31 December 2014
Current assets turnover ratio	1.5	1.5	1.5	1.6	1.6
Receivable turnover ratio (days)	115	126	133	125	115
Inventories turnover ratio (days)	37	162	36	18	55
Liabilities turnover ratio (days)	173	197	189	173	177
Liabilities turnover excluding liabilities due to investment credit ratio (days)	159	144	142	134	142

\*) For comparative purposes, data for 12 months 2017 have been restated according to the rules resulting from the application of IFRS 15.

The turnover ratios confirm the effective use of Comarch Group funds. At the end of 2017, the state of semi-finished products and products was high, in 2018 it decreased, which translated into a reduction in inventories turnover ratio. Other ratios remained at a similar level to previous years.

## Methods of Calculation of Financial Ratios

### Debt Ratios

$$\text{Debt Ratio} = \frac{\text{Credits and Loans}}{\text{Total Assets}}$$

$$\text{Debt/Equity Ratio} = \frac{\text{Credits and Loans}}{\text{Equity attributable to Shareholders}}$$

### Profitability Ratios

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

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

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

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

### Liquidity Ratios

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

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

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

### Turnover Analysis

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

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

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

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



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

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

### 10.1. Non-Revolving Credits

As at the 31<sup>st</sup> of December, 2018, the Group had liabilities due to credits and loans in the amount of PLN 198,676 thousand.

In 2018, all covenants under the loan agreements concluded by companies in the Comarch Group were met. The Parent Company's Management Board expects no problems in meeting them in the future.

Company of Comarch Group	Financial Institution	Total amount of credit/loan		Amount to be paid (does not include the valuation of interest as at the balance sheet date)				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
<b>Comarch S.A.</b> office buildings SSE4 in Krakow	BGŻ BNP Paribas Bank Polska S.A	44,000	PLN	3,563 (4,182 as at the 31 <sup>st</sup> of December, 2017)	EUR	15,320 (17,444 as at the 31 <sup>st</sup> of December, 2016)	PLN	EURIBOR1M + bank margin  IRS do 29-07-2024	29 <sup>th</sup> of July, 2024	The real estate mortgage, cession of rights in the insurance policy, the promissory note and declaration of submission to enforcement
<b>Comarch S.A.</b> office buildings SSE5 in Krakow - refinancing	Powszechna Kasa Oszczędności Bank Polski S.A.	4,126	EUR	1,418 (1,997 as at the 31 <sup>st</sup> of December, 2017)	EUR	6,099 (8,246 as at the 31 <sup>st</sup> of December, 2016)	PLN	EURIBOR1M + bank margin	29 <sup>th</sup> of September, 2021	The real estate mortgage, cession of rights in the insurance policy, declaration of submission to enforcement
<b>Comarch S.A.</b> nonrevolving operating credit	Santander Bank Polska S.A. (formerly Bank Zachodni WBK S.A.)	7,400	EUR	1,910 (2,944 as at the 31 <sup>st</sup> of December, 2017)	EUR	8,212 (12 280 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin  IRS till the 28 <sup>th</sup> of June, 2019	31 <sup>st</sup> of December, 2020	The real estate mortgage, cession of rights in the insurance policy, declaration of submission to enforcement
<b>Comarch S.A.</b> office buildings SSE6 in Krakow	Bank Polska Kasa Opieki S.A.	13,323	EUR	8,188 (9 854 as at the 31 <sup>st</sup> of December, 2017)	EUR	35,209 (41 098 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin  IRS till the 30 <sup>th</sup> of November, 2023	30 <sup>th</sup> of November, 2023	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, power of attorney to

										manage Comarch S.A.'s bank accounts in the Bank Polska Kasa Opieki S.A., declaration of submission to enforcement
<b>Comarch S.A.</b> office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	13,333 (11,286 as at the 31 <sup>st</sup> of December, 2017)	EUR	57,330 (47,075 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin IRS till the 29 <sup>th</sup> of February, 2028	29 <sup>th</sup> of February, 2028	The real estate mortgage, cession of rights in the building insurance policy, power of attorney to manage Comarch S.A.'s bank accounts in the Bank Handlowy w Warszawie S.A., declaration of submission to enforcement
<b>Comarch S.A.</b> Nonrevolving, long-term credit	Bank Handlowy w Warszawie S.A.	2,508	EUR	1,188 (2,508 as at the 31 <sup>st</sup> of December, 2017)	EUR	5,109 (10,461 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin IRS till the 30 <sup>th</sup> of September, 2019	30 <sup>th</sup> of September, 2019	Declaration of submission to enforcement
<b>Comarch S.A.</b> Non-current assets - equipment of Internet of Things laboratory in Krakow	DNB Bank Polska S.A.	2,531	EUR	1,751 (2,130 as at the 31 <sup>st</sup> of December, 2017)	EUR	7,529 (8,885 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin	30 <sup>th</sup> of December, 2023	Registered pledge on devices which are the subject of financing, cession of rights under the insurance contract of devices, power of attorney to manage Comarch S.A. bank accounts in DNB Bank Polska S.A., declaration of submission to enforcement
<b>Comarch Healthcare S.A.</b> Non-current assets - medical equipment for Medical Centre iMed24 in Krakow	Bank Polska Kasa Opieki S.A.	15,889	PLN			0 (4,540 as at the 31 <sup>st</sup> of December, 2017)	PLN	31 <sup>st</sup> of December, 2018	31 <sup>st</sup> of December, 2018	Registered pledge on devices which are the subject of financing, cession of rights under the insurance contract of devices, surety granted by Comarch S.A., power of attorney to manage Comarch Healthcare S.A. and Comarch S.A. bank accounts in the Bank Polska Kasa Opieki S.A., declaration of submission to enforcement
<b>Comarch AG</b> Office building in Dresden - refinancing	BGŻ BNP Paribas Bank Polska S.A.	6,000	EUR	0 (621 as at the 31 <sup>st</sup> of December, 2017)	EUR	0 (2,589 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR3M + bank margin	15 <sup>th</sup> of May, 2018	The mortgage and cession of rights in the office building in Dresden insurance policy, Surety granted by Comarch S.A.,

									Comarch S.A. declaration of submission to enforcement
<b>Bonus Development Sp. z o.o. SK-A</b>  Office building in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	7,346  (8,043 as at the 31 <sup>st</sup> of December, 2017)	EUR	31,586  (33,545 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR1M + bank margin  IRS till the 31 <sup>st</sup> of May, 2030	31 <sup>st</sup> of May, 2030  The mortgage on the office building in Lodz, power of attorney to manage Bonus Development Sp. z o.o. SK-A bank accounts in the Bank Polska Kasa Opieki S.A., Bonus Development Sp. z o.o. SK-A declaration of submission to enforcement, cession of rights in the building insurance policy cession of rights in the bank guarantee for contract good performance and for warranty obligations, cession of rights under the lease agreement concluded between the borrower and Comarch S.A., surety granted by Comarch S.A. together with a declaration of submission to execution and power of attorney to accounts of Comarch S.A. conducted by PEKAO S.A.
<b>Comarch S.A.S, Comarch S.A.</b>  Data centre in Lille in France	BGŻ BNP Paribas Bank Polska S.A	8,000	EUR	6,218  (6,734 as at the 31 <sup>st</sup> of December, 2017)	EUR	26 736  (28,085 as at the 31 <sup>st</sup> of December, 2017)	PLN	EURIBOR3M + bank margin	18 <sup>th</sup> of September, 2023  The conventional mortgage established on the second place on the property belonging to Comarch S.A. located at ul. prof. Michała Życzkowskiego 23, Cracow (the SSEIV building), a statement of Comarch S.A. of submission to enforcement, power of attorney to accounts of Comarch S.A. maintained in bank BGŻ BNP Paribas S.A., cession of rights in the insurance policy of SSEIV building
<b>Comarch S.A.</b>		3,500	EUR	1,399	EUR	6,016	PLN		

Comarch infrastructure modernization programme	CaixaBank S.A. Oddział w Polsce			(0 as at the 31 <sup>st</sup> of December, 2017)		(0 as at the 31 <sup>st</sup> of December, 2017)		EURIBOR1M + bank margin	23 <sup>rd</sup> of August, 2023	Declaration of submission to enforcement
--	---------------------------------	--	--	--	--	--	--	-------------------------	----------------------------------	--

## 10.2. Revolving Credits

As at the 31<sup>st</sup> of December, 2018, the Group had liabilities due to current credit lines in the amount of PLN 60,000 thousand, the limits have not been used.

In 2018, all covenants under the loan agreements concluded by companies in the Comarch Group were met. The Parent Company's Management Board expects no problems in meeting them in the future.

Company of Comarch Group	Financial Institution	Subject of the funding	Total amount of credit/loan		Amount remained to payment		Interest conditions	Repayment date	Securities
			Value	Currency	Value	Currency			
Comarch S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	A working capital loan to finance current operations	20,000	PLN	0	PLN	WIBOR1M + bank margin	20 <sup>th</sup> of December, 2019	An authorization to manage Comarch S.A.'s accounts in bank Powszechna Kasa Oszczędności Bank Polski S.A. and a declaration of submission to enforcement
Comarch S.A.	Bank Polska Kasa Opieki S.A.	A working capital loan to finance current operations	30,000	PLN	0	PLN	WIBOR1M + bank margin	30 <sup>th</sup> of June, 2019	An authorization to manage Comarch S.A.'s accounts in bank Pekao S.A. and a declaration of submission to enforcement
Comarch S.A.	mBank S.A.	A working capital loan to finance current operations	10,000	PLN	0	PLN	WIBOR O/N + bank margin	17 <sup>th</sup> of March, 2020	An authorization to manage Comarch S.A.'s accounts in bank mBank S.A. and a declaration of submission to enforcement

## 10.3. Loans

### 10.3.1. Loans Received from Companies in the Comarch Group

As at 31<sup>st</sup> of December, 2018, Comarch S.A. held liabilities due to unpaid capital of loans from unrelated entities in the amount of PLN 16,601 thousand.

Company of Comarch Group / Subject of the funding	Financial Institution	Total amount of credit/loan		Amount remained to payment (does not include the valuation of interest as at the balance sheet date)				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	PLN			
<b>Comarch S.A.</b> delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	12,980	PLN			7,463 (9 983 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of March, 2022	None
<b>Comarch S.A.</b> delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	17,691	PLN			765 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	31 <sup>st</sup> of January, 2019	None
<b>Comarch Polska S.A.</b> delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,475	PLN			2,991 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of May, 2022	Surety granted by Comarch S.A.
<b>Comarch S.A.</b> delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	1,474	PLN			737 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of July, 2019	None
<b>Comarch S.A.</b> delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	3,139	PLN			2,745 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of May, 2022	None
<b>Comarch S.A.</b> delivery of IBM hardware in	IBM Global Financing Polska Sp. z o.o.	1,200	PLN			900 (0 as at the 31 <sup>st</sup> of	PLN	fixed	1 <sup>st</sup> of September, 2019	Surety granted by Comarch S.A.

relation to an IT project performed by the Comarch Group						December, 2017)				
<b>Comarch S.A.</b>										
delivery of IBM hardware in relation to an IT project performed by the Comarch Group	IBM Global Financing Polska Sp. z o.o.	999	PLN			999 (0 as at the 31 <sup>st</sup> of December, 2017)	PLN	fixed	1 <sup>st</sup> of December, 2019	None

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

During the reporting period, Bonus Management sp. o.o. II Activia SK-A. granted to managing and supervising persons of Comarch S.A. loan in the amount of PLN 2,353 thousand. By the date of publication of the quarterly report for Q4 2018, this loan has been fully repaid. As at the 31<sup>st</sup> of December, 2018, there are no unpaid loans as well as granted by companies of Comarch Group guarantees and sureties to members of the management and supervisory bodies and their related parties.

### 10.3.3. Loans Granted to Employees of Comarch Group

None present.

## 10.4. Suretyships

- Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 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.
- 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 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.
- Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 808 thousand and in addition, GBP 86 thousand annually for SLA, and it is valid for the whole term of the agreement.
- Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the



contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,823 thousand and is valid for the whole term of the contract.

- Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion. Contract's value amounts to EUR 3,505 thousand.
- Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden from 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 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.
- Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351 thousand and is valid for the whole term of the contract.
- Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807 thousand and is valid till the end of this project.
- Due to conclusion of an agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG resulting from this project. The surety was granted up to the amount of the agreement, i.e. EUR 236 thousand and is valid till the termination of the project.
- Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,244 thousand and is valid for 12 years after the contract completion.
- Due to conclusion of a contract for fuel cards service signed by Comarch Healthcare S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by Comarch Healthcare S.A. After the entry into force of the amendment to the agreement, the total amount of granted surety is PLN 100 thousand and is valid till the 31<sup>st</sup> of May, 2018.
- Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract for fuel cards service signed by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by CA Consulting S.A. The surety has been renewed, the total amount of granted surety is PLN 50 thousand and is valid till the 31<sup>st</sup> of May, 2019.
- Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up

to the amount of the agreement, i.e. EUR 3,241 thousand and is valid till the termination of the project.

- Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5,000 thousand and for a period of 5 years.
- Due to conclusion of a contract for implementation of Comarch Customer Engagement Platform by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety („Parent Guarantee”) for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The contract was concluded for five years. The surety is valid until fulfilment by Comarch Middle East FZ-LLC of all obligations under the contract and has been granted up to a maximum liability of the contract, i.e. USD 10,000 thousand.
- Due to conclusion of a contract for investment credit by Bonus Development Sp. z o.o. SK-A, a subsidiary of Comarch S.A., with Bank Pekao S.A. under which the bank grants Bonus Development Sp. 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.
- 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 31<sup>st</sup> of October, 2019.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., for service of fuel cards, Comarch S.A. granted a surety for the benefit of an operator of fuel cards for liabilities of Comarch Polska S.A. resulting from this contract. The surety has been renewed and was granted up to the amount of PLN 10 thousand and is valid till the 14<sup>th</sup> of September, 2019.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Loyalty Management Solutions, Comarch S.A. granted a surety for liabilities of Comarch AB. The surety is valid until fulfilment of all obligations under the contract by Comarch AB and was granted up to the amount of SEK 39,747 thousand.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., for implementation and service of Master Services Agreement, Comarch S.A. granted a surety for Comarch AB. The surety was granted up to the amount of PLN 3,827 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., for implementation and service of Comarch Loyalty Management, Comarch Campaign Management, Comarch Social Mining and Comarch Smart Analytics, Comarch S.A. granted a surety for Comarch UK. The surety was granted up to the amount of GBP 3,318 thousand and is valid till the termination of the contract.
- Due to conclusion of a contract by Comarch Healthcare S.A., a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch Healthcare S.A. was granted to the amount of PLN 450 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK, a subsidiary of Comarch S.A., the contract for service of payment cards, a surety for Comarch UK was granted to the amount of PLN 330 thousand and is valid for the duration of the contract.

- Due to conclusion of a contract by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., the contract for implementation and service of Telco BSS and Telco OSS, a surety for Comarch Software und Beratung AG was granted to the amount of EUR 11,524 thousand and is valid for the duration of the contract.
- Due to conclusion of by Thanks Again LLC, an associate of Comarch S.A., an agreement to rent office with a client, a surety for Thanks Again LLC was granted to the amount of USD 544 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch 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.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Retail, Comarch Mobile Sale and Comarch POS, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,444 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Colombia S.A.S., a subsidiary of Comarch S.A., the contract for implementation of Comarch Loyalty Management service, a surety for liabilities of Comarch Colombia S.A.S. was granted to the amount of USD 10,710 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Luxembourg S.a.R.L., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of the necessary licenses for the implementation of the Billing System project, a surety for liabilities of Comarch Luxembourg S.a.R.L. was granted to the amount of EUR 7,240 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Polska S.A., a subsidiary of Comarch S.A., the contract for the purchase of IT equipment in order to perform a contract with one of the clients, a surety for liabilities of Comarch Polska S.A. was granted to the amount of PLN 3,660 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AG, a subsidiary of Comarch S.A., the contract for the implementation, servicing and delivery of necessary licenses for the implementation of the e-invoicing service, a surety for liabilities of Comarch AG was granted to the amount of EUR 2,095 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch UK Ltd, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the Comarch NRM service, a surety for liabilities of Comarch UK Ltd was granted to the amount of GBP 9,966 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch Yuhan Hoesa, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the NW Next Generation service, a surety for liabilities of Comarch Yuhan Hoesa was granted to the amount of EUR 18,467 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch S.A.S., a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for ERP, POS and MoS services, a surety for liabilities of Comarch S.A.S. was granted to the amount of EUR 1,254 thousand and is valid for the duration of the contract.
- Due to conclusion of a contract by Comarch AB, a subsidiary of Comarch S.A., the contract with one of the clients for the implementation, servicing and delivery of necessary licenses for the e-Care service, a surety for liabilities of Comarch AB was granted to the amount of EUR 1,151 thousand and is valid for the duration of the contract.

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

## 10.5. Bank Guarantees

On the 31<sup>st</sup> of December, 2018, 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 81,163 thousand, whereas it was PLN 65,876 thousand on 31<sup>st</sup> of December, 2017.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Geopolis sp. z o.o. was PLN 63 thousand, whereas it was PLN 82 thousand on 31<sup>st</sup> of December, 2017.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group was EUR 392 thousand (PLN 1,673 thousand), whereas it was EUR 392 thousand (PLN 1,634 thousand) on the 31<sup>st</sup> of December, 2017.

On the 31<sup>st</sup> of December, 2018, the value of bank guarantees issued by banks on order from Comarch AG was EUR 16 thousand (PLN 69 thousand), whereas it was EUR 16 thousand (PLN 67 thousand) on the 31<sup>st</sup> of December, 2017.

Comarch S.A. granted letters of comfort for its subsidiaries: Comarch Healthcare S.A. (valid till the 30<sup>th</sup> of June, 2020), Comarch Malaysia SDN. BHD. (valid without time limit), Comarch Argentina S.A. (valid without time limit), Comarch R&D S.à r.l. (valid without time limit) and Comarch Polska S.A. (valid till the 30<sup>th</sup> of June, 2020).

## 11. The Most Important Events in 2018 and after the Balance-Sheet

### 11.1. Contracts Significant for Issuers' Activities

The most important contracts signed in 2018 are:

#### 11.1.1. Signing the Agreement for Support, Operation and Maintenance Services for Comprehensive IT System for ZUS

In relation to the current report no. [RB-17-2017](#) (ENG: [RB-17-2017](#)) dated the 12<sup>th</sup> of September, 2017, on opening the offers presented in the limited offering for "Providing Support, Operation and Maintenance Services for Comprehensive IT System for ZUS", organized by Zakład Ubezpieczeń Społecznych w Warszawie (the Polish Social Insurance Institution in Warsaw; ZUS) and in relation to the current report no. [RB-21-2017](#) (ENG: [RB-21-2017](#)) dated the 14<sup>th</sup> of November, 2017, on the announcement of results of this tender, Comarch S.A.'s Management Board hereby informs in the current report no. [RB-4-2018](#) (ENG: [RB-4-2018](#)) that on the 2<sup>nd</sup> of March, 2018, the consortium of Comarch Polska S.A. with its registered office in Krakow and Comarch S.A. with its registered office in Krakow (hereinafter referred to as the "Consortium") signed the agreement with Zakład Ubezpieczeń Społecznych w Warszawie (hereinafter referred to as the "ZUS") on support, operation and maintenance services for Comprehensive IT System for ZUS (hereinafter referred to as the "Agreement"). Subject of this Agreement is providing the maintenance, integration and additional services by Consortium for KSI ZUS IT system within the scope and terms specified in the Agreement. The total amount of the remuneration due to Consortium shall not exceed the gross amount of PLN 242,033,004.00 (two hundred forty-two million thirty-three thousand and four zlotys), including net amount of PLN 196,774,800.00 (one hundred ninety-six million seven hundred seventy-four thousand eight hundred zlotys) and 23% VAT in the amount of PLN 45,258,204.00 (forty-five million two hundred fifty-eight thousand two hundred and four). Time for execution of this Agreement is 48 months, however it begins from the day of starting the services, that is not later than within 12 months from the date of concluding the Agreement, after previous written declaration by the Consortium about readiness to take over maintenance services and after signing by the parties the protocol of handing over the services, unless otherwise agreed in writing. The Agreement expires also at the moment of exhausting the limit of gross remuneration due to Consortium. Within the terms specified in the Agreement, ZUS has the right to charge Consortium with the contractual penalties due to improper performance of liabilities resulting from the Agreement. The total amount of contractual penalties due to reasons specified in the

Agreement may not exceed 50% of the gross remuneration. The payment of a contractual penalty shall not exclude the compensation responsibility in accordance with the law, provided that responsibility of Consortium due to failure to perform or improper performance of the liabilities specified in the Agreement (excluding the contractual penalties and amounts diminishing the remuneration), shall not exceed 100% of the gross remuneration, provided that the limitation of responsibility is not related to compensation for damages caused intentionally, caused by disclosure of protected data, including personal data, caused to a person or tangible, or intangible assets, resulting from physical or legal defects in products delivered by the Consortium. None of the parties to the Agreement is responsible for the lost profits and damages not connected to their operations or operations of the third parties, for whom the party is responsible.

### **11.1.2. Investment Credit Agreement with CaixaBank S.A. Branch in Poland**

The Management Board of Comarch S.A. hereby informed in the current report no. [RB-14-2018](#) (ENG: [RB-14-2018](#)), dated 21<sup>st</sup> of May, 2018 that on 24<sup>th</sup> of August, 2018 Comarch S.A. signed an investment credit agreement with CaixaBank, S.A. branch in Poland with its registered office in Warsaw (hereinafter: "the Bank") to finance expenditures related to the implementation of modernization works on the Comarch S.A. office infrastructure. The credit amounts to EUR 3,500,000.00, i.e. PLN 14,980,350.00 according to the euro exchange rate as at the date of signing the agreement. The crediting period lasts until August 23, 2023, the interest rate on the credit is based on the variable rate. The credit should be used until August 23, 2019. The credit collateral is:

- a) power of attorney granted to the Bank by Comarch S.A. to dispose of funds on settlement accounts operated by the Bank;
- b) statement by Comarch S.A. on submission to enforcement up to 150% of the credit amount.

#### **AFTER THE BALANCE SHEET DATE**

None presented.

## **11.2. Other**

### **11.2.1. Conclusion of a Settlement with the Agency for Restructuring and Modernization of Agriculture (ARMA)**

With reference to current report no. [RB-14-2014](#) (ENG: [RB-14-2014](#)), dated 19<sup>th</sup> of May, 2014 (regarding receiving an accounting note from the Agency for Restructuring and Modernization of Agriculture (hereinafter: "ARMA") covering a contractual penalty in the amount of PLN 32,455,497.28 (in words: thirty two million four hundred fifty-five thousand four hundred ninety-seven 28/100) in connection with the implementation by Comarch S.A. of the agreement of 29<sup>th</sup> of April, 2013 ("OFSA Agreement") and current report no. [RB-4-2015](#) (ENG: [RB-4-2015](#)), dated 15<sup>th</sup> of January, 2015, informing about the delivery of a claim to Comarch S.A. on 14<sup>th</sup> of January, 2015 for the payment of PLN 34,493,717.28 (in words: thirty-four million four hundred ninety-three thousand seven hundred seventeen 28/100) - brought against Comarch S.A. by ARMA to the District Court in Warsaw, 3<sup>rd</sup> Civil Department - for contractual penalties charged by ARMA. Comarch S.A.'s Management Board informed in the current report no. [RB-6-2018](#) (ENG: [RB-6-2018](#)), about the settlement between Comarch S.A. and ARMA in front of the court mediator. As part of this settlement - making mutual concessions - the Parties agreed that the contractual penalties due to ARMA due to improper performance by Comarch S.A. OFSA agreements amount to PLN 3,478,473.60 (in words: three million four hundred seventy eight thousand four hundred seventy three 60/100) and that they will be settled with due Comarch S.A. from ARMA compensation, the amount of which, as part of mutual concessions, was set at PLN 1,478,098.24 (in words: one million four hundred seventy eight thousand ninety eight 24/100) - due to lost profits resulting from ARMA's failure to consortium from Comarch S.A. and Comarch Polska S.A. contracts for "Maintenance and development of the IT Information System of the Agency - SIA (ZSZiK, IACSplus, GIS, SIZ, PZSIPplus, PA)" ("the SIA Agreement") - as a result of concluding this agreement with another



contractor. As a result of the settlement, the total value of the contractual penalty to be paid by Comarch S.A. will amount to PLN 2,000,375,36 (in words: two million three hundred and seventy-five 36/100), which is in the reserve established by Comarch S.A. in 2014 in the amount of PLN 2,276,882.40 (in words: two million two hundred seventy-six thousand eight hundred and eighty-two 40/100). At the same time, as part of the settlement, ARMA waived further claims arising from contractual penalties related to the performance of the OFSA Agreement, and Comarch S.A. waived all further claims related to the failure to sign the SIA Agreement. Comarch S.A.'s Management Board informs that he has taken action to approve the above-mentioned settlement by the competent court.

