

COMARCH

2016



ANNUAL
REPORT 2016

COMARCH

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REPORT 2016**

Consolidated financial results of Comarch Capital Group
as of 31 December, 2016.

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A LETTER FROM COMARCH SA CEO, PROF. JANUSZ FILIPIAK TO SHAREHOLDERS

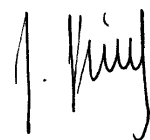
Kraków, 28th of April 2017

Dear Shareholders,

In 2016, the Comarch Group's expansion in the development of new and improvement of existing IT products increased. Expenditure on research and development has now exceeded 15% of sales revenue, which has been financed both from Comarch's own resources and by proactively seeking out European funds. The Comarch Group intensively developed a new generation of loyalty systems including personalized content based on user location, gamification, advanced big data analysis and solutions related to the Smart City and the Smart Airport, among others. The company also continued R&D work in the field of IT solutions for medical industry (Telemedicine, including the most important project "The City of Health", and Teleradiology), and related to the development of proprietary solutions in the fields of: hardware and services based thereon (Internet of Things). The Group focused on development of service-oriented IT solutions – Comarch is one of the market leaders in this field. Investment in human capital is an essential element for the further development of the Group. The past year was very successful in this regard – the Group created approximately 300 new work places. The annual student internship program was particularly successful – Comarch is one of the employers of first choice in the domestic labor market in the IT industry.

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

The Group's Management Board shall make every effort to successfully implement the mission of selling Polish engineers' innovative technological ideas around the world. In addition to its core business, Comarch Group runs many social activities, supports non-governmental organizations and charities, and is a patron of culture, arts and sports. I believe that, in the near future, Comarch Group will further succeed in strengthening its market position as a global provider of IT solutions, thereby creating value for shareholders, employees and society as a whole.



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



OPINION OF AN INDEPENDENT AUDITOR

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

REPORT FROM AUDIT OF CONSOLIDATED FINANCIAL STATEMENT

We have conducted an audit of the attached consolidated financial statement of Comarch Capital Group (hereinafter referred to as the "Capital Group"), where Comarch S.A. with its registered office in Kraków at Al. Jana Pawła II 39 A (hereinafter referred to as the "Parent Company") is the parent company, that included introduction to the consolidated financial

statement, consolidated balance sheet as at 31st of December, 2016, consolidated income statement, consolidated changes in equity and consolidated cash flow statement for the period from 1st of January, 2016 to 31st of December, 2016, and additional information and annotations.

Responsibility of the manager of the Parent Company

The Management Board of the Parent Company is responsible for the preparation, on the basis of accounting books carried on correctly, of the consolidated financial statement and its reliable presentation compliant with the International Accounting Standards, International Financial Reporting Standards, related interpretations issued in the form of regulations of the European Union, and other applicable laws. The Management Board of the Parent Company is also responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial

statement that is free from material misstatement, whether due to fraud or error.

According to the Act on Accounting of 29th of September, 1994 (Journal of Laws from 2016, pos. 1,047 with subsequent changes) hereinafter referred to as the "Act on Accounting", the Management Board of the Parent Company and members of its Supervisory Board are obliged to ensure that the financial statement is compliant with the regulations of the Act on Accounting.

Responsibility of the auditor

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

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

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statement. The procedures selected depended on the auditor's judgment, including the assessment of the risks of material

misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the Parent Company's preparation and fair presentation of the consolidated financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company internal control. The audit also evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Parent Company's, as well as an evaluation of the overall presentation of the consolidated financial statement.

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

Opinion on the consolidated financial statement

In our opinion, the attached consolidated financial statement:

- presents a true and fair view on the Capital Group's equity and financial situation as at 31st of December, 2016 and on the financial result and cash flow for financial year from 1st of January to 31st of December, 2016, compliant with the International Accounting Standards, International Financial Reporting Standards, related interpretations issued in the form of regulations of the European Union and other applicable laws, and adopted accounting principles,
- is, in respect of the form and content, compliant with the binding law and the Parent Company's articles of association.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the report from activities

Our opinion on the consolidated financial statement does not include the report from activities of the Capital Group.

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

In relation to the audit of the consolidated financial statement, our responsibility was to read the content of the report from activities of the Capital Group and consider whether the information contained in it takes into account the provisions of Art. 49 of the Act on Accounting and the Regulation issued by the Minister of Finance on 19th of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not an EU Member State (Journal of Laws from 2014, pos. 133 with subsequent changes) and whether they are consistent

with the information contained in the accompanying consolidated financial statement. Our responsibility was also to report, based on our knowledge of the Comarch Group and its environment obtained during the audit of the consolidated financial statement, whether reported activities of the Capital Group includes material misstatements.

In our opinion, the information included in the report from activities of the Capital Group correspond with the regulations of Art. 49 of the Act on Accounting and the Regulation issued by the Minister of Finance of 19th of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not an EU Member State (Journal of Laws from 2014, pos. 133 with subsequent changes) and they are consistent with the information contained in the accompanying consolidated financial statement. Based on our knowledge of the Capital Group and its environment obtained during the audit of the financial statements, we have not identified material misstatements in the report from activities of the Capital Group.

Declaration of the Parent Company regarding corporate governance

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



Adrian Karaś

Key Expert Auditor
Registration no. 12194

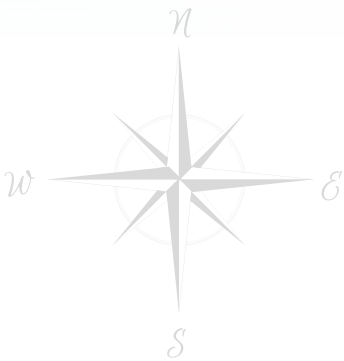
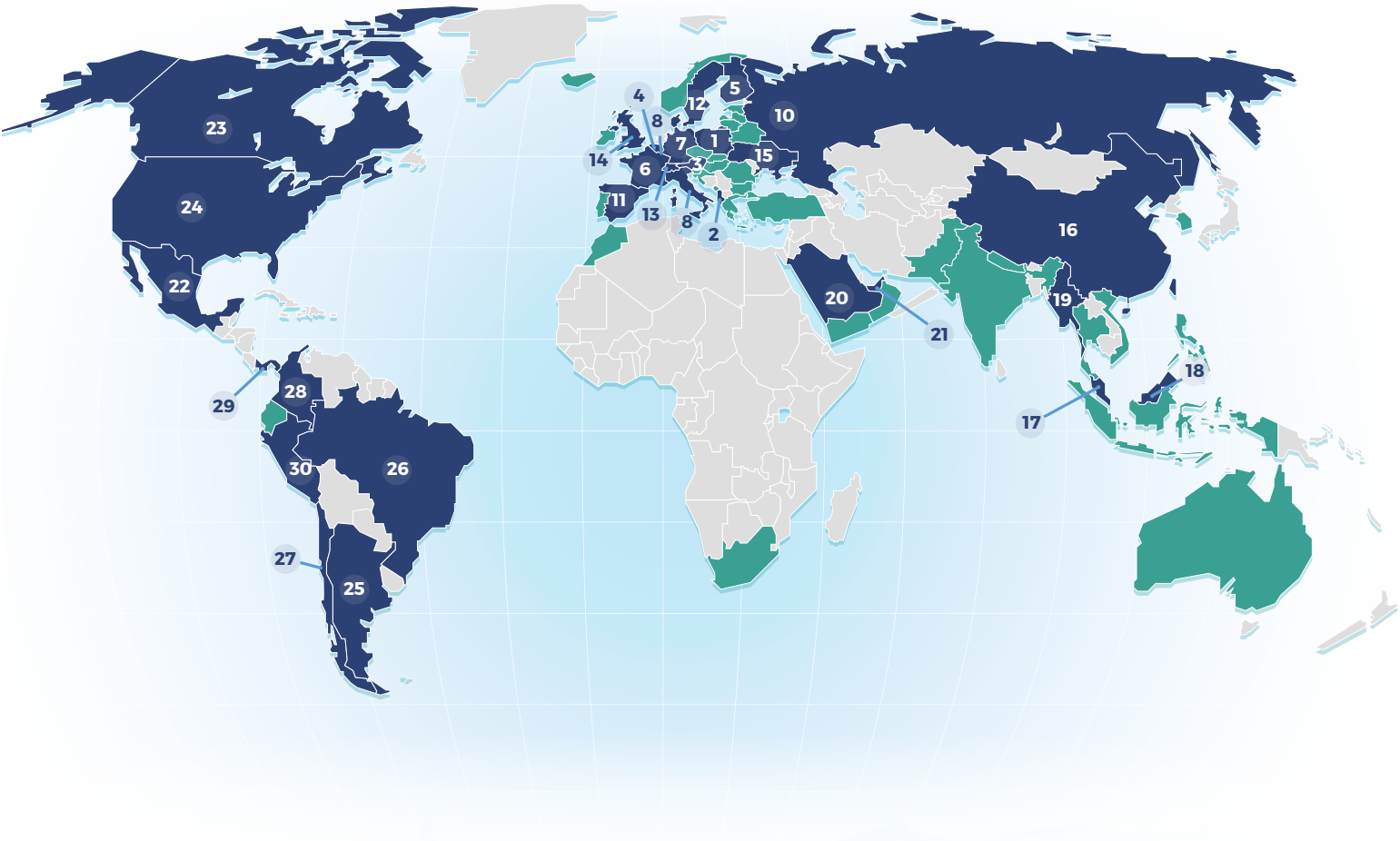
On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

Adrian Karaś-Vice-President of the Management Board of Deloitte Polska Sp. z o.o., a general partner of Deloitte Polska Spółka z o.o. Sp. k. Warsaw, 28th of April, 2017

COMARCH ACTIVITY



COMARCH – WORLDWIDE CUSTOMERS, PROJECTS, COMPANIES, DATA CENTER



EUROPE

- 1 Poland
Krakow HQ, Białystok, Bielsko-Biała, Częstochowa, Gdańsk, Gliwice, Katowice, Kielce, Lublin, Łódź, Poznań, Rzeszów, Tarnów, Toruń, Warszawa, Włocławek, Wrocław
- 2 Albania
Tirana
- 3 Austria
Innsbruck, Vienna
- 4 Belgium
Brussels
- 5 Finland
Espoo
- 6 France
Montbonnot Saint Martin, Lille
- 7 Germany
Berlin, Bremen, Dresden, Düsseldorf, Hamburg, Hannover, Munich, Münster
- 8 Italy
Milan
- 9 Luxembourg
Strassen
- 10 Russia
Moscow
- 11 Spain
Madrid
- 12 Sweden
Stockholm
- 13 Switzerland
Arbon, Lucerna
- 14 UK
London
- 15 Ukraine
Kyiv, Lviv

ASIA

- 16 China
Shanghai
- 17 Malaysia
Kuala Lumpur
- 18 Singapore
Singapore
- 19 Thailand
Bangkok

MIDDLE EAST

- 20 Saudi Arabia
Riyadh
- 21 United Arab Emirates
Dubai

NORTH AMERICA

- 22 Mexico
Mexico City
- 23 Canada
Saint John, Montreal, Toronto
- 24 USA
Atlanta, New York, Rosemont, Chicago, Columbus, Tyrone

SOUTH AMERICA

- 25 Argentina
Buenos Aires
- 26 Brazil
Sao Paulo
- 27 Chile
Santiago
- 28 Colombia
Bogota
- 29 Panama
Panamá City
- 30 Peru
Lima

- data center
- data center only

COMARCH ACTIVITY

Comarch is a producer of innovative IT systems for key sectors of the economy in Poland and abroad. We deal with the telecommunications, finance and banking, public administration and medical industries, as well as large, small and medium-sized companies. A wide range of the Comarch offer includes ERP-class and financial and accounting systems, CRM systems and loyalty software, sales support, electronic document exchange, electronic banking, teleinformatic network management and billing systems, business intelligence, security and protection of data, electronic devices and many other solutions. Comarch is a supplier of IT solutions for the public administration, banking, accountancy, FMC, airline, SME, automotive, medical and manufacturing sectors, as well as for public utility companies, capital markets, telecommunications and insurance companies, colleges, trade, distribution and logistics companies, fuel suppliers, brokerages, e-commerce entities, and factoring and transport firms.

GROUPS OF RECIPIENTS

Medium-sized and large companies, the biggest recipients of advanced IT solutions in the world, are a target group for Comarch. Most of the Company's products are dedicated to a specific audience, and IT services are offered to all groups of customers. Comarch's offer is designed, designed for Polish and foreign customers. For many years, one of Comarch's main strategic objectives has been sales on foreign markets, particularly in Western Europe and the Americas. Comarch's portfolio is highly diversified and is not dependent on a single customer. In 2016, no single customer share exceeded 10% of total sales of the Comarch Group.

PROSPECTS FOR DEVELOPMENT IN THE GROUP

In 2016, the Group observed stable demand for IT products and services, while there were changes in its structure. The Company has observed a decrease in demand for IT solution generated by clients from the public and medical sectors, and an increase in demand from other clients. Thus, its backlog ensures full use of its productive capacity in the coming periods. The economic and political situation in Poland and abroad, as well as the situation on the labor market, will still have a detrimental impact on the financial results achieved by the Comarch Group in 2017.

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.

Comarch is at the forefront of IT company rankings, conducted by Polish and foreign research institutions. According to the European Truffle 100 Ranking 2015/2016, representing the largest European software manufacturers regarding their services and own software sales, Comarch is in 43rd place. It is also in the TOP 200 Computerworld 2016 ranking. Comarch was the leader in the following categories: company with the highest headcount growth and the largest provider of mobile applications. Comarch was also the winner in the competition among of IT providers for responsible development.

Thanks to a consistently executed strategy of positioning itself on the market as a technological and product-based company, Comarch's offer is extremely diversified. The customer base is constantly expanding and includes a considerable proportion of international companies. This allows the Company's continued development. Comarch's dynamically developing activity in international markets additionally increase the volume of sales and enhances the image of Comarch among international corporations, thus strengthening the Company's competitive position. It also means the need to make numerous capital investments outside Poland (principally through the establishment of foreign subsidiaries). The execution of Comarch's strategy depends to a great extent on macroeconomic conditions, beyond the Group, especially on the level of IT investments by medium-sized and large companies in Poland and abroad, and on the fact that competition in the IT sector and labor market is becoming ever more fierce. At the same time, effective management of operational risks is a necessary condition for execution of the strategy. Comarch's high level of innovation and the growth in demand for IT solutions in a service model are opportunities for the Group. Thanks to the wide range of Comarch Group's own products, its infrastructure, and its human and capital resources, it can adapt flexibly 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 sales with deferred payment, and frequently with a long period of execution of contracts.
- Risk of employee turnover, potential inability to hire the appropriate number of qualified employees, and increased labor costs.
- The risk of fluctuations in exchange rates and interest rates.
- Risks related to international terrorism, impeding the posting of employees on business to 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.