### **11.2.2. Conclusion of an Agreement with Tauron Dystrybucja S.A.**

With reference to current report no. [RB-19-2017](#) (ENG: [RB-19-2017](#)), dated 24<sup>th</sup> of October, 2017 regarding receipt by Comarch S.A. as the Leader of the consortium comprising: Comarch S.A., Apator Rector sp. z o.o., Tukaj Mapping Central Europe sp. z o.o. and Eurosystem S.A. (the „Consortium”) received debit note issued by Tauron Dystrybucja S.A. (the “Tauron”) requesting payment of PLN 30,246,071.61 by the Consortium's members. The Management Board of Comarch S.A. hereby informed in the current report no. [RB-9-2018](#), (ENG: [RB-9-2018](#)), dated 5<sup>th</sup> of June, 2018, as a result of mediation proceedings between the Consortium and Tauron, a settlement was reached. In accordance with the concluded settlement, Tauron verified the demand for payment of contractual penalties for delay in execution of Phase 2, Stage 3 and Passporting up to PLN 11,140,250.00, waving further investigation of accrued contractual penalties from the above-mentioned agreements.

In addition, as a result of Tauron's identification of the need to perform additional works and services, the Consortium will undertake the additional tasks for Tauron for PLN 23,950,250. Pursuant to the provisions of the settlement, the penalties from the settlement will be settled by contractual deduction with the receivables of the Consortium for the payment of remuneration for the implementation of the above-mentioned additional work and services. At the same time, on the 5<sup>th</sup> of June, 2018, Comarch S.A. concluded with Apator Rector sp. o.o. agreement in which Apator Rector sp. o.o. will release Comarch S.A. towards Tauron from commitment to pay the penalties, as well as surrendering to Comarch S.A. all claims. Apator Rector sp. o.o. has also committed itself in the concluded agreement to perform additional works and services resulting from the settlement concluded with Tauron.

### **11.2.3. Opinion of the Supervisory Board Regarding Dividend for 2017**

The Management Board of Comarch S.A. hereby informed in the current report no. [RB-7-2018](#) (ENG: [RB-7-2018](#)), dated 21<sup>st</sup> of May, 2018 that the Supervisory Board of Comarch S.A. gave a positive opinion on recommendation of the Management Board of Comarch S.A. regarding distribution of the net profit for 2017 in financial year from 1<sup>st</sup> of January, 2017 to 31<sup>st</sup> of December, 2017 in the amount of PLN 39 338 096,57 (thirty-nine million, three hundred and thirty-eight thousand, ninety-six zlotys and 57/100) as follows:

- 1) part of the net profit in the amount of PLN 12 200 023.50 (twelve million two hundred thousand twenty-three zlotys and 50/100) is allocated for the payment of dividends. Dividends in the amount of PLN 1.50 (one zloty 50/100) per one share will be received by persons who are shareholders of the Company on August 10, 2018 (the dividend day). The number of shares covered by the dividend is 8,133,349 units. The dividend will be paid out on August 31, 2018;
- 2) the remaining part of the net profit in the amount of PLN 27,138,073,07 (twenty-seven million one hundred thirty-eight thousand seventy-three zlotys and 7/100) is transferred to supplementary capital.

The dividend was paid on 31<sup>st</sup> of August, 2018.



**AFTER THE BALANCE SHEET DATE****11.2.4. ZUS Statement on the Partial Termination of the Contractual Relationship Arising from the Contract for the Provision of Maintenance Services of the Comprehensive IT System of the Social Insurance Institution**

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

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

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

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

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

The Management Board of Comarch S.A. considered this information as confidential due to its potentially price-creating nature and at the same time informs that in the opinion of the Management Board, the described situation will not have a negative effect on the financial and economic situation of the Comarch Group.

### **11.2.5. Demand for Payment of a Good Performance Guarantee Regarding the ZUS KSI Contract**

On 11<sup>th</sup> of April, 2019, the Comarch S.A.'s Management Board hereby informed in the current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)) about receiving on 11<sup>th</sup> of April 2019, from CaixaBank S.A. branch in Poland, an information on the submission by the Social Insurance Institution (ZUS) of a request for payment of a bank guarantee of due performance of the contract for the provision of maintenance services of the Comprehensive IT System for the Social Insurance Institution ("KSI ZUS Agreement") in the amount of PLN 24,203,300.40. The bank guarantee was established on behalf of a consortium of Comarch S.A. and Comarch Polska S.A. in accordance with the provisions of the KSI ZUS Agreement, about which the Company informed in the current report [RB-4-2018](#) (ENG: [RB-4-2018](#)) dated 2<sup>nd</sup> of March, 2018. The term of payment of the guarantee is 14 days from the date of receipt by the bank of the request. In connection with the bank being requested to withdraw from the bank guarantee Comarch S.A. will create a reserve of PLN 24,203,340.40, which will be included in the Comarch Group's financial statements for 2018, which will result in a corresponding reduction in the operating result and net result of the Comarch Group for 2018. Possible payment of the guarantee will not have a material impact on the Group's financial position. Comarch and has no impact on the Group's operations. In the opinion of the Management Board of Comarch S.A. ZUS's request for payment from the guarantee is unfounded. If the guarantee is paid, the Management Board of Comarch S.A. will take legal steps to return it by ZUS.

With reference to current report no. [RB-5-2019](#) (ENG: [RB-5-2019](#)), dated 11<sup>th</sup> of April, 2019 regarding receiving from CaixaBank S.A. branch in Poland, an information on the submission by the Social Insurance Institution (ZUS) of a request for payment in the amount of PLN 24,203,300.40 a bank guarantee of due performance of the contract for the provision of maintenance services of the Comprehensive IT System for the Social Insurance Institution ("KSI ZUS Agreement") established on behalf of a consortium of Comarch S.A. and Comarch Polska S.A. companies, the Management Board of Comarch S.A. hereby informed in the current report no. [RB-6-2019](#), (ENG: [RB-6-2019](#)), dated 23<sup>rd</sup> of April, 2019 on receiving from CaixaBank S.A., a branch in Poland an information about the receipt of a statement from ZUS on postponement of the above-mentioned request by 31<sup>st</sup> of May, 2019, for the duration of settlement talks. The original deadline for payment from the guarantee was 14 days from the date of receipt by the bank of the demand for payment, i.e. on 25<sup>th</sup> of April, 2019.

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

The Group does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, Comarch will consistently aim at increase in international sales, especially in Western Europe. The sales will be executed directly to the final client (through Comarch S.A. or another Company from the Comarch Group) or through partner companies.

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the Company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, but also with bank credits.

### **12.1. Capital Investments**

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

## 12.2. Real Estates

On the basis of an agreement made between Comarch S.A. and Budimex S.A. on the 18<sup>th</sup> of March, 2016, the Group completed the sixth stage of the investment in the Special Economic Zone in Krakow (SSE7). The subject of the contract was construction of an office building with road and technical infrastructure and a delivery of necessary materials and equipment. The total area of the building is 27,736 m<sup>2</sup>. The contract value was PLN 69,643 thousand. The building was put into use in the first quarter of 2018.

Office building acquired in Lille by Comarch S.A.S. has been adapted to the office function and now is the headquarter of the company. On 15<sup>th</sup> of March, 2016, an agreement was concluded between Comarch S.A.S., a subsidiary of Comarch S.A. and SNC-LAVALIN S.A.S. for the implementation of a construction project in Lille, France. The subject of the contract was alteration of the warehouse building at 17 Rue Paul Langevin in Lezennes in the data centre. The contract value was EUR 7,553 thousand, i.e. PLN net 32,943 thousand, at the exchange rate at the 30<sup>th</sup> of June, 2018. The works were completed in the second quarter of 2018.

In 2018, there were no purchases of land properties.

## 13. Activities in Special Economic Zone

On the 22<sup>nd</sup> of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow ("SEZ"). According to the regulation of the Council of Ministers of the 14<sup>th</sup> of October, 1997 on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least EUR 2 million, were granted the tax allowances applicable for the income tax from legal entities from the income obtained from the activity specified in the permit. As a result of Poland joining the European Union, an Act was passed on the 2<sup>nd</sup> of October, 2003, that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid cannot exceed 75% of the value of investment expenditures, which the company has incurred since obtaining the permit, i.e. from the 22<sup>nd</sup> of March, 1999, to the 31<sup>st</sup> of December, 2006. Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On the 1<sup>st</sup> of July, 2004, it received a decision from the Minister of the Economy dated the 24<sup>th</sup> of June, 2004, on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). At the same time, the period of time for which the permit for Comarch S.A. was issued was extended to the 31<sup>st</sup> of December, 2017, in the changed permit.

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

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

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

The investment relief in respect of the permit obtained in 1999 was fully used (its validity period expired on 31<sup>st</sup> of December, 2017). Limit of the unused investment relief in respect of the authorization obtained in 2007 as at the 31<sup>st</sup> of December, 2018, (discounted as at the permit date), is PLN 7,873 thousand. Limit of the unused investment relief in respect of the authorization obtained in 2013 as at the 31<sup>st</sup> of December, 2018, (discounted as at the permit date), is about PLN 28,929 thousand. Limit of

the unused investment relief in respect of the authorization obtained in March, 2016, related to investment in office building SSE7 in Krakow, as at the 31<sup>st</sup> of December, 2018, (discounted as at the permit date), is about PLN 22,759 thousand.

Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over five years (including the year for which the financial statement is prepared).

In 2018, the asset established due to the zone operations in the amount of PLN 8,863 thousand was created as at 31<sup>st</sup> of December, 2017. At the same time, an asset was created in the amount of PLN 11,162 thousand, which asset will be realized successively (in the form of write-offs decreasing the Group's net profit), in proportion to Comarch S.A. tax income from the activity released in 2019. The total impact of this operation is an increase in the result by PLN 2,299 thousand.

## 14. Resolutions of the AGM and the Board of Supervisors

### 14.1. Corporate Governance Principles

Pursuant to the detailed principle number II.Z.11 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board presents in the current report no. [EBI 1/2018](#), (ENG: [EBI 1/2018](#)), report of Comarch S.A.'s Supervisory Board and an assessment of the company's standing including an assessment of the internal control, risk management and compliance systems and the internal audit function, an assessment of the company's compliance with the disclosure obligations concerning compliance with the corporate governance principles and an assessment of the rationality of the company's policy in reference to sponsorship and charity.

Pursuant to the detailed principle number II.Z.11 included in the second part of the "Best Practice for GPW Listed Companies 2016", Comarch S.A.'s Management Board presents in the current report no. [EBI 2/2018](#), (ENG: [EBI 2/2018](#)), that on the 21<sup>st</sup> of May, 2018 Supervisory Board of Comarch S.A. passed the resolution no. 10/05/2018 in which projects of the resolutions at the AGM, of the Company of 27<sup>th</sup> of June, 2018.

### 14.2. Annual General Meeting – 27<sup>th</sup> of June 2018

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

On the 21<sup>st</sup> of May, 2018, pursuant to article 395, 399 § 1, article 402 with index 1 and 402 with index 2 of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the Company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 10:00 o'clock on the 27<sup>th</sup> of June, 2018, 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. [RB-8-2018](#), ENG: [RB-8-2018](#), dated the 21<sup>st</sup> of May, 2018.

#### **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 1.01.2017 - 31.12.2017;
- approving the report of the Management Board regarding the activities of the Company in 2017;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2017 - 31.12.2017;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2017;
- approving the activity report of the Company's Board of Supervisors for the fiscal year 2017, and the assessment of the Company's and the Comarch Capital Group's situation, from the audit of the Company's financial statements and the Report of Comarch S.A.'s Management Board regarding the activities in 2017 and from the audit of the Comarch Capital Group's consolidated financial statements and the Report of Comarch S.A.'s Management Board regarding the activities of the Capital Group in 2017;
- distribution of the Company's net profit for the fiscal year 1.01.2017 - 31.12.2017;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2017 - 31.12.2017;

The full text of the resolutions has been made public in the current report no. [RB-10-2018](#), ENG: [RB-10-2018](#), dated the 27<sup>th</sup> of June, 2018.

#### **c) Resolution of the AGM Regarding Dividend for 2017**

The General Shareholder's Meeting passed the resolution no. 9, related to distribution of the net profit earned in the fiscal year 1 January 2017 - 31 December 2017. The General Shareholder's Meeting decided that net profit in the amount of PLN 39,338,096.57 will be divided as follows:

1. PLN 12,200,023.50 (twelve million two hundred thousand twenty-three zlotys and 50/100) will be paid as dividend. Persons who will be the company's shareholders at the 10<sup>th</sup> of August, 2018 (dividend day), will get the dividend in the amount of PLN 1.50 per one share. The dividend will be allocated to 8,133,349 shares. The dividend will be paid on 31<sup>st</sup> of August, 2018;
2. The remaining part of the net profit in the amount of PLN 27,138,073.07 (twenty-seven million one hundred thirty-eight thousand seventy-three zlotys and 7/100) will be passed to supplementary capital.

Dividend was paid at the 31<sup>st</sup> of August, 2018.

The company announced details in current report no. [RB-11-2018](#) (ENG: [RB-11-2018](#)), dated 27<sup>th</sup> of June, 2018.



#### 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 27th of June, 2018, Elżbieta Filipiak and Janusz Filipiak 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 47.98% 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 45.45% of the all votes at this AGM and which constituted 27.96% 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 27th of June, 2018, held shares giving 8,824,644 votes, which constituted 58.34% of the total number of votes. The Company announced details in current report no. [RB-12-2018](#), ENG: [RB-12-2018](#) dated the 27th of June, 2018.

### 15. Operations on Comarch S.A. Shares

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

On the 12th of March, 2018, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned a disposal on the 8th of March, 2018, of 7,539 ordinary bearer shares on regulated market at the weighted average price of PLN 145.50 per 1 share. The value of the transaction amounted to PLN 1,096,924.50. The Company announced details in current report no. [RB-5-2018](#) and [RB-5-2018/K](#), ENG: [RB-5-2018](#) and [RB-5-2018/K](#), dated the 12th of March, 2018.

On the 27th of June, 2018, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned a purchase on the 2nd of March, 2018, of 63 ordinary bearer shares on regulated market at the weighted average price of PLN 155.00 per 1 share and purchase on the 27th of June, 2018, of 300 ordinary bearer shares on regulated market at the weighted average price of PLN 144.00 per 1 share. The total value of both transactions was PLN 52,965.00. The Company announced details in current report no. [RB-13-2018](#) (ENG: [RB-5-2018](#)) dated the 27th of June, 2018.

On the 7th of September, 2018, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned a disposal on the 6th of September, 2018, of 80 ordinary bearer shares on regulated market at the weighted average price of PLN 150.8125 per 1 share. The value of the transaction amounted to PLN 12,065.00. The Company announced details in current report no. [RB-15-2018](#) (ENG: [RB-15-2018](#)), dated the 7th of September, 2018.

#### AFTER THE BALANCE SHEET DATE

On the 4th of March, 2019, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. This transaction concerned a disposal on the 4th of March, 2018, of 308 ordinary bearer shares on regulated market at the weighted average price of PLN 156.00 per 1 share. The value of the transaction amounted to PLN 48,048.00. The Company announced details in current report no. [RB-3-2019](#) (ENG: [RB-3-2019](#)), dated the 4th of March, 2018.

On the 4th of March, 2019, the Management Board of Comarch S.A. received from a person acting as a managing person, a notification of transactions referred to in Article 19 par. 1 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse.



This transaction concerned a disposal on the 4<sup>th</sup> of March, 2018, of 70 ordinary bearer shares on regulated market at the weighted average price of PLN 157.00 per 1 share. The value of the transaction amounted to PLN 10,099.00. The Company announced details in current report no. [RB-4-2019](#) (ENG: [RB-4-2019](#)), dated the 4<sup>th</sup> of March, 2018.

## **15.2. Managerial Option Program for Members of the Management Board**

None present.

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

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

### **AFTER THE BALANCE SHEET DATE**

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

## **17. Other Events in 2018 and after the Balance Sheet Date**

### **17.1. Dates of Periodical Financial Reports in 2018**

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. [RB-1-2018](#), ENG: [RB-1-2018](#) dated the 2<sup>nd</sup> of January, 2018, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2018.

### **17.2. The Management Board Statement regarding the Corporate Governance Principles**

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented report regarding the corporate governance principles in the Company in 2017 as attachment to the annual statement published on 27<sup>th</sup> of April, 2018.

### **17.3. Amendment to the agreement with Bank Pekao S.A for providing Comprehensive Comarch Internet Banking (CIB)**

With reference to current report no. [RB-3-2017](#) (ENG: [RB-3-2017](#)), dated 24<sup>th</sup> of March, 2017, Comarch S.A.'s Management Board informed in the current report no. [RB-2-2018](#) (ENG: [RB-2-2018](#)), dated 5<sup>th</sup> of January, 2018, on receiving a signed amendment to the agreement for Comprehensive Comarch Internet Banking (CIB) (banking corporate) concluded with Bank Pekao S.A. and CA Consulting S.A., a subsidiary of Comarch S.A., on 23<sup>rd</sup> of December, 2005 (hereinafter: "Agreement"). As part of the amendment, a new scope and date of the service provision was established. The parties also stated that they have no claims against each other arising from non-performance or improper performance of the above-mentioned Agreements, which means no claim by Bank Pekao S.A. to CA Consulting S.A., about which Comarch S.A.'s Management Board informed in the current report no. [RB-3-2017](#) (ENG: [RB-3-2017](#)).

#### **17.4. Amendment to the Contract with Budimex S.A. for the Realization of the Sixth Construction Stage of the Investment in the Special Economic Zone in Krakow (SSE7)**

With reference to the current report no. [RB-3-2016](#) (ENG: [RB-3-2016](#)), dated the 18<sup>th</sup> of March, 2016, on signing the contract with Budimex S.A. for the realization of the sixth construction stage of the investment in the Special Economic Zone in Krakow, the Management Board of Comarch S.A. announced in the current report no. [RB-20-2017](#) (ENG: [RB-20-2017](#)), that on the 30<sup>th</sup> of October, 2017, they signed amendment to the above-mentioned contract. As a consequence, the planned completion date of this investment was performed until the 31<sup>st</sup> of December, 2017, and on the 25<sup>th</sup> of January, 2018, an amendment to the above-mentioned contract was signed, which established additional works to be performed by the Contractor in relation to the SSE7 building. As a consequence, the contract value was increased by PLN 2,721,000 and planned completion date of the works comprised by the amendment has been extended to the 30<sup>th</sup> of June, 2018.

#### **AFTER THE BALANCE SHEET DATE**

#### **17.5. Dates of Periodical Financial Reports in 2019**

In the current report no. [RB-1-2019](#) (ENG: [RB-1-2018](#)) dated the 4<sup>th</sup> of January, 2018, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2019:

- Q4 2018 - on 1<sup>st</sup> of March, 2019
- Q1 2019 - on 17<sup>th</sup> of May, 2018
- Q3 2019 - on 15<sup>th</sup> of November, 2018
- Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2019 - on 30<sup>th</sup> of August, 2018
- Annual report for 2018 - on 29<sup>th</sup> of April, 2019
- Consolidated annual report for 2018 - on 29<sup>th</sup> of April, 2019

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

Between the 1<sup>st</sup> of January, 2019 and the 26<sup>th</sup> of April, 2019, Comarch Group concluded forward contracts for the sales of EUR 2,500 thousand. The total net value of open forward contracts as of the 29<sup>th</sup> of April, 2019 amounted to EUR 29,200 thousand and USD 3,300 thousand. The contracts will be settled within 24 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by companies in Comarch Group, in which the remuneration is set in a foreign currency.

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

The strategic development directions in the Comarch Group are:

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

- development of a modern production base in Poland and abroad.

## 19. Achievements within Research and Development

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

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to PLN 181.2 million, thus reached 13.2% of revenue in 2018. Comarch allocated their internal funds as well as acquired actively European funds.

### Comarch S.A.

In 2017, as part of Measure 1.1 of the **Intelligent Development Operational Program 2014-2020** co-financed by the European Regional Development Fund, a contract was signed for co-financing the project "Production of technology" IoT Mesh "and supporting tools".

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



**Fundusze Europejskie**  
Inteligentny Rozwój

**Unia Europejska**  
Europejski Fundusz  
Rozwoju Regionalnego



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



**Komisja Europejska**

### Comarch Healthcare S.A.

In 2018, a contract was signed for the co-financing of the project "SOS for LFS - implementation of modern medical telecare for the inhabitants of the Lodz Metropolitan Area" from the European Social Fund under the **Regional Operational Program of the Lodz Region** for the years 2014-2020.



**Fundusze Europejskie**  
Program Regionalny



**Rzeczpospolita  
Polska**



**Unia Europejska**  
Europejski Fundusz Społeczny

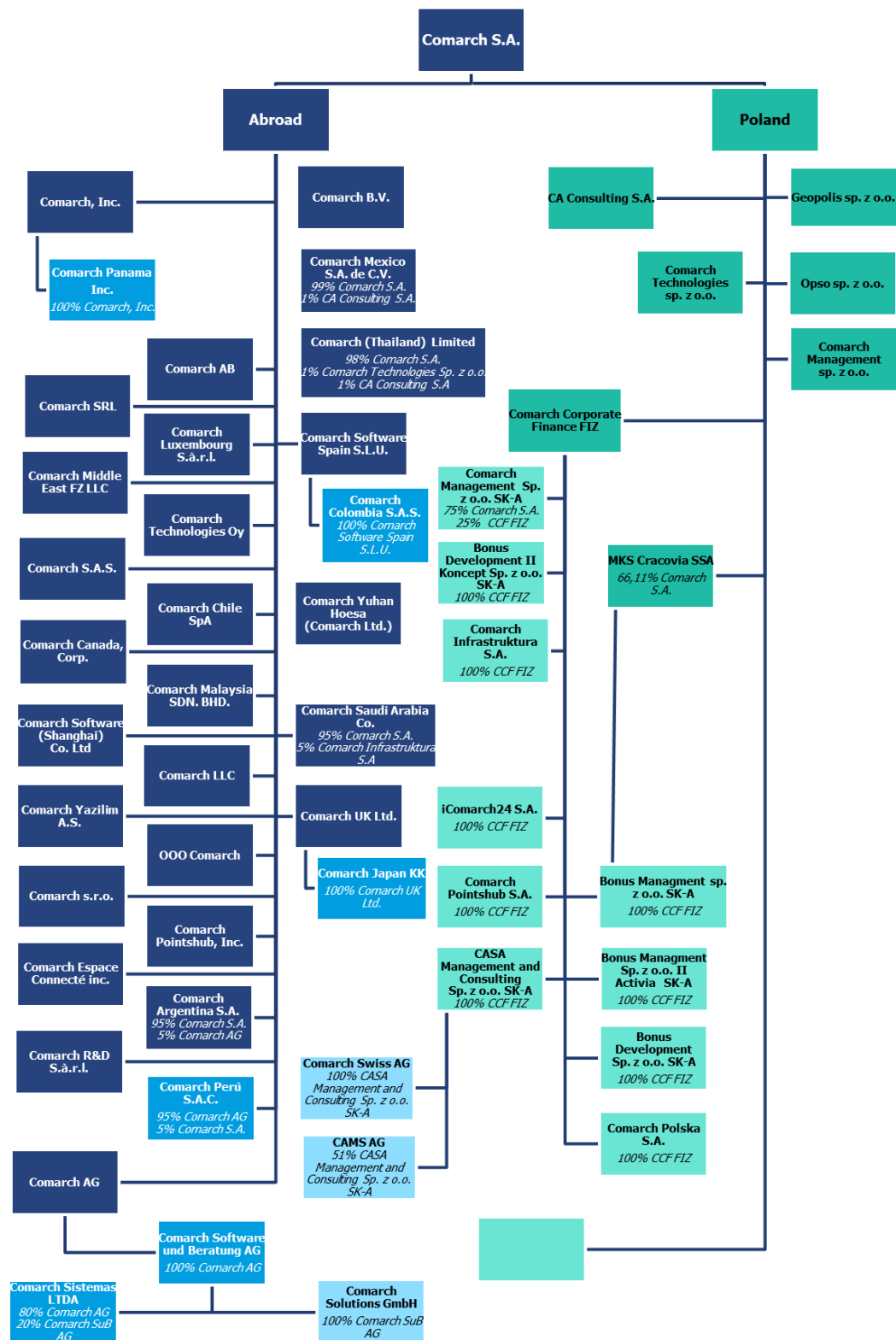


As part of the Strategic program of scientific research and development "Prevention and treatment of civilization diseases" - STRATEGMED II, the contract for financing the project "Non-invasive monitoring for early detection of atrial fibrillation (AF)" - NOMED-AF was continued.