IMPORTANT FACTORS FOR THE DEVELOPMENT OF COMARCH

Internal factors:

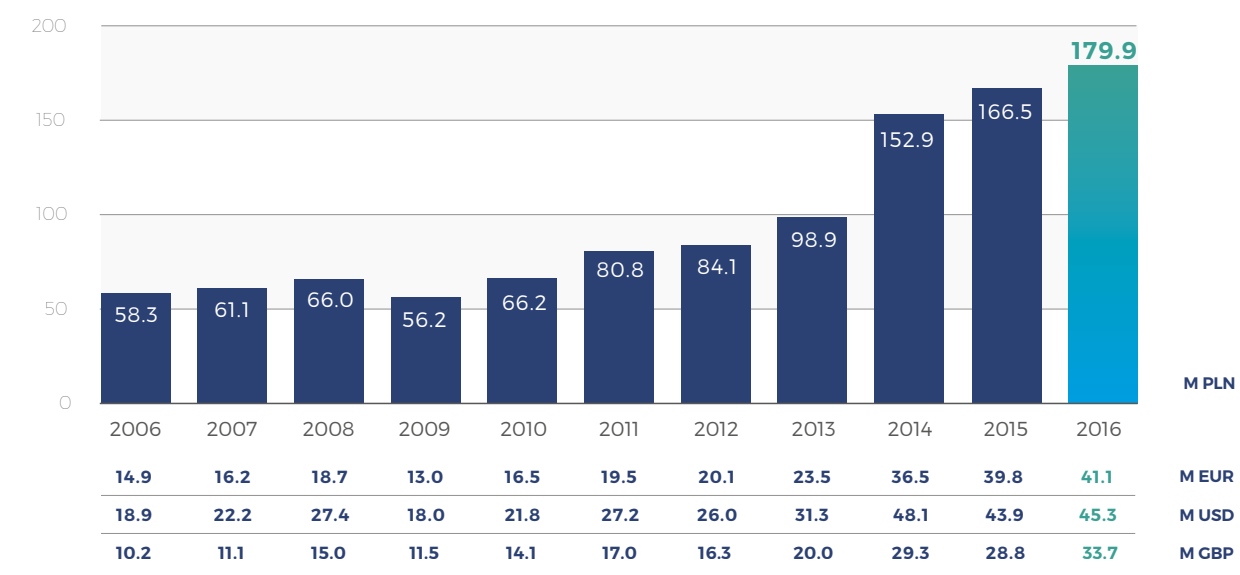
- Steady increase in export sales and significance of foreign sales.
- Position and reputation of the Comarch Group affecting the nature of clients acquired.
- Commercial operations of Comarch Group in the special economic zone in Kraków.
- Significant share of standard (repetitive) products offered for sale, which means:
 - Lower costs, especially variable costs related to a single contract,
 - The possibility of a 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 the coming years.

- High levels of investment expenditure designated for research and development activity, and the 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).

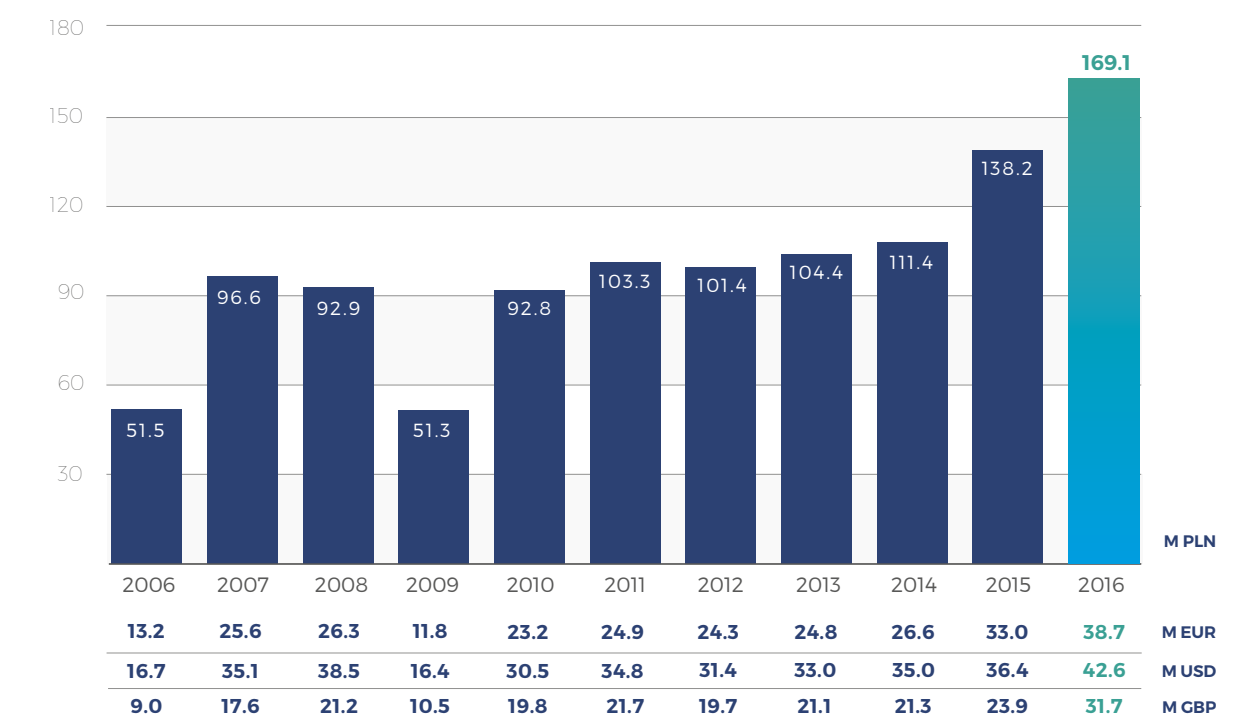
External factors

- Enhanced requirements from clients for IT systems. There is an increased demand for large, complex IT systems dedicated for specific users. This gives an 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, and their wider use in IT solutions for all groups of customers.
- Change in business models in many industries 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.
- Polish companies' access to resources from structural funds related to Polish membership of the European Union. Such funds will be dedicated, in part, to developing IT systems and financing research and development.
- Growing competition, causing decrease in achieved margins; competition between IT companies;
- Continued pressure on increase in remuneration in the IT sector. The number of technical university graduates with IT skills decreases.
- Growing competition on the labor market in the IT sector in Kraków and other locations where the Company conducts its business.
- The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services.
- Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD, CAD/PLN, CHF/EUR, BRL/PLN and RUB/PLN, which affect the profitability of export sales.
- 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.
- The international political situation, including the increasing risk of terrorist attacks that complicate project implementation.

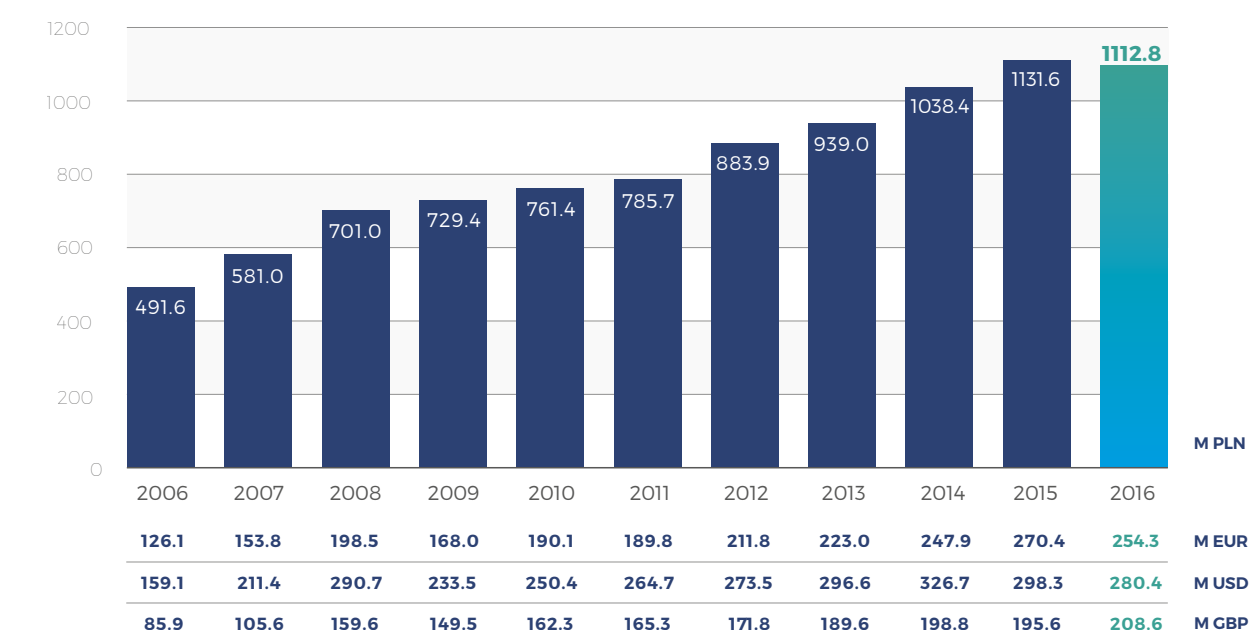
EBITDA



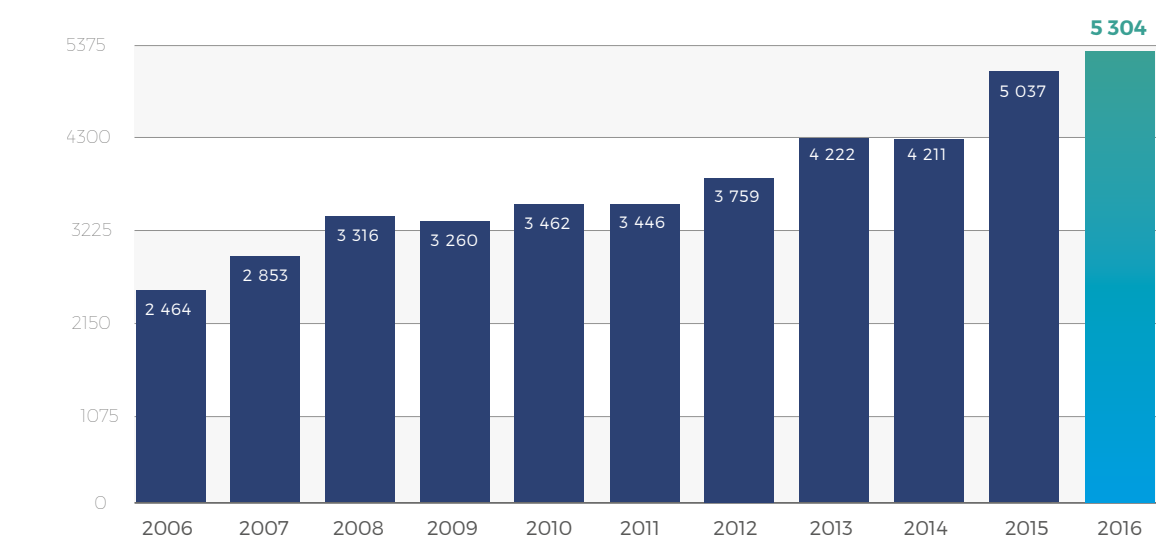
RESEARCH AND DEVELOPMENT EXPENDITURE



SALES REVENUE



EMPLOYMENT



HISTORY OF COMARCH



1991

- Creation of Computer and Communications Consultants Ltd. Sp. z o.o. (9/05/1991). Incorporation of CCC Ltd. with Companies House on 16/05/1991

1993

- As a result of the merger of EJ Filipiak with CCC Ltd. (28/10/1993), Comarch Sp. z o.o. is established at room 415, building B5 of the University of Science and Technology AGH in Kraków

1994

- Comarch's first contract (5/10/1994) with its first client Telekomunikacja Polska SA – Comarch. implemented the SEZtel system

1998

- Comarch becomes the first Polish partner of Oracle
- First authorized Center of Java in Poland (Sun Microsystems and Comarch project)
- Beginning of the first Comarch international implementation in Denmark

1999

- Stock Exchange debut in Warsaw
- Entering the USA market
- Comarch and RMF FM establish Interia.pl portal

2000

- Comarch recognized by the World Economic Forum in Davos as the "Technology Pioneer"
- Establishment of the first German company office – Comarch Software AG with its headquarters in Frankfurt am Main

2001

- Start-up of a company in the Special Economic Zone in Kraków
- Company shares included in the WIG20 index

2002

- Beginning of a business development in Central America – contract signed with Enitel, a national operator in Nicaragua
- Contract signed with British Petroleum

2003

- MKS Cracovia SSA became part of Comarch Capital Group
- Contract signed with the Department of Telecommunications & IT of the State of Washington
- Opening of branches in Moscow and Wrocław
- Acquisition of CDN – Software House of ERP

2004

- Start-up of a company in Dubai Internet City
- Start-up of Comarch Panama Inc. in Panama City

2005

- Establishment of Comarch Data Center in Kraków
- Start-up of Comarch AG in Brussels

2006

- Contracts with T-Mobile Germany (currently Telekom Deutschland) and T-Mobile Austria to provide the Network & Service Inventory System
- Contract signed with Auchan



2007

- Sale of Interia.pl

2008

- Acquisition of German MSP Software House with operations in Austria, Germany and Switzerland – SoftM Software und Beratung AG Company listed on the Frankfurt am Main Stock Exchange
- Start-up of the first company under Comarch Corporate Finance FIZ dedicated to iMed24 SA telemedicine
- Introduction of loyalty programs on the American market

2009

- Opening of the Training & Conference Center and the Administration Division of Comarch in SSE4 in Kraków
- Signing a framework agreement with ING Bank Śląski.
- Starting cooperation with Alior Bank

2010

- In the 2010/2011 season, Comarch is the main sponsor of the TSV 1860 Bavarian football team
- Contract signed with Diageo
- Comarch chosen by E-Plus to be the supplier of the Next Generation Network Planning solution
- Launch of Wszystko.pl – a virtual shopping center (first B2C project in the ERP Division)

2012

- Opening of iMed24 Medical Center
- Comarch logo on shirts of the French AC Nancy football team
- Acquisition of Swiss A-MEA Informatik AC company
- Start-up of a company in London
- Acquisition of ESAProjekt – a medical software house
- Contract signed with the Italian UniCredit

2013

- 5000 network devices and 2000 servers operating for 100 clients in 17 countries under the supervision of Comarch Network Operations Center
- 20th anniversary of Comarch
- Contract signed for Podlaski e-Zdrowie IT System
- Start-up of a company in Santiago, Chile
- Contract signed with Síminn, a leading Icelandic operator
- Contract signed with Hortex Group in Russia
- Investing in SSE6 in Kraków
- Professor Filipiak as a guest of Gartner Mastermind Interview

2014

- Lunch of Comarch ERP Society, the first platform for B2B knowledge exchange in Poland
- Contract signed with Air Austral
- Comarch with "Black Shirts" of Polonia Warszawa
- Further expansion of Comarch in the Middle East
- Contract with TVCable from Ecuador
- Contract with BCK Bank (Bank Gospodarstwa Krajowego)
- Start-up of a company in Spain
- E&Y: Cracovia excels in terms of the most stable financial situation among all other football clubs in Poland's top flight football league.

2015

- Launch of Comarch Beacon.
- Start-up of companies in Argentina, Brazil, Canada, Malaysia, Sweden, Turkey and Italy.
- Contract signed with Thomas Cook.
- Acquisition of Shares in Thanks Again LLC.
- Creation of the new entity Comarch Healthcare S.A. was created.
- Comarch as a main sponsor a Swiss football club Zug 94.
- The business development in Sandinavia: SAS and Norwegian have sign contracts with Comarch.
- BP has chooses Comarch Loyalty Management to enrich loyalty program in Spain.
- Comarch ERP iFaktery24 enters the French and German markets.
- Opening of the building office SSE6 office building in the Kraków Special Economic Zone.
- Cracovia ice hockey team wins the Polish Cup.
- Investment in office building in Łódź.

2016

- Technology partnership with Nokia.
- Investment in the office building SSE7 office building in the Kraków Special Economic Zone.
- The rugby team Esquela de Arquitectura from madrid will play wearing shirts bearing the Comarch logo.
- Investment in Comarch Data Center in Lille.
- Comarch Cracovia wins the Polish ice hockey league 2015/2016.
- Comarch develops the "Pilgrim" application for mobile devices to support the pilgrims in Kraków for the World Youth Days 2016.
- Specialists from Comarch win got the second place in the NATO Hackathon competition.
- Comarch presents the prototype of a mobile management application using virtual reality technology, during the Finovate Europe conference in California.
- Investment in Comarch Data Center in Lille.

2017

- Opening of a modern laboratory-production hall "IoT Lab" at Comarch campus in the Special Economic Zone in Czyżyny.
- During the Finovate Europe conference in London, Comarch presents prototype of a virtual investor assistant which uses elements of artificial intelligence for wealth management.
- Opening of the office building in Łódź.
- Acquisition of the Polish company Geopolis.
- Comarch Cracovia ice hockey team wins the Polish ice hockey league 2016/2017.
- Opening of a new subsidiary in Saudi Arabia.
- Comarch supports the Polish Museum in Switzerland's Rapperswil.



FINANCIAL ANALYSIS

BASIC ECONOMICS AND FINANCIAL VALUES

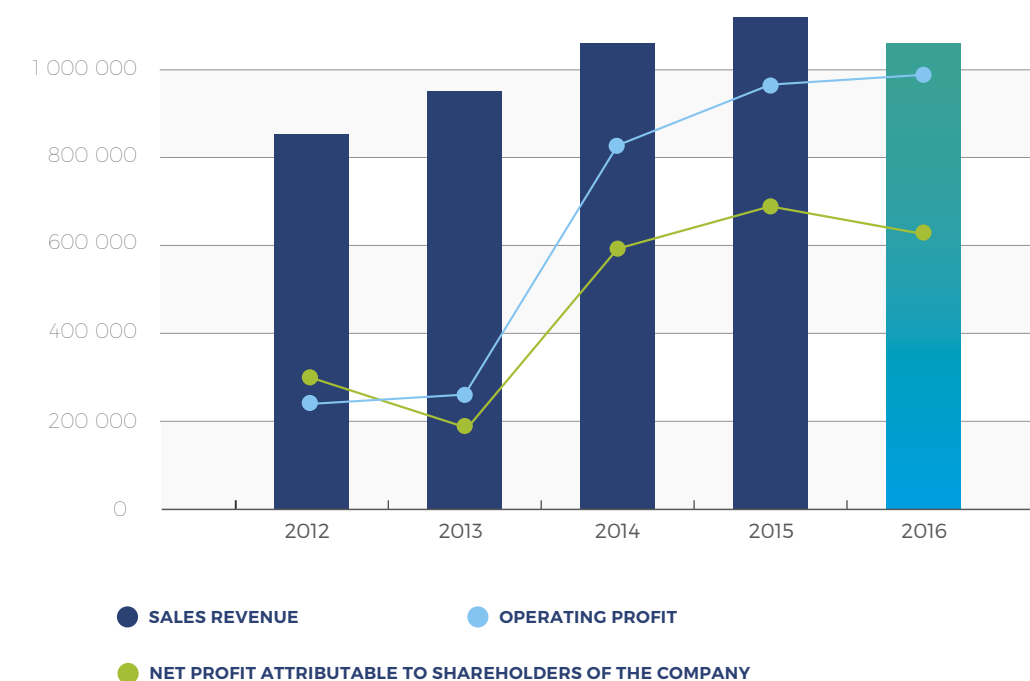
Selected Financial Data

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

*Operating profit + Depreciation

In 2016, Comarch Group's sales revenue was lower by 18.8%, i.e. 1.7% compared to the previous year. Operating profit amounted to PLN 116.9 million and increased by 3.4% compared to that achieved

in 2015, while net profit attributable to the Parent Company's shareholders in 2016 was lower by 8.3% and reached the value of PLN 73.0 million.



EBIT margin reached 10.5% (in previous year amounted to 10.0%), net margin reached 6.6% (7.0% in 2015). On the 31st of December, 2016, Comarch Group employed 5 034 people, excluding employees of MKS Cracovia SSA, i.e. 267 more compared to the end of 2015.

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

Sales Structure

REVENUES FROM SALES – GEOGRAPHICAL STRUCTURE (IN THOUSANDS OF PLN)

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

In 2016, the Group’s export sales grew by PLN 83.6 million PLN, i.e. 14.5%.

Domestic sales diminished by PLN 102.4 million, i.e. by 18.5%.

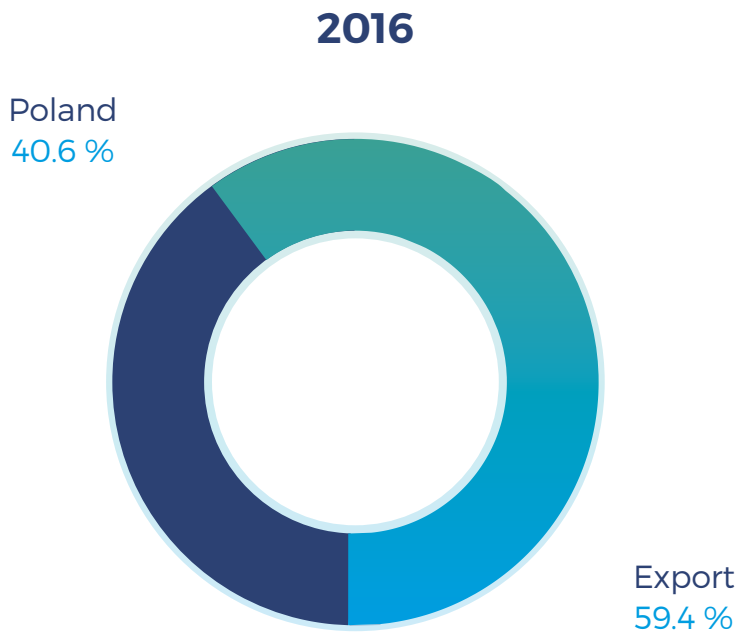
REVENUES FROM SALES – MARKET STRUCTURE (IN THOUSANDS OF PLN)

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

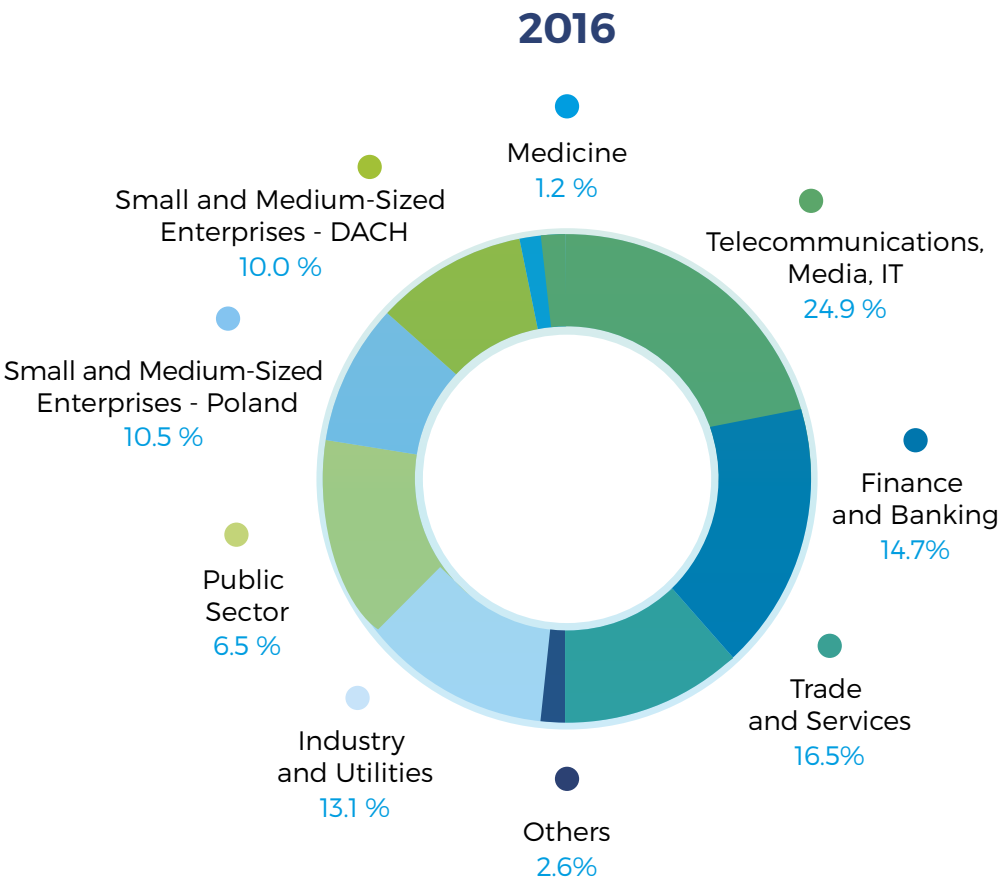
In 2016, there was a drop in sales to customers in the public sector, that is of PLN 41.4 million, i.e. 36.2%, which is associated with a reduction of purchases by customers in this sector, due to transition restrictions in access to EU funding, but also to reduced supplies of proprietary finished products of the Group. The public sector was responsible for 6.5% of the Group’s revenues in the reporting period. Revenues from sales to customers in the TMT sector amounted to PLN 276.3 million, which represents a decrease of PLN 36.7 million (i.e. 11.7%) due to a decrease in the supply of supplies of third-party software on the domestic market and revenues from sales of proprietary solutions to customers in the DACH region, among others. Their share in total sales was 24.9%, therefore the TMT sector remains the largest sector in terms of sales revenue. Customers in the finance and banking sectors bought products and services with a value higher by PLN 12.7 million (i.e. 8.4%) than achieved in the corresponding period of the previous year. The share of this sector in total revenues amounted to 14.7%. Strong revenue growth

was recorded in the case of customers in the trade and services sector (by PLN 24.3 million, i.e. 15.3% - the share of this sector in total revenues increased to 16.5%), but also in the case of customers in the industry & utilities sector, which revenues grew by PLN 33.3 million, i.e. 29.5% and accounted for 13.1% of the total sales. This results from significant sales achievements in these segments in international markets in terms of loyalty solutions and EDI. There was stable development in sales to customers in small and medium-sized enterprises in Poland (PLN 10.0 million, i.e. 9.3%). In the case of MSP customers in the DACH region, the revenues increased by PLN 8.7 million, i.e. 8.5% in relation to the level of the previous year. The value of sales to customers in the medical sector in 2016 within 12 months of 2016 amounted to PLN 13.2 million, which means a decrease of PLN 36.8 million, i.e. 73.6%. This results from the lack of the big regional projects related to informatization of hospitals in 2016 and which had been present in 2015. The increase in other sales (PLN 7.1 million, i.e. 32.4%) is the result of the increased sales revenue from sports activities.

REVENUES FROM SALES 2016 – GEOGRAPHICAL STRUCTURE



REVENUES FROM SALES – MARKET STRUCTURE



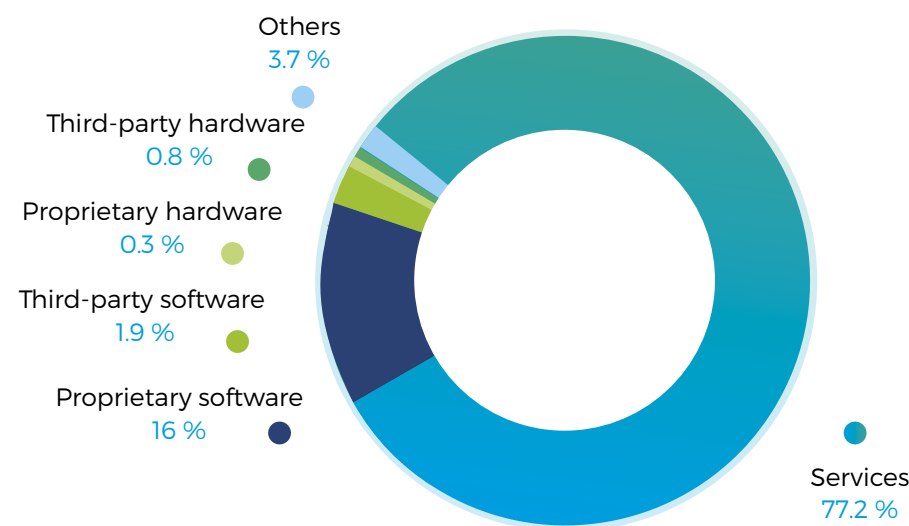
REVENUES FROM SALES – PRODUCTS STRUCTURE (IN THOUSANDS OF PLN)

	2016	%	2015	%	2014	%
Services	859,367	77.2%	800,062	70.7%	736,227	70.9%
Proprietary Software	178,092	16.0%	182,286	16.1%	132,413	12.8%
Third party Software	21,086	1.9%	64,989	5.7%	51,979	5.0%
Finished goods	3,674	0.4%	11,804	1.1%	41,576	4.0%
Hardware	9,038	0.8%	39,723	3.5%	45,080	4.3%
Others	41,556	3.7%	32,716	2.9%	31,076	3.0%
Total	1,112,813	100.0%	1,131,580	100.0%	1,038,351	100.0%

In 2016, the Group's total sales of services and proprietary software grew by PLN 55.1 million, i.e. 5.6%. This is primarily a consequence of an increase in sales of services (an increase of PLN 59.3 million, i.e. 7.4%). Sales of proprietary software decreased by PLN 4.2 million, i.e. 2.3%. The total share of sales of services and proprietary software in total sales amounted to 93.2%, which is a record result for the Group. Total sales of third-party software and computer hardware decreased by PLN 74.6 million, i.e. 71.2%, and they amounted to PLN 30.1 million, which constitutes 2.7% in total sales. This is the result of the reduced deliveries of hardware and third-party software to customers in the domestic market.

In 2016, sales of finished goods decreased by PLN 8.1 million, i.e. 68.9% compared to the same period in 2015, due to the significant reduction of supplies of proprietary goods to customers in the public sector. Other sales grew by PLN 8.8 million, i.e. 27.0%, due to the increased revenues from medical and sports activities. In 2016, the product sales structure was characterized by a continuous increase in sales of proprietary solutions. This is related to the ongoing transformation into the business model of services in sales of IT solutions, among others.

2016



FINANCIAL ANALYSIS OF COMARCH CAPITAL GROUP

Balance Sheet

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

As of the end of 2016, the value of Comarch Group's assets had increased by PLN 140 million, i.e. 10.7%. Non-current assets had increased by PLN 67.8 million, i.e. 11.2% compared to the previous year, mostly as a consequence of an increase in property, plant and equipment from PLN 422.6 million to PLN 501.1 million (an increase of 18.6% compared to the previous year). The share of particular items of non-current assets in the total structure of assets remained at a similar level to that in 2015. An increase of PLN 66.6 million, i.e. 9.5%

in current assets is mostly a result of increases of PLN 21.3 million, i.e. 5.5% in trade receivables and of PLN 25.1 million, i.e. 48.9% in rough products and products in progress in inventories. By the end of the year, there had also been an increase in long-term contract receivables (an increase of PLN 7.5 million, i.e. 23.2%) as well as cash and cash equivalents (an increase of PLN 14 million, i.e. 6.3%). The share of particular items of current assets in the total structure of assets remained at a similar level to that in 2015.

LIABILITIES

EQUITY	31 December 2016	%	31 December 2015	%	Change	Change %
Capital attributable to the company's shareholders						
Share capital	8,133	0.6%	8,133	0.6%	0	0.0%
Other capital	143,041	9.9%	148,226	11.4%	(5,185)	(3.5%)
Exchange differences	18,524	1.3%	6,509	0.5%	12,015	184.6%
Net profit for the current period	73,034	5.1%	79,651	6.1%	(6,617)	(8.3%)
Retained earnings	604,691	41.9%	525,040	40.2%	79,651	15.2%
	847,423	58.7%	767,559	58.8%	79,864	10.4%
Minority interest	14,641	1.0%	13,022	1.0%	1,619	12.4%
Total	862,064	59.7%	780,581	59.8%	81,483	10.4%

LIABILITIES

Non-current liabilities

Credit and loans	146,331	10.1%	113,540	8.7%	32,791	28.9%
Other liabilities	5,278	0.4%	83	0.0%	5,195	6259.0%
Financial liabilities at fair value – derivative financial instruments	2,537	0.2%	1,412	0.1%	1,125	79.7%
Other financial liabilities	631	0.0%	32	0.0%	599	1871.9%
Deferred income tax liabilities	42,144	2.9%	37,619	2.9%	4,525	12.0%
	196 921	13.6%	152 686	11.7%	44 235	29.0%

Current liabilities

Trade and other liabilities	154,493	10.7%	150,898	11.6%	3,595	2.4%
Current income tax liabilities	16,800	1.2%	13,010	1.0%	3,790	29.1%
Long-term contracts liabilities	40,044	2.8%	26,176	2.0%	13,868	53.0%
Credit and loans	28,469	2.0%	24,152	1.9%	4,317	17.9%
Financial liabilities at fair value – derivative financial instruments	2,350	0.2%	1,639	0.1%	711	43.4%
Other financial liabilities	6,530	0.5%	7,939	0.6%	(1,409)	(17.7%)
Provisions for other liabilities and charges	137,204	9.5%	147,747	11.3%	(10,543)	(7.1%)
	385,890	26.7%	371,561	28.5%	14,329	3.9%
Total liabilities and charges	582,811	40.3%	524,247	40.2%	58,564	11.2%

Total equity and liabilities	1,444,875	100.0%	1,304,828	100.0%	140,047	10.7%
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In 2006, the share structure of equity and liabilities did not change significantly. Equity grew in 2016 by 10.4%, mostly as a result of taking into account net profit generated in 2016. There was a slight increase in the minority interest (PLN 14.6 million compared to PLN 13 million in 2015). The share of equity in total equity and liabilities maintained a similar level (59.7% in 2016 compared to 59.8% in 2015). Total liabilities and charges constituted 40.3% in total equity and liabilities compared to 40.2% in the previous year. Their value increased by PLN 58.6 million, i.e. 11.2%, compared to that in the

previous year, mostly as a consequence of significant changes in the value of credit and loans (an increase of PLN 37.1 million, i.e. 27%), long-term contracts liabilities (an increase of PLN 13.9 million, i.e. 53%) and other liabilities (an increase of PLN 0.08 million, i.e. 5.2%). At the same time, the most significant decrease was in provisions for other liabilities and charges (a decrease of 7.1%, i.e. from PLN 147.8 million in 2015 to PLN 137.2 million in 2016). The share of other items of total liabilities and charges did not change significantly.