## 20. Capital Affiliations of the Issuer

### 20.1. Capital Structure of the Comarch Group



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

## 20.2. Characteristics of Companies in the Comarch Group

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

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

- The Parent Company Comarch S.A. acquires the majority of contracts and in large part executes them;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Software Spain S.L.U., Comarch Yazilim A.S., Comarch SRL, Comarch Espace Connecté Inc., Comarch Malaysia SDN. BHD., Comarch AB, Comarch Argentina S.A., Comarch Colombia S.A.S., Comarch Peru S.A.C., Comarch Japan KK, Comarch Saudi Arabia Co. Comarch Mexico S.A. de C.V., Comarch Yuhan Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV and Comarch Software (Shanghai) Co. Ltd acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
- Comarch Polska S.A. acquires IT contracts in domestic market, mostly in public sector and executes them in their entirety or in part;
- Comarch Technologies sp. z o.o. is responsible for developing technologies related to design and production of electronic devices and related software;
- CA Consulting S.A. conducts ICT activity consisting in the provision of IT and consulting services to Comarch S.A. and clients from outside the Comarch Group,
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty conducts investment activity (through its subsidiaries) in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A., Bonus Management sp. z o.o. II Activia SK-A and Comarch Pointshub, Inc. conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;
- Comarch Healthcare S.A. manufactures and sells software related to medicine, medical devices, and provides medical and diagnostics services, as well as manufactures and delivers comprehensive IT solutions for medical sector;
- Comarch Infrastruktura S.A. (formerly Infrastuktura24 S.A.) offers services related to Data Centre and IT services outsourcing;
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- Geopolis sp. z o.o. implements integrated GIS systems in public administration units;
- MKS Cracovia SSA conducts sports activities and promotes physical education;
- "Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością" Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation;



- Opso sp. z o.o. provides catering services;
- Comarch s.r.o. and Comarch Pointshub S.A. are currently not operating.

## PARENT COMPANY

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

The Parent Company - shares of the company are admitted to trading in the Warsaw Stock Exchange and are held, according to the knowledge of the company as at the date of preparation of this report, by Janusz Filipiak (24.55% of shares), Elżbieta Filipiak (16.27% of shares), members of the Management Board (1.05%).

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

Company: **Comarch AG COMARCH**  
Address: Chemnitzer Str. 59b, 01187 Dresden, Germany  
VAT ID: DE 206 522075

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

Company: **Comarch Software und Beratung AG COMARCH**  
Address: Riesstr. 16, 80992 Munich, Germany  
VAT ID: DE129457436

Comarch AG holds 6,213,072 shares of Comarch SuB, which constitute 100% of the company's share capital. This gives 6,213,072, i.e. 100% share of the total votes at the company's annual general meeting. The company is active on the IT market, mostly in Germany and Austria, offering its products and services to three business segments: ERP, finance and integration of systems for medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SuB is Comarch S.A.'s subsidiary (through Comarch AG).

Company: **Comarch Solutions GmbH COMARCH**  
Address: Innsbruck - Müllerstr. 1, 6020 Innsbruck, Austria  
VAT ID: ATU46234800

The company's share capital is EUR 50,000.00. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Solutions GmbH is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch SAS COMARCH**  
Address: 17 rue Paul Langevin, 59260 Lezennes, France  
VAT ID: FR 20500252606

Comarch S.A. holds 100% of Comarch SAS shares, that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch SAS amounts to EUR 3,308,429.

On 10<sup>th</sup> of December, 2015, the share capital was lowered to cover losses from previous years and at the same time share capital was increased to the amount of EUR 3,308,429. On the 10<sup>th</sup> of December, 2015, the company sold its shares of Comarch R&D SARL to Comarch S.A. The company's business is the sale and implementation of Comarch IT solutions in the French-speaking market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SAS is a subsidiary of Comarch S.A.

Company: **Comarch R&D S.à r.l. COMARCH**  
Address: 100A, allée Saint Exupéry, 38330 Montbonnot-Saint Martin, France  
VAT ID: FR 69507984557

From the 10<sup>th</sup> of December, 2015, Comarch S.A. holds 100% of shares in Comarch R&D SARL, representing 100% of the share capital and 100% votes at the shareholders meeting. The share capital of Comarch R&D S.à r.l. amounts to EUR 7,500 and consists of 750 shares of nominal value of EUR 10 each. The business of Comarch R&D S.à r.l. is sales and implementation of Comarch IT solutions in the French-speaking market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch R&D S.à r.l. is a subsidiary of Comarch S.A.

Company: **Comarch Luxembourg S.à r.l. COMARCH**  
Address: Route d'Arlon 23,  
L-8008 Strassen, Grand Duchy of Luxembourg  
VAT ID: LU24700126

Comarch S.A. holds 100% shares of Comarch Luxembourg S.à r.l., that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch Luxembourg S.à r.l. amounts to EUR 500,000 and consists of 500,000 shares of nominal value of EUR 1 each. Total number of votes at the company's general meeting amounts to 500,000. The subject matter of activities of Comarch Luxembourg S.à r.l. is sales and implementation of IT systems in Benelux countries. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Luxembourg S.à r.l. is Comarch S.A.'s subsidiary.

Company: **Comarch, Inc. COMARCH**  
Address: 10 W. 35th St. 9450 W. Bryn Mawr Ave  
Suite 325 Rosemont, IL 60018  
VAT ID: 52-2207301

The company sells Comarch software and services in the markets of both Americas. The company's share capital is USD 40,000. Comarch S.A. holds 100% of interest in the company's share capital and 100% shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch, Inc. is Comarch S.A.'s subsidiary.

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

The subject matter of activities of Comarch Pointshub, Inc. are investment activities on capital and IT market. The company's share capital is USD 8,500,000. Comarch S.A. holds 100% of interest in the company's share capital and 100% shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch, Pointshub, Inc. is Comarch S.A.'s subsidiary.

Company: **Comarch Panama, Inc. COMARCH**  
Address: Calle 52 Este, Obarrio  
Edificio P.H. Plaza Ejecutiva  
Piso 3, Oficina 307  
Panama City, Panamá  
Telephone/fax: +507 263 25 69  
VAT ID: RUC 698712-1-468218 DV95

The company's share capital is USD 360,000 and is divided into 360,000 shares of nominal value of USD 1 each. The company sells and implements Comarch IT systems in the Central and Southern America market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Panama, Inc. is Comarch S.A.'s subsidiary (through Comarch, Inc.).

Company: **Comarch Sistemas LTDA COMARCH**  
Address: Avenida Roque Petroni Junior nº 1.089  
Vila Gertrudes, Sao Paulo, Brasil  
VAT ID: 20.035.102/0001-50

The company's share capital is BRL 1,000,000 and is divided into 1,000,000 shares of nominal value of BRL 1 each. Comarch AG holds 80% of Comarch Sistemas LTDA shares that constitute 80% of the share capital and 80% of votes at the meeting of shareholders and Comarch Software und Beratung AG holds remaining 20% of Comarch Sistemas LTDA shares. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Sistemas LTDA is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch Canada, Corp. COMARCH**  
Address: 1155 blvd Rene-Levesque Ouest  
Suite 2500, Montreal, QC H3B 2K4 Canada  
VAT ID: GST/HST 81055 8403 RT0001

The company's share capital is CAD 50,000 and is divided into 50,000 shares of nominal value of CAD 1 each. Comarch S.A. holds 100% of shares and votes of the company. The company sells and implements Comarch IT systems in Canada. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Canada, Corp. is Comarch S.A.'s subsidiary.

Company: **Comarch Espace Connecté, Inc.**  
Address: 1155 Boul. Rene-Levesque O. Suite 2500,  
Montreal QC H3B 2K4  
VAT ID: 1222643674 IC 0001

The company's share capital is CAD 400,000 and is divided into 400,000 registered shares of nominal value of CAD 1 each. The sole shareholder of Comarch Espace Connecté Inc. is Comarch S.A. Currently, the company does not operate.

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

The company's share capital is AED 200,000 and is divided into 200 shares of AED 1,000 each (as at the 31<sup>st</sup> of December, 2017, AED 1 is worth PLN 0,9591). Comarch S.A. acquired all the shares for cash at nominal value. The company sells and implements Comarch products in the Middle East and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Middle-East FZ-LLC is Comarch S.A.'s subsidiary.

Company: **Comarch Malaysia SDN. BHD. COMARCH**  
Address: B-3A-06 Block B West, PJ8 Service Suites  
No 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya  
Register no.: 1138689-D  
VAT ID: 000638922752

The company's share capital is MYR 500,000. Comarch S.A. owns 100% share in the share capital, which entitle to 100% votes at the AGM. The company's business is the sale and implementation of Comarch IT solutions in the Asian market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Malaysia SDN.BHD. is Comarch S.A.'s subsidiary.

Company: **Comarch Software Spain S.L.U. COMARCH**  
Address: Calle Caléndula, 93, Miniparc III Edificio E, Alcobendas 28109, Madrid,  
VAT ID: B87128849

The company's share capital is EUR 1,100,000 and is divided into 110,000 shares of nominal value of EUR 10 each. Comarch S.A. holds 100% of shares in the company's share capital and 100% votes at the AGM of the company. The company's business is the sale and implementation of Comarch IT solutions in the Spanish-speaking markets. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software Spain S.L.U. is Comarch S.A.'s subsidiary.

Company: **Comarch Yazilim A.S. COMARCH**  
Address: Matbuat Sok. Durukan Apt. No:17/6 Esentepe, Şişli/ Stambul, Turkey  
VAT ID: 2110683747

The company's share capital is TRY 600,000 (1 TRY amounts to PLN 0.9235 as of the 29<sup>th</sup> of December, 2017) and is divided into 600,000 shares of nominal value of TRY 1 each. The sole shareholder of the company is Comarch S.A. The company's business is the sale and implementation of Comarch IT solutions in the Turkish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Yazilim A.S. is Comarch S.A.'s subsidiary.

Company: **Comarch S.R.L. COMARCH**  
Address: Piazza Quattro Novembre 7, 20124 - Milan (MI), Italy  
VAT ID: 08967390967

The company's share capital is EUR 1,753,386,50. Comarch S.A. holds 100% of the company's shares. The company's business is the sale and implementation of Comarch IT solutions in the Italian market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch S.R.L. is Comarch S.A.'s subsidiary.

Company: **Comarch LLC COMARCH**  
Address: 18/7 Kutuzova Str., 01133 Kiev, Ukraine  
VAT ID: 329182826556

The company's share capital is UAH 20,500 (as at the 31<sup>st</sup> of December, 2017, UAH 1 amounts to PLN 0.1236). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The registered company is a one-person limited liability company. It sells and implements Comarch products in Ukraine and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch LLC is Comarch S.A.'s subsidiary.

Company: **OOO Comarch COMARCH**  
Address: Bakhrushina 32/1 115054 Moscow, Russia  
VAT ID: INN/KPP 7704545099/770401001

The company's share capital is worth RUB 1,200,000 and it corresponds to 1 share at nominal value of

RUB 1,200,000 (as at the 31<sup>st</sup> of December, 2017, RUB 1 amounts to PLN 0.0604). The company's share capital was paid in total in cash. The company sells and implements Comarch products in Russia and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, OOO Comarch is Comarch S.A.'s subsidiary.