Debt analysis

	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Debt ratio	12.1%	10.6%	11.7%	11.5%	11.4%

Debt/equity ratio	20.6%	17.9%	20.7%	21.0%	21.1%
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Debt ratios increased as a result of intensive investment in real estates, mortgage credit and loans. The Group is financed with internal means (59.7%) and external means (40.3%).

	2016	%	2015	%	Change	Change %
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Revenue	1,112,813	100.0%	1,131,580	100.0%	(18,767)	(1.7%)
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Cost of sales	(764,600)	(68.7%)	(791,442)	(69.9%)	26,842	(3.4%)
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Gross profit	348,213	31.3%	340,138	30.1%	8,075	2.4%
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Other operating income	39,063	3.5%	20,849	1.8%	18,214	87.4%
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Sales and marketing costs	(131,330)	(11.8%)	(129,520)	(11.5%)	(1,810)	1.4%
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Administrative expenses	(102,066)	(9.2%)	(93,246)	(8.2%)	(8,820)	9.5%
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Other operating expenses	(36,987)	(3.3%)	(25,193)	(2.2%)	(11,794)	46.8%
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Operating profit	116,893	10.5%	113,028	10.0%	3,865	3.4%
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Finance revenue -net	(3,809)	(0.3%)	(1,650)	(0.1%)	(2,159)	130.8%
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Share of profit / (loss) of associates	(8,307)	(0.7%)	(3,249)	(0.3%)	(5,058)	155.7%
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Profit before income tax	104,777	9.4%	108,129	9.6%	(3,352)	(3.1%)
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Income tax expense	(29,054)	(2.6%)	(27,859)	(2.5%)	(1,195)	4.3%
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Net profit for the period	75,723	6.8%	80,270	7.1%	(4,547)	(5.7%)
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Attributable to:

Shareholders of the parent company	73,034	6.6%	79,651	7.0%	(6,617)	(8.3%)
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Interests not entitled to control	2,689	0.2%	619	0.1%	2,070	334.4%
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In 2016, the Comarch Group's sales revenue was lower by PLN 18.8 million, i.e. 1.7% year on year. Operating profit reached PLN 116.9 million and increased by 3.4%

compared to 2015. In 2106, net profit attributable to the Parent Company's shareholders decreased by 8.3% and amounted to PLN 73 million.

Profitability analysis	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Margin on sales	31.3%	30.1%	29.6%	22.4%	22.1%
EBIT margin	10.5%	10.0%	9.5%	3.7%	3.5%
Gross margin	9.4%	9.6%	8.9%	3.9%	4.5%
Net margin	6.6%	7.0%	6.5%	2.7%	4.6%

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

Liquidity analysis	31 December 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Current ratio	2.0	1.9	1.9	1.8	1.6
Quick ratio	1.7	1.7	1.6	1.5	1.4
Cash to current liabilities ratio	0.6	0.6	0.7	0.5	0.4

In 2016, the Comarch Group had very good financial liquidity. In the Management Board's opinion, 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 2016	31 December 2015	31 December 2014	31 December 2013	31 December 2012
Current assets turnover ratio	1.5	1.6	1.6	1.5	1.4
Receivable turnover ratio (days)	133	125	115	140	163
Inventories turnover ratio (days)	412	140	131	109	107
Liabilities turnover ratio (days)	189	173	177	185	209
Liabilities turnover excluding liabilities due to investment credit ratio (days)	142	134	142	147	162

Turnover ratios confirm the effective use of Comarch Group's funds. In 2016, the inventories turnover ratio significantly increased as a result of a high level of rough products and products in progress as at the end of December, 2016. Other ratios maintained levels similar to those in the previous years.



Comarch SSE6 office building in Kraków



Official opening of the modern "IoT Lab" laboratory-production hall in the Comarch SSE6 office building, Kraków



COMPANY BODIES

MANAGEMENT BOARD

PROFESSOR JANUSZ FILIPIAK

Founder, President of the Management Board
Chief Executive Officer of Comarch SA

MARCIN DĄBROWSKI

Vice President of
the Management Board
Director of Telecommunications
Division

PAWEŁ PROKOP

Vice President of
the Management Board
Director of Public Sector Division

ANDRZEJ PRZEWIĘŹLIKOWSKI

Vice President of
the Management Board
Director of Financial Services Division

ZBIGNIEW RYMARCZYK

Vice President of
the Management Board
Director of ERP Division

KONRAD TARAŃSKI

Vice President of
the Management Board
Chief Financial Officer

MARCIN WARWAS

Vice President of
the Management Board
Director of Services Division

SUPERVISORY BOARD

ELŻBIETA FILIPIAK

Chair of the Supervisory Board

MACIEJ BRZEZIŃSKI

Deputy Chairman of
the Supervisory Board

ROBERT BEDNARSKI

Member 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

ANNA PRUSKA

Member of the Supervisory Board

AUDIT COMMITTEE

DANUTA DROBNIAK

Chair of the Audit Committee

ELŻBIETA FILIPIAK

Member of the Audit Committee

ROBERT BEDNARSKI

Member of the Audit Committee

ORGANIZATIONAL AND COMPETENCE
STRUCTURE OF COMARCH CAPITAL GROUP
COMARCH SA (KRAKÓW, POLAND)



prof. Janusz Filipiak

Founder and CEO of Comarch SA
Strategy, HR, Marketing



Konrad Tarański

Finance, Administration
and Internal IT Systems,
CFO, Vice President
of the Management Board

DIVISIONS



Marcin Dąbrowski

Vice President of
the Management Board,
Director of
**TELECOMMUNICATIONS
DIVISION**



Paweł Prokop

Vice President of
the Management Board,
Director of
**PUBLIC SECTOR
DIVISION**



Andrzej Przewięźlikowski

Vice President of
the Management Board,
Director of
**FINANCIAL SERVICES
DIVISION**



Zbigniew Rymarczyk

Vice President of
the Management Board,
Director of
**ERP
DIVISION**



Marcin Warwas

Vice President of
the Management Board,
Director of
**SERVICES
DIVISION**



Mariusz Lasek

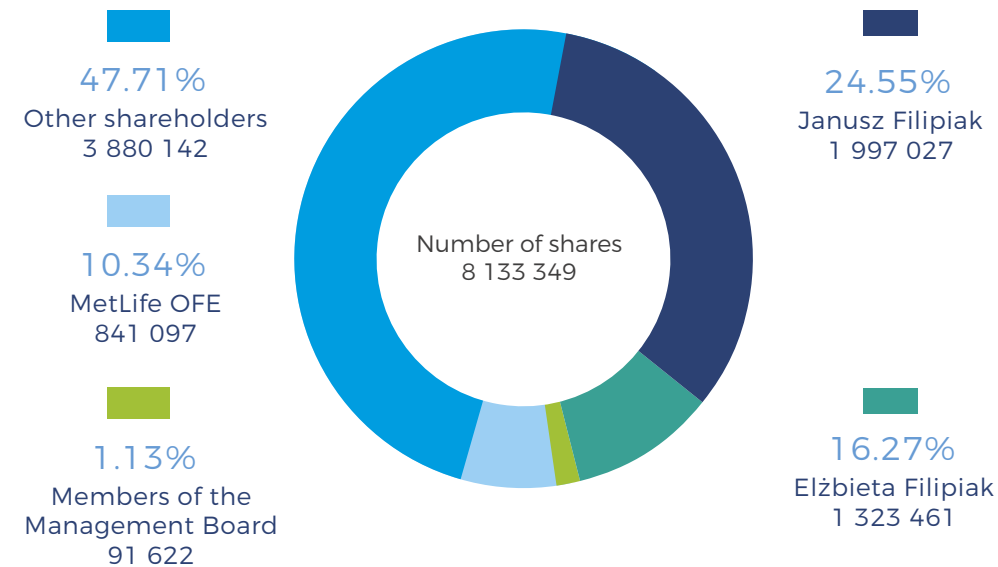
Director of
**COMARCH
TECHNOLOGIES
DIVISION**



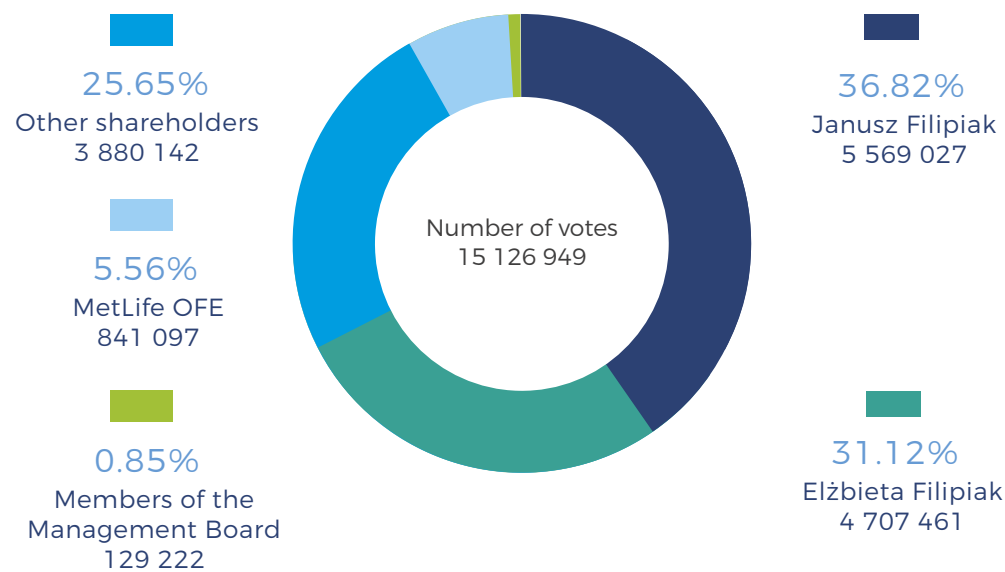
Piotr Piątosa

Director of
**MEDICINE
DIVISION**

SHAREHOLDERS



Shareholding Structure. Number of shares. 28.04.2017



Shareholding Structure. Number of votes. 28.04.2017 r.

ORGANIZATIONAL STRUCTURE OF COMARCH CAPITAL GROUP

POLAND

- Comarch S.A.
- Comarch Technologies sp. z o.o.
- CA Consulting S.A.
- Comarch Management sp. z o.o.
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty
- Comarch Management sp. z o.o. SK-A
- "Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością" Cracovia Park SK-A
- Bonus Management sp. z o.o. SK-A
- Bonus Development sp. z o.o. SK-A
- Bonus Management sp. z o.o. II Activia SK-A
- Bonus Development sp. z o.o. II Koncept SK-A
- Comarch Healthcare S.A.
- Comarch Polska S.A.
- Comarch Pointshub S.A.
- Comarch Infrastruktura S.A.
- iComarch24 S.A.
- CASA Management and Consulting sp. z o.o. SK-A
- Geopolis Sp. z o.o.
- Opso sp. z o.o.
- MKS Cracovia SSA

EUROPE

- Comarch Software und Beratung AG - Germany
- Comarch Swiss AG - Switzerland
- Comarch Solutions GmbH - Austria
- Comarch AG - Germany
- CAMS AG - Switzerland
- Comarch Luxembourg S.à r.l - Luxembourg.
- Comarch S.A.S. - France

- Comarch R&D S.à r.l. - France
- Comarch UK Ltd. - United Kingdom
- Comarch LLC - Ukraine
- Comarch OOO - Russia
- Comarch Yazilim A.S. - Turkey
- Comarch Technologies OY - Finland
- Comarch s.r.o - Slovakia
- Comarch Software Spain S.L.U. - Spain
- Comarch S.R.L. - Italy
- Comarch AB - Sweden

NORTH AMERICA

- Comarch, Inc. - USA
- Comarch Pointshub, Inc. - USA
- Comarch Canada Corp. - Canada
- Comarch Espace Connecté Inc. - Canada

CENTRAL & SOUTH AMERICA

- Comarch Panama, Inc. - Panama
- Comarch Sistemas LTDA - Brazil
- Comarch Chile SpA - Chile
- Comarch Colombia S.A.S. - Columbia
- Comarch Argentina S.A. - Argentina
- Comarch Peru S.A.C. - Republic of Peru

ASIA

- Comarch Software (Shanghai) Co. Ltd - China
- COMARCH MALAYSIA SDN. BHD. - Malaysia

MIDDLE EAST

- Comarch Middle East FZ LLC - United Arab Emirates
- Comarch Saudi Arabia Co. - Saudi Arabia

CHANGES IN OWNERSHIP AND ORGANISATIONAL STRUCTURE IN 2016

- In January 2016, share capital of Comarch SRL was increased from EUR 200,000 to EUR 700,000, i.e. EUR 500,000 (PLN 2,203,750 at the exchange rate of the 15th of January, 2016).
- In January 2016, a share capital increase of Comarch Management sp. o.o. to the amount of PLN 300,000 was registered in the National Court.
- In February 2016, the Management Board of Comarch AG adopted an oral resolution on approval of the acquisition from Comarch S.A. of 5,000 shares of Comarch Argentina S.A., i.e. 5% of the share capital. As a result of the above mentioned operations, shareholders of Comarch Argentina S.A. are Comarch S.A. (95% of the share capital) and Comarch AG (5% of the share capital).
- In April 2016, a resolution was passed to increase the share capital of Comarch Sistemas LTDA from the amount of BRL 1,000 to BRL 1,000,000. Comarch AG purchased 799,200 shares at a nominal price BRL 1 (PLN 1,0480 at the exchange rate of 4.04.2016) each and currently holds 80% of shares with a total value of BRL 800 thousand, while Comarch Software und Beratung AG acquired 199,800 shares at the nominal price of BRL 1 each and currently holds a 20% stake with a total value of BRL 200,000.
- In May 2016, Comarch Colombia S.A.S. with its registered office in Bogota, Colombia, was registered. Comarch Software Spain S.L.U. holds 100% of Comarch Colombia S.A.S.
- In August 2016, the Extraordinary General Shareholders Meeting of Comarch Healthcare S.A. adopted a resolution on the increase of share capital from PLN 6,014,806 to PLN 8,114,806 through the issue of 2,100,000 Series N shares with a nominal value of PLN 1 each.
- On the basis of the agreement concluded on the 31st of August, 2016, Comarch AG returned shares of Comarch Software und Beratung AG borrowed from the entity outside the Group.
- In October 2016, there was a breakdown of investment certificates of Comarch Corporate Finance Closed Investment Fund (CCF FIZ) in a ratio of 1:1,000 and thereby one investment certificate of the Fund before the split will correspond to 1,000 investment certificates after the split. After this operation, Comarch S.A. owned 4,000 investment certificates, instead of previous four, which represented 100% of investment certificates in CCF FIZ. On the 22nd of December, 2016, within the allocation of CCF FIZ investment certificates from the new issue of Series B, Comarch S.A. acquired 17 CCF FIZ investment certificates Series B at the issue price of PLN 29,607 per one certificate, i.e. at total issue price of PLN 503,319. As a result of the allocation and acquisition of certificates Series B, as of the 31st of December, 2016, Comarch S.A. holds in total 4,017 CCF FIZ investment certificates, representing 100% of the total number of certificates.
- In December, 2016, Comarch AG purchased 166,719 shares of Comarch Software und Beratung AG from the entity outside the Group, which constituted 2.68% of the company's share capital. The value of the transaction amounted to EUR 1,430,000. As a result of the above transaction, Comarch AG owns 100% of Comarch Software und Beratung AG.
- In December 2016, an application was submitted to the registry authority for registration of the company Comarch Peru S.A.C. with its registered office in Lima, Peru.
- In December 2016, there was an increase in share capital of Comarch Argentina S.A. from the amount of ARS 100,000 to ARS 3,298,195, i.e. ARS 3,198,195 (i.e. PLN 856,157 at the exchange rate as of the 21st of December, 2016)

RESEARCH AND DEVELOPMENT WORK

RESEARCH AND DEVELOPMENT WORK

Globalization of the world economy and liberalization of trade result in the disappearance of barriers for companies and their products. The IT market is becoming an open and global market on which constant comparison of the price and quality of available products takes place. With the increase of the presence of foreign capital in Poland, even the IT companies operating only on the Polish market are forced to offer competitive products from the point of view of the global market. Therefore, the main strategic goal of Comarch is to develop new, competitive products which will enable the company to ensure its further development and increase its value. In order to maintain sales, investment in product development and the appropriate advertising and marketing are required. This applies both to the modification of existing products and technologies and the development of new products.

Since the very beginning, Comarch has earned a reputation of as a technological company that develops modern products and successfully sells them on the domestic and international markets. Comarch's policies involve carrying out research and development works relating to the implementation of new products and the standardization of products from the beginning of their preparation for a client. Thanks to this, even if a product is created

for a specific client, a part of or the entire software/code can be used to create a standard product. This leads to higher profitability of individual contracts and the expansion of the client database. In 2016, the investment in research and development work reached PLN 169.1 million and thus constituted more than 15% of the Group's income from sales. Comarch devoted its own funds to this aim, but also actively leveraged European funds.

SUBSIDIZING PROJECTS

Comarch SA

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

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

Under Measure 2.1 Support for Investment in R&D Infrastructure of enterprises, the “Research and Development Facility for the Internet of Things” project was implemented.



Comarch Healthcare SA

In 2016, within the Strategic Program of Scientific Research and Development “Prevention and Treatment of Civilization Diseases” - STRATEGMED II, an agreement was signed for subsidizing the project “Non-invasive Monitoring for the Early Detection of Atrial Fibrillation” - NOMED-AF.

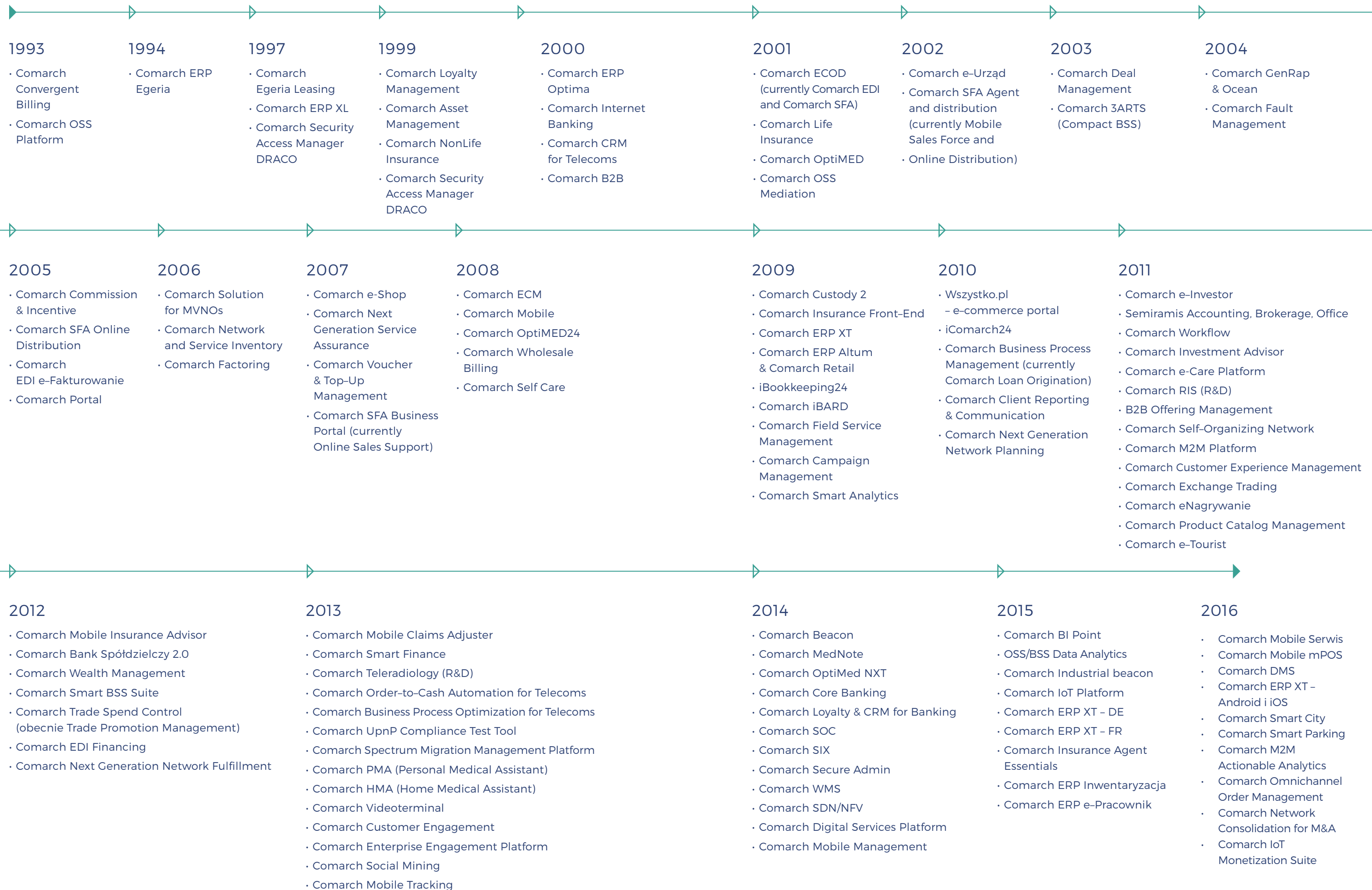


Within the Program of Applied Research, the implementation of the project “Research on Spatial Navigation Methods in the Endoscopic Diagnosis of Peripheral Lung Nodules” was continued, in which Comarch Healthcare S.A. is a partner.

The following project was completed: “Situation AWAre Security Operations Center” (SAWSOC), subsidised within the **7th Framework Program** of the European Union.



HISTORY OF DEVELOPING OUR OWN PRODUCTS



COMARCH PRODUCTS

PRODUCTS AND SERVICES OFFERED BY COMARCH IN 2016

Comarch is a producer of innovative IT systems for key sectors of the economy, such as telecommunications, finance and banking, public administration, 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, BSS/OSS systems for

telecoms, M2M / IoT solutions, business intelligence, security and protection of data 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.



Comarch SSE6 Office Building, Kraków



**MORE THAN
50**
**TELECOM COMPANIES WORLDWIDE
ARE USING COMARCH BSS/OSS**



500GB
**(2.5 MILLION FILES) STATISTICS PROCESSED DAILY
IN THE NG PERFORMANCE MANAGEMENT SYSTEM**



**ALMOST
2 000 REPORTS**
**COUNTED DAILY BY NG PERFORMANCE MANAGEMENT,
IN LESS THAN ONE MINUTE (ON AVERAGE)**



67 000 000 000
CDR RECORDS PROCESSED BY COMARCH BSS ANNUALLY

TELECOMMUNICATIONS DIVISION

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

Sales & Customer Management

Comarch Customer Management helps communication service providers sell more services, get closer to their customers and significantly reduce customer churn. Pre-integrated with Comarch OSS/BSS suite and designed to work well with external OSS/BSS infrastructures, Comarch Customer Management is a flexible solution that enables telecoms companies to benefit from a single customer view and gain deep understanding of the customer base. The system provides extensive knowledge about customers to achieve increased savings in customer service processes.

Comarch SelfCare is one of the crucial components in Comarch's omnichannel approach to customer care. The system lets customers use the front-end app on their mobile device as well as a web version on their desktop. Comarch SelfCare, integrated with major social media platforms, provides customers with telecom specific services around the clock. This

comprehensive system allows customers to view and analyze financial documents, check information about their accounts, activate and deactivate services, and communicate with back office staff in a comfortable and flexible manner.

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

Billing & Charging

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

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

SERVICE DESIGN & FULFILLMENT

Comarch Service Fulfillment is a solution designed to reduce time to market and automate the fulfillment 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 modeled consistently, with physical network functions and "legacy" network services employing the TMF SID model. NGSF (using ETSI NFV ISG terminology) can implement e2e service and MANO orchestration, and manage the VNF instantiation process. The solution can implement this process either as one solution or in a federation model orchestrating third-party domain orchestrators.

Comarch Product Catalog simplifies IT architecture and accelerates the launch of new products by providing a single platform for managing product catalogs and life cycles. The system allows businesses to digitally process product offers and specifications and define product relationships for stand-alone and bundle offers. The system also creates target customer profiles with location data and other parameters. Comarch Product Catalog is based on the TM Forum Information Framework, also known as the Shared Information Data model (SID). The Comarch Product Catalog drives Comarch BSS suite solutions and is pre-integrated with other Comarch products such as Comarch Customer Management, SelfCare or the Convergent Billing System.

Comarch Field Service Management is a comprehensive WFM (Workforce Management) solution for scheduling, staffing, managing, and supporting the workforce in the field, which results in significantly increased efficiency of operations. Thanks to Comarch Field Service Management, 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 Omnichannel Order Management is a fully automated, end to end fulfillment solution operating from customer order capture through service, network provisioning and activation to customer billing. This fully catalog-driven and highly configurable tool allows the introduction of new offers or bundles in a matter of days instead of months, as is currently often the case for many telecom operators. This is achieved by system architecture built around a pre-integrated central product catalog and service catalog, which serve as a single product definition database. The entire process encompasses both business and technical domains served respectively by Comarch Customer Order Management and Comarch Service Order Management. The solution is based on the TMF SID model, where system operators can easily define new services directly in the service catalog and products in the product catalog without the need to understand technical aspects of the employed SOA technology.

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

and calculate customer service impact based on the service models from service catalog and inventory systems. The solution is capable of monitoring digital services based on complex value chains, and of aggregating information from partners' systems and converged networks, including IT infrastructure, and fixed, mobile and cable access domains.

INTEGRATED ASSURANCE

Comarch Service Assurance transforms traditional network-centric fault management into an assurance solution focused on customer service. The main purpose of the system is to enhance customer service pro-activeness capabilities. This is possible because the system allows early detection of network problems and the ability to predict

Comarch Customer Experience Management is based on integrated OSS and BSS systems. It enables telecom operators an insight into customer perception of the services, thus network and service management at the level which guarantees the highest level of customer satisfaction. This product may be integrated with Comarch Service Monitoring and Comarch Service Quality Management modules, enabling a transformation from traditional to practical network management, aimed at improving customer experience.

Comarch Service Quality Management transforms traditional network-centric performance management into customer-centric telco service quality management. The insight into customer perception of service quality enables prioritization of network performance management based on the forecasted influence on customer experience. Comarch SQM enables you to become proactive in managing service quality by preventing customers

RESOURCE MANAGEMENT

Comarch Network Inventory Management stores complete information about network resources management and presents live, historical and planning states of telecommunications/IT networks. It facilitates network resource management for multi-vendor, multi-domain networks. It manages RAN, transmission, core, fixed network domains and IT infrastructure.

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

Comarch Network 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 Management provides one, comprehensive and integrated view of the live state of the network.

from experiencing service problems, thanks to trend analyses and prediction capabilities.

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

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

Comarch Network Consolidation for M&A helps telecoms companies organize and streamline network planning and consolidation processes efficiently 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 the solution and extends the capabilities of network inventory planning.

BSS TAILORED TO YOUR NEEDS

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

Comarch Smart BSS is a complete pre-integrated solution that enables communication service providers to comprehensively manage processes such as request to answer, order to payment, usage to payment, request to change, termination to confirmation and problem or complaint to solution, via Customer Management and SelfCare applications. It's the perfect choice for Tier-2 and Tier-3 telecoms, including Internet, cable TV providers, satellite TV providers and MVNOs, thanks to fast deployment and low costs. Tier-1 operators will benefit from using it for managing specific lines of business (such as M2M) or services targeted at various industry verticals, both B2B and B2C. Shorttime to market and a process-wise attitude make Comarch Smart BSS the best solution for start-ups. The highly customizable Comarch Smart BSS allows management of

all payment types, both pre-paid and post-paid, and the smooth creation of new product offers and specifications through the product catalog engine, which directly reduces time to market. The system speeds up the generation of PIN codes and scratch cards and makes managing them more efficient. The integrated CRM module helps collect info on clients, and enhances customer experience with the additional benefit of preventing churn. Comarch Smart BSS comes with a user-friendly personalized self-care portal and a built-in messaging functionality to simplify communication between companies and customers. The Comarch BSS solution saves time and money by optimizing operations, facilitating day to day employee work and significantly increasing their productivity.

Comarch MVNO & MVNE Solutions are tailored to both MVNO (mobile virtual network operators) and MVNE (mobile virtual service enablers) business models. They help telecom operators launch cost-effective services, often aimed at niche customer segments, and acquire additional revenue. Comarch MVNO & MVNE Solutions can help telecom operators easily manage relations with customers, business partners, the portfolio of offered services, and revenue.

Comarch Self-Organizing Network can easily be integrated within the existing OSS environment and provides plug & play functions, which can be exposed to other OSS applications. Comarch SON introduces true network automation, thus enabling mobile network operators to significantly reduce OPEX, shorten time to market for new services, and improve customer experience.

Comarch SON Integration Box is a solution responsible mainly for integrating centralized SON (self-organizing network) tools with the existing OSS environment. As a central hub for the exchange of various types of data, it aggregates SON plans and dispatches them to different tools. It also provides physical network information to SON. Data is gathered from multiple external sources and pre-processed for SON usage. Additionally, SON Integration Box can manage neighbor whitelists and blacklists, and fetch all SON-related events and alarms for assurance purposes, acting as a mediation and filtering mechanism for fault management systems, usually via an SNMP interface.

FUTURE-PROOF OPERATIONS

Comarch SDN/NFV is a solution coupling Software Defined Networking with Network Function Virtualization. The tool prepares a company to face the challenges of the digital era and the Internet of Things successfully. It carries the promise of lower OPEX and CAPEX and higher return on network investment. NFV/SDN enables the transformation of network nodes into micro data centers that can host not only a software implemented network function (virtualized network function) but also customer applications. The network can be transformed into a distributed platform that can dynamically re-shape itself to better service customer applications and allocate its resources according to customer application needs.

Customer-Centric OSS – transformation of the OSS environment from the perspective of customer experience means switching the perspective from network resources to customer experience. The ultimate goal of costly network upgrades lies in providing a better service for end customers. This way, telecom operators may combine technical parameters and other data with how they influence the level of customer' satisfaction.

M2M / IOT SOLUTIONS

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

Comarch M2M Actionable Analytics focuses on delivering measurable business value, using intelligent big data processing and real-time actionable analytics. It provides thorough information about the way in which customers are using your M2M products. Additionally, it handles some issues related to quality of service (QoS) within M2M operations, by helping discover which device (or type of device) generates issues, revealing data patterns and trends, and providing reports and analysis of anomalies. Device / IMSI (International Mobile Subscriber Identity) or customer profile dashboards enable deep data drill down. You can also use the supporting functions such as alarms and notifications internally, to improve your business and operational results and enhance customer experience.