Company: **Comarch Software (Shanghai) Co. Ltd. COMARCH**  
Address: Room 3610-2, Block 11, No.3855 Shangnan Road Pudong New Area, Shanghai, China  
VAT ID: 310115690128967

The company's share capital is worth USD 200,000 and Comarch S.A. holds it in total. The company resumed operating activities in 2017. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software (Shanghai) Co. Ltd. is Comarch S.A.'s subsidiary.

Company: **Comarch Technologies Oy COMARCH**  
Address: Tekniikantie 14  
02150 Espoo, Finland  
VAT ID: FI23730145

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

Company: **Comarch UK Ltd. COMARCH**  
Address: 201 Great Portland Street, London, W1W 5AB, Great Britain  
VAT ID: GB 133 0821 52

The company's share capital is GBP 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions Company:

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

The company's share capital is CLP 161 million (as at the 31<sup>st</sup> of December, 2017, CLP 1 amounts to PLN 0.5663). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the South American market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Chile SpA is Comarch S.A.'s subsidiary.

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

The company's share capital is SEK 50,000 (as at the 29<sup>th</sup> of December, 2017, SEK 1 amounts to PLN 0.4243). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The company's business is the sale and implementation of Comarch IT solutions in the Swedish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch AB is Comarch S.A.'s subsidiary.

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

The company's share capital is ARS 3,298,195 (as at the 31<sup>st</sup> of December, 2017, ARS 1 amounts to PLN 0.1926). Comarch S.A. holds 95% of the company's shares that entitle to 95% votes and Comarch AG holds remaining 5% of Comarch Argentina S.A. shares. The company's business is the sale and implementation of Comarch IT solutions in the Argentinean market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Argentina S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch s.r.o. COMARCH**  
Address: Sumbalova 1a 841 04 Bratislava, Slovakia

The company's share capital is EUR 149,372.63. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch s.r.o. is Comarch S.A.'s subsidiary. Currently, the company does not operate.

Company: **Comarch Swiss AG COMARCH**  
Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland  
VAT ID: 472274

The company's share capital is CHF 300,000 and is divided into 300 registered shares of nominal value of CHF 1,000 each. They entitle to 300 votes at the general meeting. 100% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. The company sells the Comarch Group's products in Switzerland. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Swiss AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **CAMS AG COMARCH**  
Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland  
VAT ID: CHE-273.360.056

The company's share capital is CHF 100,000 and is divided into 1,000 registered shares of nominal value of CHF 100 each. They entitle to 1,000 votes at the general meeting. 51% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CAMS AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

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

The company's share capital is COP 3,192,063,000 (COP 100 as at 31<sup>st</sup> of December, 2018 is PLN 0.1114). The company sells and implements Comarch IT systems in the Central and Southern America market. Comarch Software Spain S.L.U. holds 100% of the company's shares that entitle to 100% votes. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Argentina S.A. is Comarch Colombia SAS subsidiary (through Comarch Software Spain S.L.U.).

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

The company's share capital is PEN 165,000 of which PEN 8 250 was paid by Comarch S.A. and the other PEN 156 750 by Comarch AG (PEN 1 as at 31<sup>st</sup> of December, 2018 is PLN 1.1186). The company sells and implements Comarch IT systems in the Central and Southern America market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComarchPeru SAC. is Comarch S.A. subsidiary



(in 95% through Comarch AG).

Company: **Comarch Saudi Arabia Co. COMARCH**  
Address: 1st Floor, The Plaza Complex, Olaya Street, Olaya, P.O. Box 84421,  
Riyadh 11671, Kingdom of Saudi Arabia  
License No.: 210380472112

The company's share capital is SAR 1,000,000 (SAR 1 as at 31<sup>st</sup> of December, 2018 is PLN 1.0019). Comarch S.A. holds 95% of Comarch Saudi Arabia Co. shares and Comarch Infrastruktura S.A. holds remaining 5% of Comarch Saudi Arabia Co. shares. The company sells and implements Comarch IT systems in Kingdom of Saudi Arabia. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Saudi Arabia Co. is Comarch S.A.'s subsidiary.

Company: **Comarch Japan KK COMARCH**  
Address: Ark Mori Bldg. 12-32, Akasaka 1-Chome, Minato-Ku, Tokyo  
VAT ID: 4010401132602

The company's share capital is JPY 15,000,000 (JPY 1 as at 31<sup>st</sup> of December, 2018 is PLN 3.4124). Comarch UK Ltd holds 100% of Comarch Japan KK shares. The company sells and implements Comarch IT systems in Japan. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Japan KK is Comarch S.A.'s subsidiary (through Comarch UK Ltd).

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

The company's share capital is KRW 100,000,000 and is divided into 10,000 registered shares of nominal value of KRW 10,000 each (KRW 1 as at 31<sup>st</sup> of December, 2018 is PLN 0.3373). Comarch S.A. holds 10,000 of shares, i.e. 100% of votes in Comarch Yuhan Hoesa (Comarch Ltd.). Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Yuhan Hoesa is Comarch S.A.'s subsidiary.

Company: **Comarch (Thailand) Limited COMARCH**  
Address: No.3, Promphan 3 Building, Unit No.1709-1710, 3 Ladprao Soi 3,  
Ladprao Rd., Chom Phon, Chatuchak Bangkok 10900, Thailand  
Vat ID: 105560178291

The company's share capital is THB 8,000,000 worth THB 100 per share (THB 1 as at 31<sup>st</sup> of December, 2018 is PLN 0.1111). Comarch S.A. holds 98% of shares, Comarch Technologies Sp. z o.o. holds 1% of shares and CA Consulting S.A. holds 1% of shares of Comarch (Thailand) Limited. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch (Thailand) Limited is Comarch S.A.'s subsidiary.

Company: **Comarch BV COMARCH**  
Address: Weena 505, 3013AL Rotterdam, Netherlands  
VAT ID: NL859390457B01

The company's share capital is EUR 100,000 and is divided into 100,000 registered shares of nominal value of EUR 1 each. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch BV is Comarch S.A.'s subsidiary.

Firma Spółki: **Comarch Mexico S.A. de C.V. COMARCH**  
Adres spółki: Blvd. Miguel de Cervantes Saavedra 169, Office 15-121, Granada,  
Mexico City, CMX, 11520, Mexico


VAT ID:

CME180416B94

The company's share capital is MXN 500,000 and is divided into 500 registered shares of nominal value of MXN 1,000 each. Comarch S.A. holds 495 of shares, i.e. 99% of votes, and CA Consulting S.A. holds 5 of shares, i.e. 1% of votes of Comarch Mexico S.A. de C.V. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Mexico S.A. de S.V. is Comarch S.A.'s subsidiary.

Company: **Comarch Technologies sp. z o.o.** **COMARCH**  
(Polish law limited liability company) Technologies  
Address: Aleja Jana Pawła II 39 a, 31-864 Krakow,  
Regon (Polish National Official Register of Business Entities): 300075359  
NIP (Polish Identification Tax Number): 2090000305

The company's share capital is PLN 50,000 and is divided into 500 shares of PLN 100 each. They entitle to 500 votes at the company's annual general meeting. Comarch S.A. holds 100% shares which entitle to 100% votes at the company's annual general meeting. Comarch Technologies sp. o.o. is engaged in the development of secure solutions for end-to-end hardware and software for B2B customers. The basis for development is the experience gained in the field of prototyping, production and quality control of solutions in the area of consumer electronics and industries like automotive, medical and finance & banking. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Technologies sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **CA Consulting S.A.**  **CA CONSULTING**  
(joint stock company)  
Address: Al. Jerozolimskie 81, 02-001 Warsaw  
Regon (Polish National Official Register of Business Entities): 356846563  
NIP (Polish Identification Tax Number): 678-29-24-039

The company's share capital is PLN 1,050,000 and is divided into 5,250 shares at nominal value of PLN 200 each that give 5,250 votes. Comarch S.A. holds 100% of CA Consulting S.A. shares entitling to 100% votes at the AGM of the company. CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for Comarch's contractor. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, CA Consulting S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch Management spółka z o. o.** **COMARCH**  
(Polish law limited liability company)  
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120560832  
NIP (Polish Identification Tax Number): 675-13-76-192

The share capital of Comarch Management sp. z o.o. amounts to PLN 300,000 and consists of 3,000 shares of nominal value of PLN 100 each. They entitle to 3,000 votes. Comarch S.A. holds 100% of Comarch Management sp. z o.o. shares entitling to 100% of votes at the shareholders' meeting of the company. The subject matter of activities of Comarch Management sp. z o.o. are investment activities on capital and IT market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty**  
(CCF FIZ) (closed investment fund) **COMARCH**  
Address: 31-038 Krakow, ul. Księcia Józefa 186  
Regon (Polish National Official Register of Business Entities): 120576141  
NIP (Polish Identification Tax Number): 106-00-01-334

Comarch S.A. holds four investment certificates of the fund, acquired within the frame of issuance of series A certificates for the issue price of PLN 250,000 each. The total purchase price of the acquired 4,000 investment certificates amounted to PLN 1,000,000. They constitute 100% of investment certificates issued by the fund and entitle to 100% of votes at meeting of the fund's investors. Comarch S.A. purchased the above-mentioned investment certificates from its own resources. CCF FIZ conducts an investment activity in the scope of new technologies and Internet services that are not Comarch S.A.'s basic activities.

Company: **Comarch Management spółka z o. o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120578542  
NIP (Polish Identification Tax Number): 675-13-76-542

The share capital of Comarch Management sp. z o. o. SKA amounts to PLN 170,110. CCF FIZ holds 8.82% of shares entitling to 25% of votes, Comarch S.A. holds 26.45% of shares entitling to 75% of votes and 64.73% of shares were purchased by Comarch Management sp. z o.o. SKA for redemption. Shares purchased by Comarch Management spółka z o.o. SKA for redemption doesn't give any votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Firma Spółki: **Bonus Management sp. z o.o. Spółka Komandytowo-Akcyjna COMARCH**  
Adres Spółki: 31-008 Kraków, ul. Rynek Główny 15  
Regon: 120641766  
NIP: 676-23-69-528

The company's share capital is PLN 2,879,400 and is divided into 2,876,400 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. II Activia Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: 31-008 Krakow, ul. Rynek Główny 15  
Regon (Polish National Official Register of Business Entities): 121358009  
NIP (Polish Identification Tax Number): 6762430883

The company's share capital is PLN 1,555,200 and is divided into 1,555,200 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. II Activia SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. Cracovia Park Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: 31-008 Krakow, ul. Rynek Główny 15  
Regon (Polish National Official Register of Business Entities): 123092610  
NIP (Polish Identification Tax Number): 676-24-75-383

With the notarial deed of the 25<sup>th</sup> of March, 2014, Bonus Management sp. z o.o. Cracovia Park spółka komandytowo-akcyjna was established. Its share capital amounts to PLN 800,000 and is divided into

800,000 shares with nominal value of PLN 1 each. Bonus Management spółka z ograniczoną odpowiedzialnością SKA holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). Bonus Management sp. z o. o. Cracovia Park SKA conducts investment activities in real estates and related to sports and recreation. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. Cracovia Park SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: 31-008 Krakow, ul. Rynek Główny 15  
Regon (Polish National Official Register of Business Entities): 120637434  
NIP (Polish Identification Tax Number): 676-23-68-121

The company's share capital is PLN 5,640,000 and is divided into 5,640,000 shares of nominal value of PLN 1. 50,000 preference series A shares entitle to 100,000 votes and 5,590,000 ordinary shares give 5,590,000 votes. CCF FIZ holds 100% of the company's shares entitling to 100% votes. Bonus Development sp. z o. o. SKA conducts real estate development activities and real estate management in Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. II Koncept Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: 31-008 Krakow, ul. Rynek Główny 15  
Regon (Polish National Official Register of Business Entities): 121376250  
NIP (Polish Identification Tax Number): 6762432161

The company's share capital is PLN 101,263 and is divided into 101,263 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company's shares entitling to 100% votes. Bonus Development sp. z o. o. II Koncept SK-A acts real estate development activities and real estate management in Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Healthcare S.A. COMARCH Healthcare (joint stock company)**  
Address: 31-864 Krakow, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120652221  
NIP (Polish Identification Tax Number): 675-13-82-502