PROFESSIONAL SERVICES

Comarch Business Consulting is a service that helps telecoms companies 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. Comarch's offer was built based on three foundations: rich portfolio of business services, complex responsibility for implementation and business effects, and as well as experience and knowledge of the industry.

Comarch Managed Services is based on Comarch BSS/OSS products and services (that also utilize our Data Centers located in Poland, Germany and the USA), combined with pre-integrated, carefully selected third-party components (delivered by our own signed partners or those designated by our customers). With Comarch Managed Services your company can achieve even over an OPEX reduction of more than 50%, and significantly improve the time to market for new services, technology rollouts and integration of new telecommunication devices and infrastructure services.

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

Comarch IoT Monetization Suite meets all the sophisticated needs of the modern IoT world. The suite is based on four main pillars: M2M Actionable Analytics – a modern data analytics tool, customized for M2M/IoT, which helps you measure the value of your business and react in real time to potential issues, Billing of Applications – a billing system tailored to the needs of your M2M operations that enables you to bill not only for connectivity, but also for devices, applications and services, and supports all business models (B2B, B2B2C, B2B2B), SLA Management – which helps you ensure the highest quality of service for all the elements in the value chain, including device quality, application SLA, connectivity SLA and more, and Digital Services Platform – making it easy to search for partners, lead them through the whole partner life cycle, build product bundles and expose them in an online marketplace.

Comarch BSS/OSS Transformations enable a telecom operator to personalize and improve the quality of services, and to direct them at a specified customer segment. BSS/OSS transformations support a comprehensive, multilevel transformation of the IT environment based on Comarch products and infrastructure, and an open cooperation model. The services enable the creation of a unified, standardized architecture of the system in accordance with the KPI indicators of the telecom operator.

Comarch End to End Project Delivery aims to ensure that a telecom operator obtains software which integrates effectively with the existing IT environment, and includes both systems and components from the external suppliers and Comarch's own solutions. The suite allows some business processes to be designed from scratch, and ensures comprehensive and secure data migration, continuous and efficient system operations, and later support in solving maintenance problems, training for selected employees, and system updates.



MORE THAN
5 MILLION
SWIFT MESSAGES PROCESSED ANNUALLY



MORE THAN
2.5 MILLION
OPERATIONS ON SECURITIES ANNUALLY



MORE THAN
50
ENTITIES MANAGING ASSETS ALL AROUND THE WORLD



MORE THAN
2 MILLION
NEW INSURANCE POLICIES PROCEED MONTHLY

FINANCIAL SERVICES DIVISION

For more than 20 years, Comarch has delivered IT systems for the largest financial institutions, in particular for banks, brokerage houses, insurers and entities managing assets and funds. As one of the biggest producers of software in Poland and Central and Eastern Europe, Comarch may be proud of many lines of products, and boast a broad scope of competences and above all a large group of satisfied customers. Among them are UniCredit, ING, Raiffeisen, BGŻ BNP Paribas, BPH, Alior Bank, Swiss Life, Ergo, Allianz. Our offer comprises both our own complete solutions, dedicated systems, and advisory and integration works.

PRODUCTS

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

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

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

Comarch CRM & Loyalty for Banking is a set of tools to comprehensively support all the processes associated with building and maintaining customer relationships. The platform enables the measurement of advisors' performance and effective management. The tools designed for banks and other financial institutions put great emphasis on customer relationship

reinforcement, based on the strategy of professional communication. The solution includes the following modules: Comarch Virtual Marketplace (possibility to integrate with Comarch Beacon), Comarch Campaign Management and Comarch Customer Relationship Management – Branch Office.

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

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

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



**MORE THAN
200**
**BUSINESS PROCESSES DEFINED IN THE COMARCH
LOAN ORIGATION SYSTEM**



**OVER
16 YEARS**
OF EXPERIENCE IN IMPLEMENTING CREDIT SYSTEMS



**OVER
5 THOUSAND**
**BANK BRANCHES USING THE COMARCH CRM FRONT OFFICE
SYSTEM EVERYDAY COMARCH**



2.5 MILLION
INVESTMENT REPORTS GENERATED ANNUALLY



**OVER
50**
ASSET AND WEALTH MANAGEMENT COMPANIES WORLDWIDE

Comarch Smart Finance is a platform for retail banking that consolidates Internet and mobile banking, personal finance management, and enhanced communication channels. Moreover, it is a smart advisory tool that performs detailed financial analysis and helps bank retail customers, individuals and small businesses make the right investment or savings decisions. The solution contributes to increased bank customer loyalty as it provides the possibility to tailor the bank's product offer to the customer's needs. After analysis of customer behavior, it recommends products that should be of interest to them.

Comarch Wealth Management is a multi-module platform for private banking and wealth management. It supports client wealth management processes as part of personal services and

a self-service channel, including the analysis of a client's financial situation, risk profile assessment, financial planning, strategic asset allocation, recommendations for financial products and investment performance reporting. It consists of the following modules: Comarch Investment Advisor, Comarch Client Front-End, Comarch Client Reporting, Comarch Portfolio Management, and Comarch Performance Attribution & Risk.

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



A prototype of a voice-controlled investment assistant which uses AI elements

27
SUBMITTED AND REGISTERED
WORLDWIDE TRADEMARKS

3 PATENT
APPLICATIONS



OVER
2 MILLION
SUBMITTED PKI CERTIFICATE
REQUESTS PER HOUR



OVER
1 MILLION
AUTHORISED USERS IN COMARCH IDENTITY
AND ACCESS MANAGER DRACO PER DAY



OVER
1 MILLION
COMARCH SMARTCARDS
ON THE MARKET



OVER
10 THOUSAND
USERS OF FSM PER DAY

COMARCH TECHNOLOGIES DIVISION

Launched in 2014, Comarch's Technologies Division is the fast-growing technology wing of Comarch Capital Group. It provides comprehensive end to end hardware and software solutions for B2B clients. Development is based on experience gained within prototyping, production and control of the quality of the offered solutions in the consumer electronics, automotive, medical, finance and banking sectors.

Comarch's own R&D center and production line for rapid prototyping (IoT Lab) guarantee the highest quality of the produced electronics and conformity with current trends and industry standards.

PRODUCTS

INTERNET OF THINGS

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

Comarch Smart Lighting provides the ecosystem that facilitates the 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 third-party systems, and it remains a platform for further extensions.

Comarch beacon is a small transmitter that broadcasts a continuous signal via Bluetooth Low Energy. The device, through a dedicated mobile application, allows individual connections with customers using functionalities such as contextual messaging and 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 businesses to offer smart services.

FIELD SERVICE MANAGEMENT

Comarch Field Service Management is a complete solution for scheduling, staffing, managing, and supporting workforces in the field. The system enables improvement of efficiency in the context of available resources by assigning work orders to

those employees who are more competent and are at the best locations in the field, thus contributing to labor cost and fuel usage optimization.

CYBER SECURITY

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

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

Comarch IAM DRACO is an identity and access management tool that provides control over access

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

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

connectivity protocols provides interoperability and creates new possibilities for businesses to offer smart services.

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

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

HARDWARE

Comarch beacon is a small transmitter that broadcasts a continuous signal via Bluetooth Low Energy. The device, through a dedicated mobile application, allows individual connections with customers using functionalities such as contextual messaging and 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

RAPID PROTOTYPING & SHORT SERIES MANUFACTURING

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

MOBILITY

Application development is a service consisting in the designing of mobile applications according to the customer's requirements, while using knowledge and experience in network security and logistics to develop an application that is intuitive for the customer.

User Experience Consulting consists of a comprehensive user behavior and profile survey, carried out in order to design intuitive and end-user friendly applications.

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

CERTIFICATION

Certification tools enable effective device management and application certification processes. Additionally, they allow 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 participation in performance of international projects related to the consumer electronics, automobile, medical, finance and banking industries guarantees conformity of the offered solutions with the current trends and industry standards.

QUALITY ASSURANCE

Comarch provides quality assurance services of IT systems. The quality assurance services comprise the preparation of a specification including analysis of a customer's requirements, designing test scenarios and preparation of documentation, test automation and execution, and analysis aimed at making improvements, including after audit inspection.

OUTSOURCING

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



The modern "IoT Lab" laboratory-production hall in Comarch's SSE6 office building in Kraków



8 MILLION
APPLICANTS HANDLED BY THE QUEUE MANAGEMENT
SYSTEM OF THE SOCIAL INSURANCE COMPANY (ZUS)



475 000
TRIALS



MORE THAN
600 000
OWN CRYPTOGRAPHIC CARDS SOLD ON THE POLISH MARKET



MORE THAN
12 000
OWN MICROSD CRYPTOGRAPHIC CARDS DELIVERED
TO THE GENERAL POLICE HEADQUARTERS OF POLAND



6.6 MILLION
OBJECTS MANAGED WITHIN ONE PROJECT
BY COMARCH FAULT MANAGEMENT

PUBLIC DIVISION

Comarch Workflow

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

Comarch Portal

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

Comarch e-Investor

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

Comarch e-Tourist

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

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 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 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 Egeria e-Health

Comarch Egeria e-Health is a system designed to handle the administrative part of health care facilities. Its modular construction means that it can easily be adapted to prevailing needs and can be expanded gradually. The system is prepared to work with data from working time recorders, data collectors and fiscal printers. For your convenience, the system is divided into the following areas: Finance and Accounting, Logistics, Client Management, Personnel Management, Repairs and Investments, Decision Support, Industry Modules.

Comarch Egeria Education

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

Comarch Egeria Leasing

This integrated IT system supports companies that provide financial services (including leasing). The system supports the sale of financial products with calculators, templates and tools which the facilitation of offers and their adjustment to meet changing market requirements.

Comarch Egeria EBOK

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

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



Official opening of the modern "IoT Lab" laboratory-production hall
at Comarch's SSE6 office building, Kraków



Comarch ERP Egeria Utilities

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

Comarch ERP Virtual University

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

Comarch ERP Mobile Virtual University

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

ERP Comarch Egeria Leasing Partner Care

The main functionality of the Leasing Partner Care system is the possibility of entering offers and object data for customers of leasing companies. The system provides customer support (e.g. by providing the repayment schedule) and allows the addition of a lease insurance option to the offer.

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

Comarch Mobile Inventory is a solution enabling full support for the process of inventory of fixed assets recorded in the Comarch ERP Egeria system using mobile devices. The inventory process comprehensively supports various steps of the process: downloading data from Comarch ERP Egeria, verification of fixed asset data (including photographs), their adaptation or adjustment, settlement within spreadsheets, submitting a request to change an asset. The application works both online and offline and after completion of the inventory, allows the user to organize your fixed assets in the system. Comarch

Mobile Inventory works with a Motorola MC40 terminal, a standard tablet, a phone with Android version 4.1 or higher, and a Motorola CS3000 Series reader, which enables comprehensive service of the inventory process.

Comarch Work Expenditures Recording

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

Comarch CBO for utilities trading companies and distributed recipients

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

Comarch CBO for utilities distribution companies

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

Comarch Network Assets Management System

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

Comarch IT Cost & Risk Analysis

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

Comarch Business Intelligence

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

Comarch Database Archive

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

Comarch Security Platform

Comarch Security Platform is a 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 systems, allowing users to manage all security measures through one central security system. Additional components regarding image analysis, data correlation and predefined action procedures allows work automation, increasing the security of a protected area or building. Information analysis modules allow the detection and prevention of physical (terrorism, demonstrations) and cyber (hackers, bot-nets) threats.

Comarch Smart City Platform

Comarch Smart City Platform is a comprehensive solution dedicated to cities and urban matters. The platform center – Comarch Smart City Engine – combines all platform elements with the existing municipal systems and infrastructure (including the Internet of Things). The Platform is composed of: Comarch Partners Market, mobile applications, a dedicated Comarch City Portal, Comarch Developers Platform and Comarch Smart City Console.

Comarch Smart Parking

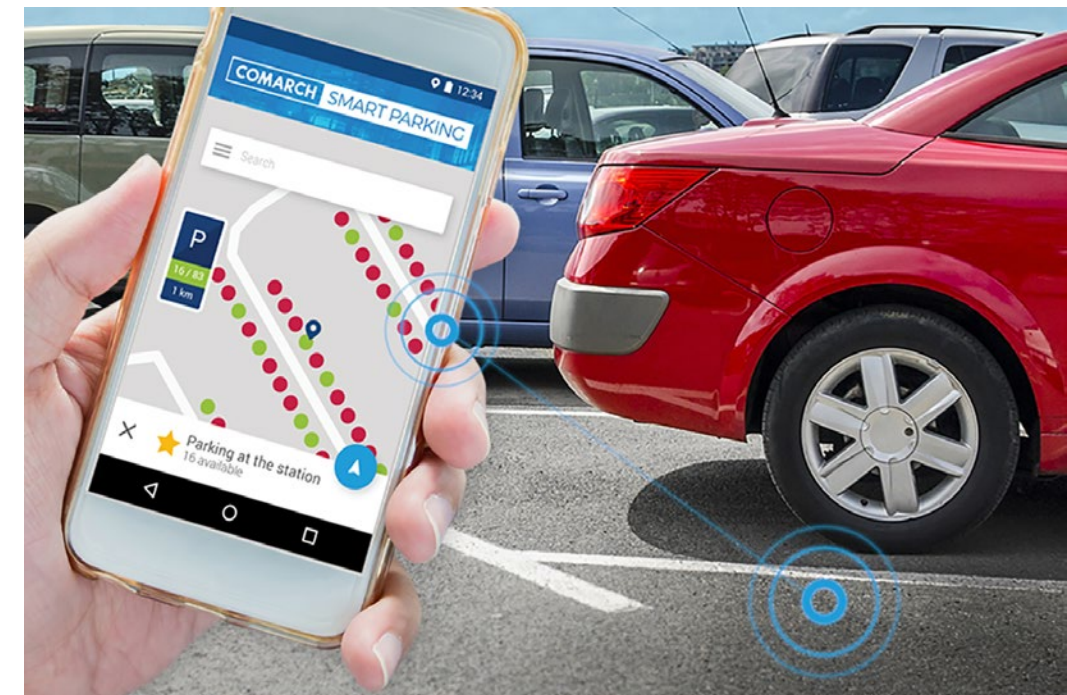
Comarch Smart Parking is a comprehensive solution that allows efficient management of car park areas. Our system provides car park operators and managers with tools that facilitate their daily work, including detection of free parking spaces in real time using Intelligent Video Analytics (IVA) functionality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

Comarch eRecording

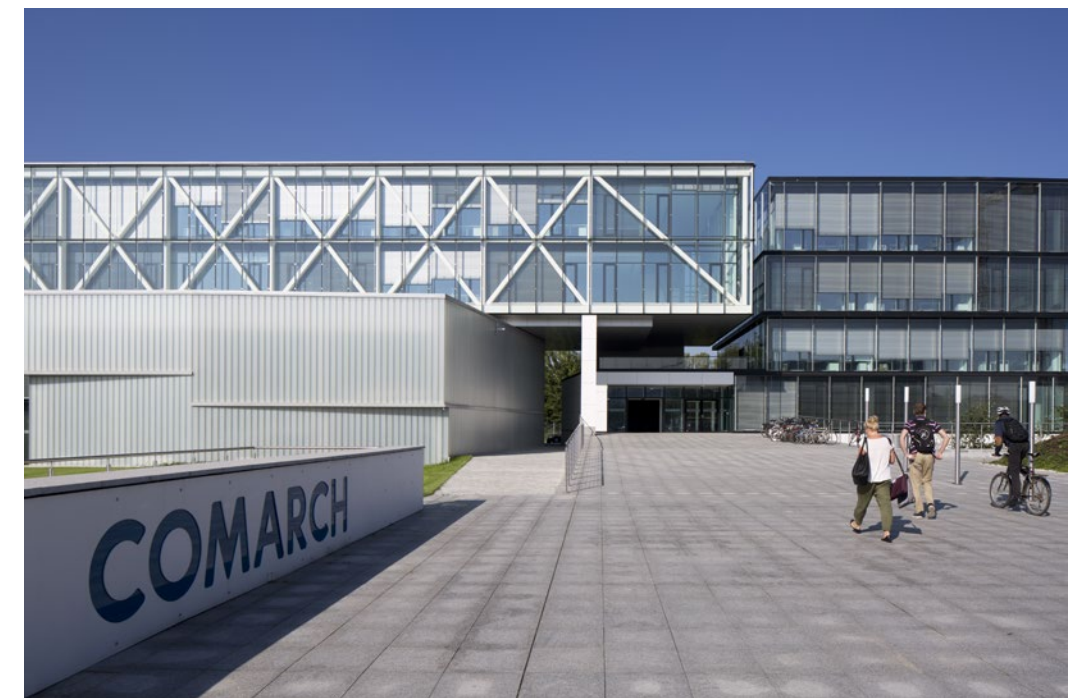
Comarch eRecording is a comprehensive and coherent solution, which combines the convenience of classic audio/video recorders with sound systems and a dedicated application to control the process of audio/video registration. The system allows the recording of meetings or public appearances, together with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

Comarch Video Terminal

Comarch Video Terminal is a video conferencing client 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.