Comarch Healthcare S.A. was created from the merger of iMed24 S.A. and ESAProjekt sp. o.o. (registration in the National Court on the 1<sup>st</sup> of July, 2015). The company's share capital is PLN 12,114,806 and is divided into 12,114,806 shares of nominal value of PLN 1. These shares entitles to a total of 12,114,806 votes at the general meeting of shareholders. CCF FIZ holds 38.27% of the company's shares (38.27% of votes), Comarch S.A. holds 17.33% of the company's shares (17.33% of votes), Comarch Software und Beratung AG holds 33.02% of the company's shares (33.02% of votes) and CASA Management and Consulting sp. z o.o. SKA holds 11.38% of shares (11.38% of votes). The company is one of the leading Polish manufacturers and suppliers of comprehensive solutions for the health sector, conducts IT projects related to telemedicine, as well as owns the Medical Centre iMed24. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Healthcare S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch Polska S.A. COMARCH POLSKA SA (joint stock company)**  
Address: 31-864 Krakow, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120705696  
NIP (Polish Identification Tax Number): 675-13-87-586

The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100, entitling to 5,000 votes at the AGM. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Polska S.A. sells IT systems for public sector customers. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Polska S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Pointshub S.A. COMARCH**  
(joint stock company)  
Address: 31-864 Krakow, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120792583  
NIP (Polish Identification Tax Number): 675-14-02-274

The company's share capital is PLN 750,000 and is divided into 7,500 shares of nominal value of PLN 100, entitling to 7,500 votes at the AGM. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Pointshub S.A. produces and implements new generation loyalty. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Pointshub S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Comarch Infrastruktura S.A. (joint stock company) COMARCH**  
Address: 31-864 Krakow, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120807830  
NIP (Polish Identification Tax Number): 675-14-03-084

The company's share capital is PLN 575,000 and is divided into 5,750 shares of nominal value of PLN 100, entitling to 5,750 votes. CCF FIZ holds 100% of the company's shares (100% of votes). Comarch Infrastruktura S.A. offers outsourcing of IT services. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Infrastruktura S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).


Company: **iComarch24 S.A. (joint stock company) iCOMARCH24.PL**  
Address: 31-864 Krakow, Aleja Jana Pawła II 39 a  
Regon (Polish National Official Register of Business Entities): 120871348  
NIP (Polish Identification Tax Number): 6751410687

The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100, entitling to 5,000 votes. CCF FIZ holds 100% of the company's shares (100% of votes). The company provides accounting services for domestic subsidiaries of Comarch Group as well as manufactures and sells financial and accounting software in the Cloud model for small and medium-sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iComarch24 S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **CASA Management and Consulting sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
Address: ul. Szarskiego 18, 30-698 Krakow  
Regon (Polish National Official Register of Business Entities): 121040023  
NIP (Polish Identification Tax Number): 6793020643

The company's share capital is PLN 3,114,000 and is divided into 31,140 shares of nominal value of PLN 100, entitling to 31,140 votes. CCF FIZ holds 100% of the company's shares (100% of votes). CASA Management and Consulting sp. z o.o. SK-A conducts investment activity on capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CASA Management and Consulting sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).



Company: **Geopolis Sp. z o.o.**   
(Polish law limited liability company)  
Address: ul. Włocławska 167, 87-100 Toruń  
Regon (Polish National Official Register of Business Entities): 146720793  
NIP (Polish Identification Tax Number): 524-276-02-89

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



Company: **Opso sp. z o.o.**  
(Polish law limited liability company)  
Address: 31-864 Krakow, ul. prof. Michała Życzkowskiego 23  
Regon (Polish National Official Register of Business Entities): 122485307  
NIP (Polish Identification Tax Number): 675-147-11-92

The share capital of Opso sp. z o.o. amounts to PLN 205,000 and consists of 100 shares at nominal value of PLN 2,050 each, entitling to 100 votes. Comarch S.A. holds 100% Opso sp. z o.o. shares entitling to 100% votes at the AGM of the company. Opso sp. z o.o. provides catering services. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Opso sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Miejski Klub Sportowy Cracovia Sportowa Spółka Akcyjna**  
(Polish city sports club)  
Address: 30-111 Krakow, ul. Kałuży 1  
Regon (Polish National Official Register of Business Entities): 351553230  
NIP (Polish Identification Tax Number): 677-20-79-476



The share capital of MKS Cracovia SSA is 21,840,100 PLN and is divided into 218,401 shares. Comarch S.A. holds 144,381 shares and 144,381 votes at the AGM of MKS Cracovia SSA that constitute 66.11% of the company's share capital. The company conducts sports activities. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, MKS Cracovia SSA is Comarch S.A.'s subsidiary.

## ASSOCIATES

Company: **SoInteractive S.A.**  sointeractive  
(joint stock company)  
Address: 31-864 Krakow, ul. Prof. Michała Życzkowskiego 29 a  
Regon (Polish National Official Register of Business Entities): 120629191  
NIP (Polish Identification Tax Number): 676-23-66-843

The company's share capital is PLN 791,000 and is divided into 7,910 shares of nominal value of PLN 100, entitling to 12,420 votes. CCF FIZ holds 25.28% of the company's shares, which give 16.1% of votes. Bonus Management sp. z o.o. II Activia SKA holds 17.7% of the company's shares, which give 11.27% of votes. The Company's business is to create gamification solutions B2C, B2B and B2E and mechanisms of games and the Internet of Things. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, SoInteractive S.A. is Comarch S.A.'s associate.

Company: **Metrum Capital S.A. (Volatech Capital Advisors S.A.)**  
(joint stock company)  
Address: ul. Kałuży 1, 30-111 Krakow  
Regon (Polish National Official Register of Business Entities): 0000502255  
NIP (Polish Identification Tax Number): 6772380164



The company's share capital is PLN 700,000. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The Company's business is the production IT software that supports investments in the capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Metrum Capital S.A. is Comarch S.A.'s associate (directly and through CCF FIZ).

Company:

**Thanks Again LLC**



Address:

1015 Tyrone Road, Suite 820, Tyrone, GA 30290

Regon (Polish National Official Register of Business Entities): 120629191

NIP (Polish Identification Tax Number): 676-23-66-843

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

### **20.3. Changes in Ownership and Organisational Structure in 2018**

On the 22<sup>nd</sup> of March, 2018, 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 10,114.806 thousand to PLN 12,114.806 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 6<sup>th</sup> of July, 2018, the share capital increase was registered.

On the 11<sup>th</sup> of May, 2018, the increase of capital in Comarch Management Sp. z o.o. was registered by PLN 100 thousand, i.e. from PLN 300 thousand to PLN 400 thousand.

On the 13<sup>th</sup> of April, 2018, a subsidiary company Comarch Mexico S.A. de C.V. was registered. The share capital amounts to MXN 500 thousand and consists of 500 shares with the nominal value MXN 1,000 each. Comarch S.A. holds 495 of shares, i.e. 99% of shares and votes in Comarch Mexico S.A. de S.V., while CA Consulting S.A. holds 5 of shares, i.e. 1% of shares and votes in the company.

On the 2<sup>nd</sup> of July, 2018, the Extraordinary General Meeting of Comarch Japan KK has adopted a resolution about the increase of the share capital by JPY 10,000 thousand, i.e. from JPY 5,000 thousand to JPY 15,000 thousand. Comarch UK acquired in its entirety a new share issue, i.e. 200 shares with a nominal value of JPY 50,000. Until the date of publication of this report, the above capital increase has not been registered.

On 23<sup>rd</sup> of August, 2018 has been registered the capital increase in Comarch Colombia S.A.S. in amount COP 3,010,063,000 i.e. from COP 182,000,000 to 3,192,063,000. The increase took place due to the conversion of commitments from Comarch Software Spain S.L.U., which has 100% of shares. The amount of the target capital of the company is COP 3,600,000,000.00 and consists of 3 600 000 shares with a nominal value COP 1,000 each.

On 11<sup>th</sup> of September, 2018 was registered a subsidiary Comarch Yuhan Hoesa (Comarch Ltd.) with headquarter in Seoul in South Korea. The share capital of the company amounts to KRW 100 million and consists of 10,000 shares with value of KRW 10,000 each. Comarch S.A. owns 10,000 shares, i.e. 100% in share capital and votes of company Comarch Yuhan Hoesa (Comarch Ltd.).

In October 2018, Comarch (Thailand) Limited commenced its operations. The owners of 100% shares in the company were originally three natural persons who are members of the management board of Comarch S.A. On 14<sup>th</sup> of December, 2018, a contract for the purchase of shares in Comarch (Thailand) Limited by the following companies was signed: Comarch SA, CA Consulting SA, Comarch Technologies

Sp. z o.o. The shares were paid up and this change was legally registered in Thailand on December 24, 2018. The share capital of the company is THB 8,000,000, THB 100 per share.

On the 23<sup>rd</sup> of November, 2018 was registered a subsidiary Comarch BV with headquarter in Rotterdam. The share capital of the company amounts to EUR 100,000 and consists of 100,000 shares with value of EUR 1 each. Comarch S.A. owns 100% in share capital and votes of company Comarch BV.

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

None present.

## **21. Non-Financial Data Report**

On 29<sup>th</sup> of April, 2019, the Company has published on the website <https://www.comarch.pl/relacje-inwestorskie/raporty-okresowe/2018/> Consolidated Non-Financial Data Report for 2018.

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

None present.

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

The Company has not published the results forecast for 2018.

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

### **24.1. Deferred Income Tax Asset**

In 2018, the asset due to activities in SEZ created as at 31<sup>st</sup> of December 2017 has been resolved in the amount of PLN 8,863 thousand according to the amount of zone income generated in 2018. The settlement of deferred tax asset related to temporary differences created on the 31<sup>st</sup> of December, 2016, in the amount of PLN 4,125 thousand was made in part and a deferred tax asset related to temporary differences was created in the amount of PLN 10,700 thousand was created and also dissolution in the amount of PLN 9,802 thousand and recognition in the amount of PLN 4,736 thousand of an asset due to tax loss. The total effect of the above-mentioned operations on the net result of 2018 amounted to plus PLN 1,509 thousand. Due to valuation of net assets of CCF FIZ, in 2018, the Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 57 thousand. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 5,193 thousand and dissolved in the amount of PLN 5,473 thousand. The total effect of the all above-mentioned operations on the net result of 2018 was plus PLN 337 thousand.

In total, changes in deferred tax resulted in an increase in result of PLN 4,145 thousand.

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

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31<sup>st</sup> of December, 2018, decreased revenue and operating profit of Comarch Group by PLN 485 thousand (while during the corresponding period in 2017 decreased by PLN 19,429

thousand). Exchange rate differences from other activities decreased the result of Comarch Group by PLN 8,762 thousand (while during the corresponding period in 2017 increased by PLN 6,628 thousand). The valuation of financial instruments and realised transactions (mostly forward contracts), as well as provision for deferred income tax in reference to the valuation of the financial instruments, decreased Comarch Group's net result by PLN 1,426 thousand (while in the corresponding period of 2017 they increased it by PLN 24,493 thousand). The total effect of exchange rate differences and valuation and realization of derivative financial instruments on the net result of Comarch S.A. in 2018 amounted to minus PLN 10,673 thousand (plus PLN 11,692 thousand in 2017).

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

As at the 31<sup>st</sup> of December, 2017, the Group recognized an impairment loss of trade receivables in the amount of PLN 40,819 thousand and resolved previously created write-offs in the amount of PLN 3,844 thousand due to the payment of the amount due. These operations were included respectively in other operating income and expenses in the profit and loss account.

### **24.4. Establishment of a Provision for the Payment of a Good Performance Guarantee for the ZUS KSI project**

In connection to the submission by the Social Insurance Institution (ZUS) of a request for payment a bank guarantee of due performance of the contract for the provision of maintenance services of the Comprehensive IT System for the Social Insurance Institution ("KSI ZUS Agreement"), Comarch S.A. created a provision of PLN 24 million, which was included in the financial statements of Comarch S.A. for 2018, which resulted in a corresponding decrease in the operating result and net result of Comarch S.A. for 2018.

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

None present.

## **26. Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year**

They were described in point [12](#).