Comarch Smart Parking



Comarch SSE6 office building, Kraków



290 MILLION

MEMBERS OF LOYALTY PROGRAMS IMPLEMENTED BY COMARCH



8.1 BILLION

PROCESSED LOYALTY TRANSACTIONS



600 MILLION

DOCUMENTS PROCESSED BY COMARCH'S EDI SYSTEM IN 2015



15 BILLION

DOCUMENTS STORED IN THE IMPLEMENTED COMARCH ECM SOLUTIONS



20 MILLION

GENERATED DELIVERY ORDERS IN THE COMARCH SFA SYSTEM



12 DATA CENTERS

AROUND THE WORLD

SERVICES DIVISION

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

The Services Sector currently employs about 1 100 employees and implements projects on five continents in 35 countries, including Poland, all other European countries, Arab countries, Malaysia, the Philippines, the United States, Canada, the Dominican Republic, Brazil and Chile. Among our clients are BP Global, Carlsberg, Heathrow Airport, Heineken, JetBlue Airways, Metro Group, OMV Diageo (producer of such brands as Johnnie Walker, Smirnoff and Baileys), Red Bull and Tesco.

Solutions to manage loyalty programs and marketing activities

Comarch CRM & Marketing is a comprehensive suite of IT solutions and professional services, which can help to build and manage loyalty programs, create rich consumer experiences and personalized interactions across multiple touch points, automate marketing processes and finally, boost profits. Our solutions support all activities creating value for the participants of a loyalty program. Comarch has multi-industry experience, gained through our work with more than

80 clients, including retail & consumer goods companies, telecoms companies, financial institutions, travel companies, airlines and airports and many more, such as JetBlue Airways, Heathrow Airport and BP. The offer also includes big data analytics and innovative customer engagement systems based on gamification, which maximize earnings and strengthen the relations between clients, partners and the brand.

COMARCH CRM & MARKETING INCLUDES THE FOLLOWING SOLUTIONS AND SERVICES:

Comarch Loyalty Management for Retail

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

Comarch Loyalty Management Travel Edition

– is a version of the product dedicated to companies in the transport and tourism sectors, particularly airlines. The platform supports airline

loyalty programs for all types of carriers, both for individual clients (Frequent Flyer Programs) and B2B. The system supports the creation of sector-specific rules for the accrual and redemption of points, defining elite tiers and privileges, and including a separate module that automates the process of adding new partners and exchanging data with them.

Comarch Campaign Management

– was created to help marketers to define and manage marketing campaigns (both single channel and complex, multi-wave designs) easily, and to deliver the right message to the right audience via the most appropriate channel. The solution streamlines the integration and automation of marketing activities in order to get campaigns to market faster and increase revenue and business performance. The system helps users to apply process flows and tasks to optimize the resources across the organization, and to collaborate efficiently. through a wide range of easily accessible reports and customized dashboards.

The tool allows the user to build drag and drop campaign life cycles and execute multi-step, multi-channel, triggered and meaningful communication with customers. The solution also helps businesses to get a better insight into marketing costs and budget according to the campaign level, and to measure campaign results

Comarch Customer Engagement – is a tool that allows the user to increase customer/employee motivation and commitment comprehensively. The solution can be implemented as a stand-alone model or integrated with other systems. It enables the definition of engaging and multiple tasks (educational, social, entertainment) for users, for which they are rewarded with badges, levelling up or rising to a higher-ranked position.

Comarch Business Intelligence – the platform provides customer-oriented enterprises aggregated,

pure and multi-section data, facilitating faster decision making in managing loyalty programs and complex marketing campaigns. The solution offers deep analysis of large volumes of data, and provides a complete picture of customer buying patterns, their value, campaign effectiveness and overall program statistics.

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

WITHIN CRM & MARKETING WE ALSO OFFER MANAGED SERVICES:

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

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

Program Management Services – Comarch supports companies in all processes, from setting up the initial program to providing guidelines on how to expand and gain access to new market areas and

top-class advice for future development and growth. The range of services provided by Comarch includes support in program organization, the setup and selection of marketing service providers and fulfillment partners, managing on-going relationships with strategic program partners and sub-contractors, ongoing administration of software applications involved in program operations, reporting program KPIs and service performance, fraud detection and prevention, overall communication management, and the configuration and administration of the program web portal.

Customer Analytics — services which include support and help in gathering, analyzing and interpreting data used in building a client-orientated strategy. Our knowledge and experience in the field of analytical projects include data gathering, data cleaning and auditing, improving and maintaining data quality, and data analysis. We specialize in building client segmentation models, analyzing data from loyalty programs, analysing the migration of clients and strategies for eliciting them, developing prognosis and scoring models, data-based marketing, and analysing the level of client satisfaction.

Management solutions for employee motivation

Comarch Enterprise Engagement Platform – a comprehensive solution for the management of employee and business partner motivation and commitment. The system enables the definition and

design of engaging, diverse tasks (education, sales, entertainment and social media) for employees, for the execution of which they are rewarded with badges or a higher level or position in the ranking.

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

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

Comarch Location Based Services – Smart City and Smart Airport infrastructure management platform that enables development of a dedicated set of services for internal and external navigation, travel planning, IoT integration messaging, and loyalty and gamification solutions. The platform allows user engagement, based on analysis in relation to behavior patterns and specific needs based on time of day, location, and previous activity. The platform provides the ability to link process-driven web-based operations to the physical locations of business partners, for example by providing a consistent user profile in e-commerce, m-commerce and traditional commerce processes.

Electronic Data Interchange solutions

COMARCH EDI (ELECTRONIC DATA INTERCHANGE)

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

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

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

COMARCH EDI SOLUTIONS:

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

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

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

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

Comarch EDI e-Market – is an e-commerce B2B type solution that allows mainly manufacturers to cooperate effectively with smaller business partners.

It provides:

- Customization of the application layout
- Definition of individual product catalogs
- Determination and calculation of discounts
- A variety of promotions
- Ordering products/shopping cart
- Reporting

Solutions for document and process management

COMARCH ECM (ENTERPRISE CONTENT MANAGEMENT)

allows comprehensive management of documents and business processes to provide faster performance, better control of data and work, and a high level of security for the company's critical information. Comarch offers a broad portfolio of solutions and services that enable the design, implementation, commissioning and management of the documentation aspect of business processes, such as the processes of accounts payable, purchasing, HR, contract management and master data management.

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

AS PART OF COMARCH ECM THE FOLLOWING MODULES ARE OFFERED:

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

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

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

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

Comarch ECM Contract Life Cycle Management – allows the implementation of a secure unified register of commercial agreements, whereby employees in the purchasing or accounting departments can locate and verify agreement provisions quickly. The workflow engine enables the implementation of an electronic contract approval process, which not only accelerates the process but also increases security and reduces the risk to members of the board authorized to sign contracts. The entire life cycle of a contract is operated within this model, from creation (with the option to create predefined templates), through negotiations, signing

up to the execution of the provisions of the agreement, measuring KPI, and issuing a reminder of the need to take steps to or terminate the contract when its expiration date approaches.

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

Comarch ECM Quality Management – allows the user to organize all quality documents in the enterprise as a central knowledge base, thus facilitating easier access and swift retrieval of key quality documentation, not only within the quality department but also for staff in other departments.

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

Comarch ECM Procure To Pay – Comarch ECM P2P enables the system implementation of procedures and thereby raises the effectiveness of control over planned expenditure and simplifies the process of management approval. At the same time, the

solution significantly increases the accuracy of financial reserve forecasts.

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

Comarch ECM Advanced Document Management – a central repository for documents available from dispersed locations. The module allows reduced paper consumption. Designed for companies which process large volumes of documents, it allows the elimination of work duplication and control of document versioning, with an expanded authorization system that provides the highest level of data security.

Comarch ECM Source To Pay – a comprehensive platform that supports the entire purchasing process. Built-in functionalities such as B2B portal, on-line workflow, document management and reporting are the basic core for implementing business applications. The solution allows full management of the life cycle of contracts, control of purchase procedures and invoices, supplier evaluation, and the use of dynamic discounting.

Solutions to support sales and distribution

COMARCH SFA (SALES FORCE APPLICATIONS)

are mobile and web solutions dedicated to running and optimizing business processes, including those related to sales, logistics and customer service. Our portfolio includes systems for managing the work of sales support and sales representatives, integration solutions and communication services with business partners, and web-based applications for managing sales and trade marketing, marketing and promotions.

Comarch SFA consist of more than 4 500 users of Mobile Sales Force Apps, 20 million generated delivery orders and more than 15 million transmitted documents. Comarch SFA solutions have been implemented in companies such as Carlsberg, Diageo (the producer of, e.g., Johnnie Walker, Smirnoff and Baileys), Red Bull, Nivea, Energizer and BioMed.

COMARCH SFA PLATFORM INCLUDES:

Mobile Sales Force Applications – is a professional Sales Force Automation-class system that provides full support for point of sale by mobile field workers. Within its offer, Comarch SFA provides users with applications according to the role and responsibility they have. Users can use mobile applications (smartphones and tablets), applications available on-line via a web browser, or those installed locally

on computers. Mobile applications are available on the Google Android platform and iOS. The Comarch SFA Mobile Sales Force Applications solution has been appreciated by Gartner analysts and included in the report "Market Guide for Retail Execution and Monitoring Solutions" and POI Retail Execution Vendor Panorama.

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

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

Comarch SFA Trade Promotion Management – a support module for planning and settling trade promotions and promotional budgets. It offers

the ability to easily define long and short-term promotional activities with selected customers, to take stock of the effectiveness of these activities, and to use historical data to analyze and find the best solutions to increase sales. As the only Polish IT solution of its kind, it has been included in the Gartner report "Market Guide for Trade Promotion Management and Optimization" and POI TPx Vendor Panorama.

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

IT Infrastructure Management – Comarch ICT

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

The most important services provided by Comarch in the field of ICT are Comarch Data Center, Comarch IT Outsourcing and Comarch IT Networks.

COMARCH DATA CENTER

Comarch has almost 20 years' experience in the provision of data center services. These are services based on advanced technological data centers, with high-availability and TIER III and TIER IV architecture, providing companies with an alternative to expanding their IT infrastructure resources. They allow clients to benefit from the use of a specially designed space, without the need to build it themselves or create expensive infrastructure. We accompany

the client at all stages of the project, starting from preparation of the initial concept, through design solutions, their implementation and migration, to maintenance and management.

Comarch has three of its own Data Centers, 12 Data Centers in total at its disposal around the world, and stores five petabytes of data for customers in more than 50 countries.

SERVICES IN THE COMARCH DATA CENTER CAN BE PROVIDED IN ONE OF THE FOLLOWING SERVICE MODELS:

IaaS (Infrastructure as a Service) – this consists of renting IT infrastructure – a specified number of servers, level of computing power and amount of

storage space. Choosing the IaaS model enables a flexible and scalable selection of IT infrastructure resources based on the current needs of the company.

As part of IaaS, Comarch provides:

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

PaaS (Platform as a Service) – in PaaS, Comarch delivers a complete hardware platform system with a comprehensive range of managed services that support the client's application. As part of PaaS, Comarch delivers:

- Equipment (arrays and servers) co-located in Comarch Data Center(s)
- All necessary third-party licenses
- Administration and management of the operational layer (e.g., operating system, database)
- Management of the network layer and security systems
- Provision of redundant telecommunications links
- Monitoring of the entire solution, 24/7
- One-level SLA for the entire system

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

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

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

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

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

Comarch IT Outsourcing

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

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

client's business and the most demanding in terms of availability and reliability.

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

Comarch Business Continuity – is a group of services designed to provide customers with high-availability systems, to minimize the consequences of accidents and disasters, and to ensure the possibility of a swift return to the pre-failure state. Based on Comarch office space in Kraków and Warsaw, we offer customers a spare office for their key employees. The high-availability solution is a service for those

customers for whom a critical system failure lasting even a few minutes can mean a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the importance of the data stored and processed in IT systems. In addition, within this group of services we also provide audit services for various IT areas.

Comarch IT Networks

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

COMARCH IT NETWORKS SOLUTIONS INCLUDE:

Comarch Network Managed Services (CNMS)

– are solutions designed to create and maintain data networks, including WAN/LAN/WLAN. CNMS is a comprehensive solution for the construction or modernization of existing transmission networks, and for the management and administration of these networks. In addition, we provide solutions for network security.

Comarch Contact Center (CCC) – This is a comprehensive package of solutions that supports customer relationship management, organizations' internal communications, and many other business areas. The solution proposed by Comarch facilitates the efficient management of information in an enterprise and allows the user to optimize the customer service process using customer-owned systems. On request, Comarch Contact Center can also be provided in a service model, allowing access to Comarch Contact Center customer resources. The customer using this solution gains access to the Contact Center

infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer must provide only CC agents and Internet access.

Comarch NOC (Network Operations Center)

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



Modern "IoT Lab" laboratory-production hall, Comarch SSE6 office building, Kraków



Network Operation Center, Comarch SSE2 office building, Kraków



MORE THAN
80 HOSPITALS
USE OUR SYSTEMS



ABOUT
30 000
USERS A DAY BENEFIT
FROM OUR SYSTEMS



MORE THAN
200
OUTPATIENT CLINICS
USE OUR SOFTWARE



IN 2016, ALMOST
3 500
PATIENTS WERE INCLUDED IN OUR
REMOTE MEDICAL CARE PROJECTS



WE SUPPORT
HEALTHCARE
24/7/365

COMARCH HEALTHCARE

Founded in July 2015, the company is a member of Comarch Group. It provides a wide variety of healthcare solutions including, among other things, IT systems for hospitals, software products for radiology and medical record management in medical institutions, cities, and regions. Comarch Healthcare is a supplier of innovative Remote Medical Care solutions that use its own software, equipment, and medical infrastructure.

HEALTHCARE CENTER MANAGEMENT SOFTWARE

OPTIMED NXT

A modern IT system for health facility management that supports the organisation of patient healthcare in individual wards and clinics from registration to discharge. The system can be used on mobile devices such as tablets, which allows doctors to access data at the patient's bedside.

Comarch ERP

A hospital administration management system. It helps with the supervision and management of extensive processes related to supply and hospital property management, such as maintenance and growth, employment, and on-going management and development of a large number of specialists.

OPTIMED24

User-friendly outpatient clinic and doctor's office management software. Dedicated to all outpatient clinics regardless of their structure and service portfolio. The solution provides support in the fields of electronic medical records, visit management, prescriptions, orders, and referrals. It is a functional management tool for facility managers.

Comarch Business Intelligence

A large set of tools to analyze data generated by a healthcare center. The solution facilitates the construction of multidimensional analyses for all processes in the facility. The system features a number of information desktops dedicated to specific groups of employees and levels of management.

MEDICAL RECORDS MANAGEMENT SOFTWARE

COMARCH EDM

(Electronic Medical Documentation)

An IT management system for e-documentation in all types of medical facilities and at regional level. Central access to documents from various systems facilitates with efficient collection and processing of medical data. The solution enables users to exchange information between facilities, which streamlines diagnosis and prevents unnecessary tests.

This solution facilitates communication between a health facility, doctor, and patient. Patients can use it to book an appointment with specialist, order prescriptions, access medical test results, and even consult a doctor from home.