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

On the 29<sup>th</sup> of May, 2017, the Management Board of Comarch S.A. informed that, pursuant to art. 19 sec. 2 point 5) of the company's articles of association, the Supervisory Board selected BDO Sp. z o.o. with its registered office in Warsaw at ul. Postępu 12 (KRS 0000293339) to audit the financial statements and approved of the conclusion of the Agreement between Comarch S.A. and BDO Sp. z o.o., in dealing with:

- a) review of Comarch S.A. financial statement and the consolidated financial statement of the Comarch Group as of the 30<sup>th</sup> of June, 2017,
- b) audit of Comarch S.A. annual financial statement and the annual consolidated financial statement of the Comarch Group as of the 31<sup>st</sup> of December, 2017,
- c) review of Comarch S.A. financial statement and the consolidated financial statement of the Comarch Group as of the 30<sup>th</sup> of June, 2018,
- d) audit of Comarch S.A. annual financial statement and the annual consolidated financial statement of the Comarch Group as of the 31<sup>st</sup> of December, 2018.

The Company announced details in current report no. [RB-11-2017](#), ENG: [RB-11-2017](#), dated the 29<sup>th</sup> of May, 2017.

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

No	Types of services	Remuneration (net value)- paid	Remuneration (net value)- due
<b>2018</b>			
<b>BDO Spółka z ograniczoną odpowiedzialnością</b>			
1.	Obligatory audit of annual financial statements for 2018	PLN 40,000.00	PLN 60,000.00
	Review of half-year financial statement for H1		
2.	2018 and agreed additional costs related to consolidation process	PLN 50,000.00	-
3.	Other services for Comarch S.A.	-	-
	Audit of annual financial statements of CA Consulting S.A., Comarch Polska S.A., Comarch Healthcare S.A., Comarch Technologies Sp. z o.o., Comarch Management Sp. z o.o S.K.A., Comarch Infrastruktura S.A., iComarch24 S.A., MKS Cracovia SSA, Comarch Pointshub S.A. for 2018	PLN 14,800.00	PLN 50,200.00
<b>2017 rok</b>			
<b>BDO Spółka z ograniczoną odpowiedzialnością</b>			
1.	Obligatory audit of annual financial statements for 2017	PLN 100,000.00	PLN 0.00
	Review of half-year financial statement for H1		
2.	2017 and agreed additional costs related to consolidation process	PLN 50,000.00	PLN 0.00
3.	Other services for Comarch S.A.	-	-
	Audit of annual financial statements of CA Consulting S.A., Comarch Polska S.A., Comarch Healthcare S.A., Comarch Technologies Sp. z o.o., Comarch Management Sp. z o.o S.K.A., Comarch Infrastruktura S.A., iComarch24 S.A., MKS Cracovia SSA, Comarch Pointshub S.A. for 2017	PLN 65,000.00	PLN 0.00
<b>BDO Accountants Burg. CVBA</b>			
1.	Other services for Comarch AG Belgian Branch	EUR 9,550.00	-
<b>BDO Dr. Mohamed Al-Amri &amp; Co</b>			
1.	Audit of the financial statements of Comarch Saudi Arabia Limited Liability Company	SAR 30,000.00	-
<b>AO BDO Yunikon</b>			
1.	Audit of the financial statements of OOO Comarch Company	RUB 500,000.00	-

## 28. Systems that Control Employees Shares Programmes

None present.

## 29. Description of Company's Policy in the Field of Business Sponsorship and Charity

Socially responsible business is, in an appreciable extent, based on activities for the benefit of the local community. Comarch Capital Group from the beginning of its activity has been widely involved in social activities, propagating the idea of creating a broad social platform, on the grounds of which sport and the latest IT technologies are promoted. Activities that promote a healthy lifestyle and environmental protection, help animals, as well as involvement in culture and supporting initiatives of local communities are also important.

### COMARCH FOR CULTURE

#### COMARCH FOR IMPROVING THE QUALITY OF ORGAN MUSIC IN THE ST. MARY'S BASYLICA

In 2018, Comarch continued the financial support of the project of organ repair and revitalization of the musical space in the St. Mary's church. As a result of the restoration, the middle bodies authored by Kazimierz Żebrowski regained their original splendour and noble sound. They were put into operation and dedicated by the Metropolitan of Krakow on 15<sup>th</sup> of December, 2018. For many years Comarch has been cooperating with the Marian parish in organizing musical events and sponsoring the St. Mary's Organ Festival - a series of summer music events within the walls of the parish - from the very beginning of its existence. The company also wants the city in which its headquarter is located to grow as a meeting place for lovers of broadly understood culture from around the world.

*- For many years we have been cooperating with St. Mary's Parish in organizing musical events and we are sponsoring the St. Mary's Organ Festival. That's why we got involved in organ renovation. We want the instrument to regain its sound, and the city and the local community received a high-class monument*  
- says prof. Janusz Filipiak, founder and president of Comarch S.A.

Another year in a row Comarch S.A. sponsored an event which became a part of Krakow's cultural calendar - the concert of Last Night of the Proms, and also another edition of the St. Mary's Organ Festival. The Krakow company has sponsored this musical event from the very beginning of its existence.

### COMARCH ACTIONS ABROAD

In 2018, Comarch Swiss AG supported the Polish Museum in Rapperswil in Switzerland.

### COMARCH CARES GRANT COMPETITION

Comarch's employees and co-workers can apply to the #ComarchCares Grant Contest who, together with institutions (foundations, associations, educational and educational institutions), want to implement pro-social activities. In the spring of 2018, two projects submitted in the autumn edition of 2017 were implemented. The first one is a series of workshops for levelling learning skills of children and young people from families affected by dysfunctions, carried out by a team from Warsaw. The second project "Clean Air" of the team from Lodz assumed the purchase of air-purifying filters in kindergarten rooms and conducting educational workshops on environmental protection and health prevention. In autumn 2018 the next edition of the competition was resolved, in which two winning grants were selected: Programming has the future of the team from Tarnów and Programming - an adventure for a lifetime of the team from Poznań. Projects will be implemented in 2019.

### GRADUATION PROJECT

For the first time, the company was also involved in the Graduation Project - an overview of the best diploma thesis for people from the Visegrád Group countries. In 2018, 347 diplomas were submitted for the review, from which the jury selected 30 designs for the exhibition. Diplomas will be shown in June

2019, during the European Design Festival at the Palace of Culture and Science in Warsaw and in autumn at Vienna Design Week. The vernissage in Cieszyn will be accompanied by the ceremonial handing of special distinctions - paid internships at Comarch.

### **CHRISTMAS COLLECTIONS FOR LOCAL COMMUNITIES**

As in 2016, 2017, and in 2018, employees from Polish Comarch companies in branches throughout Poland joined in the organization of holiday collections for people in need.

### **WE MADE KRAKÓW GREEN**

Last year, the company continued the greening of the capital of Małopolska together with the Municipal Greenery Management in Krakow. Employees of the Comarch Group along with their families planted 200 hornbeams and aesculus at Planty Park in Krakow. In addition, they distributed 500 pot plant cuttings to the residents of Krakow. The company plans to continue this action in the future.

### **PULARIZATION OF SCIENCE**

From the beginning of its activity, Comarch Capital Group has been actively cooperating with schools, universities and other educational institutions. In individual branches, employees create initiatives that involve spending time on students at dedicated courses or occasional meetings. The company continues the program to start a career in the IT industry for students. In 2018 the 16<sup>th</sup> edition of the summer internship for students of IT and related fields was held, attended by 405 IT students and beginning UX designers. 78% of internship participants decided to continue cooperation with the company. In addition, having many graduates of the University of Science and Technology in Krakow and cooperating with this university in many fields from the beginning of the company's establishment, Comarch decided to support the celebration of the 100<sup>th</sup> anniversary of the academy.

### **COMARCH FOR EDUCATION**

Comarch promotes knowledge about ERP systems among universities and vocational schools with economic profiles. This activity is carried out through:

- lending Comarch ERP systems in educational versions (over 570 facilities and educational institutions equipped with educational versions of Comarch ERP),
- ERP meetings and seminars for lecturers and students, vocational trips,
- trainings for teachers in the field of Comarch ERP systems.

Comarch also prepared the first dedicated exercise books for economic schools, with a view to professional examinations for an economist technician.

### **SPORT AND HEALTHY LIFESTYLE**

For 25 years, the Polish companies of the Comarch Group have been involved in promoting sport among young people and residents of Małopolskie voivodship, mainly by sponsoring the Cracovia sports club. The company also promotes a healthy and active lifestyle among its employees. In Poland, Comarch encourages employees to come to work by bicycle, providing bicycle infrastructure and occasional bicycle-related activities. During the annual "Bicycle Breakfast" event, employees who came to work by bicycle on that day received a healthy snack. Many sporting events are also accompanied by sports activities. The Comarch Group also encourages its employees to participate in external sports events, and the income from many of them is transferred to social purposes. In 2018 employees of the Comarch Group companies in Poland participated in several running events in Poland, as well as volleyball and football competitions. In addition, people working in the company's location in Krakow took part in the Comarch World Cup (over a dozen teams, 200 players). Also, in 2018, in the summer season, employees of the Comarch Group in Poland have been able to face the training challenges during the ComarchONrun running competition and Comarchonbike cycling competition for the fourth time. The Comarch Recreation Centre is at the disposal of employees of the Comarch Group companies in Kraków and their families.



### IMED24 FAMILY RUN AND CAPOEIRA WORKSHOP PARTNER

The iMed24 Medical Centre supports events that promote an active, healthy lifestyle, which is why it is a Medical Partner of two sporting events: the Family Run Krakow and Martial Arts Workshops - Capoeira.

### CRACOVIA FOR CHILDREN

Hockey players and footballers of Cracovia are frequent guests in educational institutions. Our athletes mainly visit primary schools and kindergartens. In addition, the footballers attend classes in the Cracovia KIDS project, whose goal is primarily to promote healthy, sporty lifestyle from the youngest. At Christmas, Santa Claus appeared at hockey and football matches, giving presents to the youngest fans. The hockey action "Teddy Bear Toss" is constantly popular, in which the patients of the University Children's Hospital receive a lot of stuffed mascots from the hands of Comarch Cracovia hockey players. The Little Stripes' Day (Pasiasty Dzień Dziecka), organized at the stadium, is permanently added to the calendar. However, a novelty is the Football Player's Day, organized for the first time in 2018. The event is also addressed to the youngest. Cracovia also cares about the safety of its youngest fans by organizing the Little Stripes Zone (Strefa Małego Pasiaka) on the stadium. There are various games for children, and children are supervised by volunteers from the "Cracovia to My" (Cracovia is Us) association. The zone is a frequent place of visit for Cracovia athletes who meet with children, give autographs and pose for photos. To promote a healthy lifestyle among children, Cracovia organizes a PE lesson or Classes in Stripes (Klasy w Pasy) actions. In 2018, on the Day of Healthy Nutrition, athletes go out to the city and handed apples to the youngest passers-by.

### CRACOVIA IN CHARITY ACTIONS FOR POOR AND PATIENTS

A constant element is supporting the "Szlachetna Paczka" and "Wielka Orkiestra Świątecznej Pomocy". Traditionally, Cracovia's football players and ice hockey players made their packages as part of the "Szlachetna Paczka". The athletes also joined the support the young Cracovia football player who suffers of leukaemia. The players visited him in the hospital and gave him presents. The club through its website appealed to donate blood to him. The #PasyDlaPasów campaign initiated by the fans of Cracovia, involving the collection of funds for the purchase of subscriptions for fans who are in a difficult financial situation, was also carried out. The club joined the action and decided to double the amount collected by the fans. In addition, the club donates a lot of gadgets for smaller charity campaigns.

## 30. Significant Legal, Arbitration or Administrative Proceedings

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

None present.

### 30.2. 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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 51,210 thousand. Provisions for part of these claims were presented in the balance sheet as at the 31<sup>st</sup> of December, 2018, and are worth PLN 7,662 thousand. They include provisions for claims recognized in 2018 and worth PLN 233 thousand. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims in legal proceedings or matters in disputes but not legal proceedings.

Krakow, 29<sup>th</sup> of April, 2019

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

**Comarch S.A.**

Al. Jana Pawła II 39a  
31-864 Kraków



[ir@comarch.com](mailto:ir@comarch.com)



+48 (12) 687 78 22

[www.comarch.com/investors/](http://www.comarch.com/investors/)