Comarch MEDNOTE

A modern application for managing any doctor's office. Presents medical records in accessible manner, provides necessary information about patients, and reduces time spent on formalities to the minimum. The system enables user to issue prescriptions orders, referrals, and other medical documents easily.

Comarch Concierge

A multi-channel communication platform for patients that provides continuity of healthcare.

RADIOLOGY SOFTWARE

Comarch RIS

A radiology information system for imaging departments. It optimizes the imaging process, and improves communication and allocation of personnel in the facility. It can be integrated with HIS or used independently to manage image diagnostics.

Comarch Teleradiology

A comprehensive environment for secure image data transfer and remote reporting. It enables radiologists to use their time more efficiently. The solution interconnects any number of healthcare facilities, and allows the exchange of information between units that order tests and units that provide reports.

Comarch DICOM VIEWER

A web-based viewer for medical images saved as DICOM files. The web technologies enable the viewer to be used anywhere, as no installation is necessary. It can be used as a separate tool for viewing images

THE HEALTH CITY

A service and IT platform that includes a set of inter-dependent applications and IT systems. The service dedicated to regions and cities is an efficient tool for implementing regional healthcare policies. The concept of "The City of Health" focuses on residents as the beneficiaries and customers of healthcare services. It was developed from hands-on experience gained by Comarch with regional platforms throughout the country:

- E-Zdrowie in Wielkopolska.
- Regional Medical Information System.
- E-Zdrowie Information System in Podlasie.
- E-Zdrowie in Mazowsze.
- Medical Information System for Małopolska.

Remote Medical Care

Remote Medical Care is a form of telemedicine service that facilitates on-going monitoring of a patient's health status and preventive and control tests outside of the hospital setting. This type of healthcare is possible by using mobile medical equipment that registers specific health parameters. Results are automatically transmitted to a Remote Medical Care Center and analyzed. In the event of problems, medical personnel remotely contact the patient with their doctor or specialist, or call an ambulance in emergencies.

Remote Cardiac Care

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

Remote Obstetric Care

Facilitates non-invasive CTG at a patient's home. After the test, results is sent to a Remote Medical Care

from CDs/DVDs and other media or can be integrated with other hospital systems (HIS, RIS) in order to provide fast access to radiological images stored in local or remote PACS.

Center and assessed by a gynaecologist or midwife. CTG provides a comprehensive monitoring of fetal heartbeat and uterine contractions from home in the third trimester.

Remote Elderly Care

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

Remote Medical Center

Remote Medical Center makes it possible to offer medical services remotely. The solution does not replace traditional healthcare, but is complementary to it, offering an extended range of services without the need for employing additional medical staff. The implementation of cost-effective telemedicine solutions improves work efficiency, which allows more patients to be handled at the same time. Owing to the application of telecommunication tools that offer continuous health monitoring, as well as prophylactic and control tests at home, Remote Medical Center improves the efficiency of treatment and provides patients with a greater sense of safety by assuring permanent contact with qualified medical staff. Apart from quick and secure access to electronic medical documentation, doctors can offer teleconsultations to patients, and can consult other specialists, at any time and place, leading to savings in terms of time and money. Thus, the services offered supplement treatment perfectly, particularly in the case of patients who require the continuous supervision of a specialist doctor or long-term care.

medical data and data from measuring devices that monitor specific health parameters. It also supports healthcare personnel in following predefined procedures.

COMPONENTS OF THE E-CARE PLATFORM

Telemedicine equipment

- Patient's personal devices that transmit data directly to a Remote Medical Care Center. These devices include mobile cardiac monitors (for example, Comarch PMA, SXT Cardiodial) or alarm devices (for example, Przycisk Życia – Life Button).
- Medical Hub devices and software that can be integrated with third-party sensors and medical equipment and transmit data to a Remote Medical Care Center. Such devices include advanced logic stationary devices (for example, HMA), simple transmission hubs (for example, NoMed docking station) and mobile applications (for example, Comarch mHMA). Examples of integrated devices are pulse oximeters, glucose meters, spirometers, blood pressure monitors, scales and thermometers. Other diagnostic devices include, for example, CTG and Breas Vivo ventilators.

E-Care Application With Web Interface

Can be used to connect telemedicine equipment, receive and manage data, visualise data in accordance with medical standards, as well as providing integration with HIS, patient geolocation, work and procedure management for intervention personnel, audio and video patient contact, and workflow doctor consultation.

iMed24 HEALTHCARE CENTER

As Comarch Healthcare S.A.'s healthcare center, this is naturally an environment for the development of solutions dedicated to this sector. iMed24 was the first healthcare center in Małopolska to offer Remote

Remote Medical Care Center

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

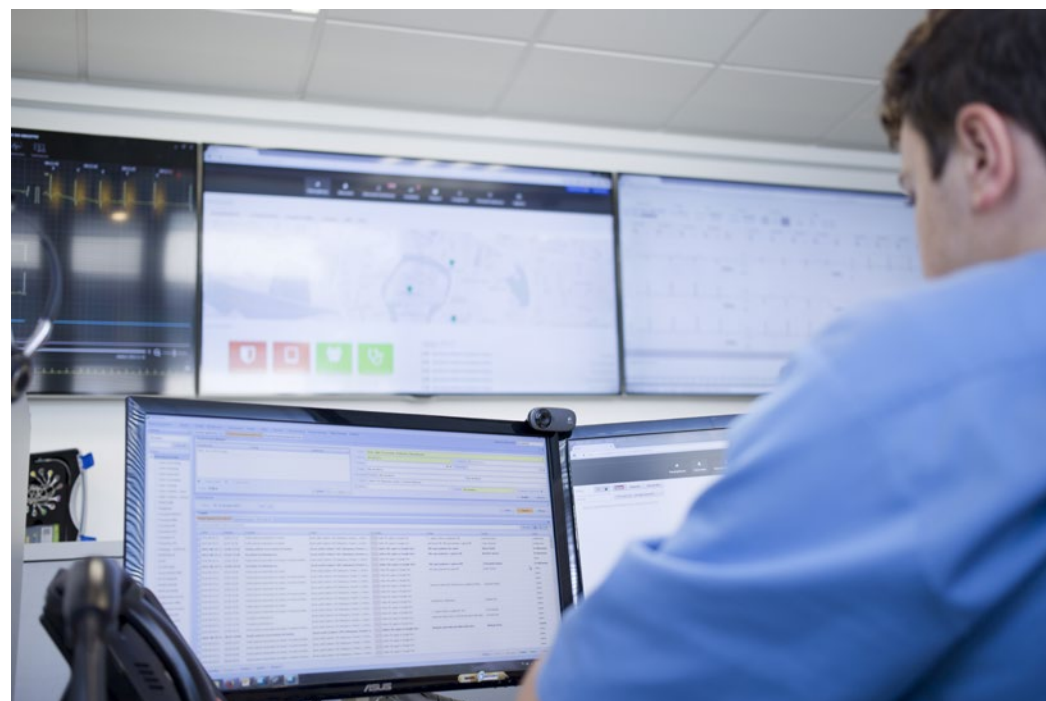
- It gathers qualified healthcare personnel, such as paramedics, midwives, various specialist doctors, dieticians, and physiotherapists.
- It monitors a patient's health status all day, including holidays.
- It intervenes if anomalies in terms of individually specified parameters are detected (for example,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

Comarch 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.

Medical Care (more than 3 500 patients). The facility has about 100 doctors who work in more than 30 specialist out-patient clinics.



Signing an agreement for "The Health City Concept" in Łódź.
Photo: Agnieszka Tobiasz-Pawlak

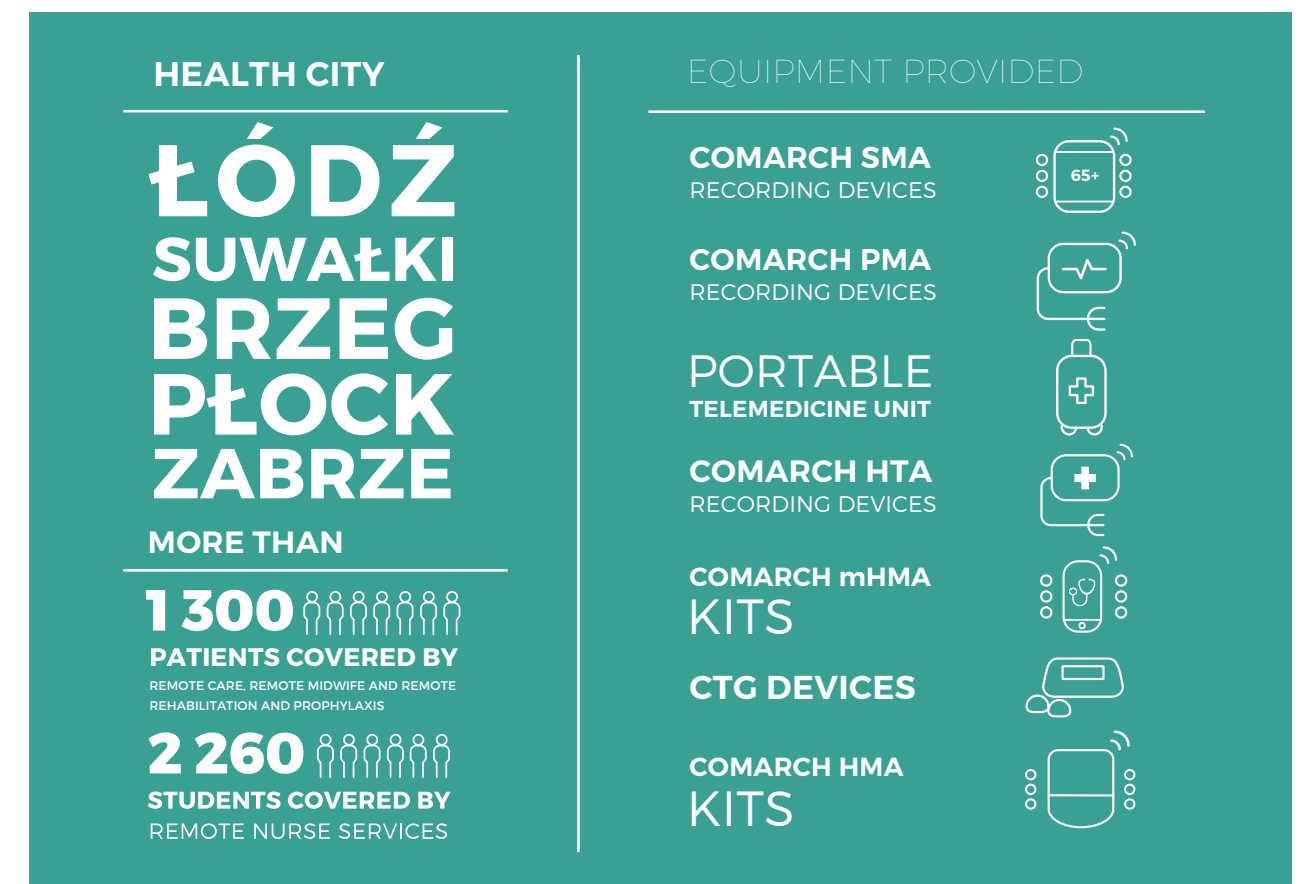


Remote Medical Center e-Care, Medical Center iMed24

CITY OF HEALTH

"City of Health" is a service-IT platform, consisting of a set of mutually interconnected applications and IT systems. It is an effective tool for implementing regional health care policies. At the same time, it focuses on the residents, as the recipients and clients of provided health care services. Anonymized data from

the city or region are processed by a reporting analytical platform. On this basis, the authorities are able to make optimal decisions concerning the formation of the strategy of development of health care policy and supervision of its implementation.





MORE THAN
182 000
CLIENTS USE THE BACKUP
COMARCH IBARD SERVICE



MORE THAN
51 000
CLIENTS USE COMARCH ERP XT



MORE THAN
1 160
CLIENTS BUILT ONLINE STORES BASED
ON COMARCH E-SHOP



MORE THAN
2 260
ACCOUNTANCY OFFICES IN THE IKSIEGOWOSC24 SOCIETY



MORE THAN
224 000
CLIENTS USE COMARCH CLOUD



MORE THAN
30
DIFFERENT SYSTEMS INTEGRATED
IN ONE PROJECT BI



100 000 000
LINES LOADED DURING ONE ETL PROCESS IN BI

ERP DIVISION

Comarch ERP Altum

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

Comarch ERP XL

The most popular ERP system in Poland – it is used by more than 5 000 enterprises from different industries, and 400 new customers per year decide to implement it to manage main business processes. The solution fulfills 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 accountant 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 the Windows Store or mobile apps on the Android or iOS platforms. A solution dedicated to micro and small enterprises on the Polish, French and German markets. Its main advantages are ease of use, complete process automation, the possibility of integration with an accountancy office, Wszystko.pl portal, Comarch e-Shop and Comarch BI Point. The application is only available in a service model (SaaS).

Comarch Retail

Managing retail sales within the complete omnichannel model. Enables a company to manage a retail store chain efficiently and comprehensively, starting from its main office through back-office to the point of sale (POS).

Comarch Mobile

A package of mobile applications which cooperates with: Comarch ERP Optima, Comarch ERP XL, Comarch ERP Altum and Comarch Retail. The package includes Comarch Mobile Management,

Comarch Mobile Sales, Comarch Mobile Tracking, Comarch Mobile mPOS and Comarch Mobile Service. Comarch Mobile Management is a web application which enables companies to manage mobile personnel and their sales results via one application, run on any type of device (smartphone, tablet, laptop or PC). It enables companies to monitor work results, as well as locations of personnel and routes registered by them. Comarch Mobile Sales is an SFA-type application, enabling users to work on a smartphone or tablet on the Android platform and support field personnel including, among others, sales representatives. Comarch Mobile mPOS is an Android app mainly for sales in pop-up stores and for assistants in shops. Comarch Mobile Tracking includes the option to register the GPS position of employees. Comarch Mobile Service is an Android app for people who repair things at customers' premises.

Comarch WMS

A solution which enables companies to manage a High Bay Warehouse. The package includes Comarch WMS Management and Comarch WMS Warehouse. Comarch WMS Management is a tool dedicated to the management of company warehouse logistics by, among other things, defining warehouse structure, handling carriers, assigning and monitoring warehouse orders, monitoring the warehouse operative's work. It is a web application which can be run on device (smartphone, tablet, laptop or PC). Comarch WMS Warehouseman is an application which enables taking receipt, releasing, moving, and taking stock of goods. A warehouse operative may process warehouse orders assigned to them in Comarch WMS Management by the manager, and add new warehouse documents directly from the level of data collector.

Comarch Business Intelligence

Based on the 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 the creation and viewing of interactive reports and dashboards, directed mainly at analysts, controllers and managers. The application's responsiveness means it can also be used 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 enterprise. The ability to share reports with other users from different geographic locations and operating systems ensures its flexibility and universality.

Comarch IBARD

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

iKsięgowość24

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

Comarch B2B

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

Comarch e-Shop

It is technologically advanced platform for building Internet store. It is integrated with all Comarch ERP systems, price comparison platform, auction and online payment services. It enables to display offers in online store exactly the way clients want.

Wszystko.pl

A trading platform, it enables a company to sell directly on the Internet from the invoicing and warehouse system used by enterprises. Every company that has purchased the Comarch ERP can sell its products via this application.

Comarch ERP e-Pracownik

An application to manage, among other things, working time and leave, 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 on which

it is displayed. It can be installed on the user's local computer or as a service model in the Comarch cloud (SaaS).

Comarch ERP Inwentaryzacja

Is used to make inventory records using a smartphone. Using the camera built into the smartphone, the application 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

New generation ERP system intended for companies operating on international markets and using the Internet. Possesses an ergonomic user interface, interface and built-in WorkFlow module, and is optimized to best reflect business processes and organization structure. The system is also available in a service model (SaaS).

Comarch Financials Enterprise

New generation financial and accounting system, 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 modules for the control and electronic archiving of documents, enabling work in an international environment and 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. Includes control and HR modules.

Comarch HR

HR and employee settlement system dedicated to supporting work time management and recruitment processes.

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.

Comarch ECM

System for electronic archiving and document management, enabling companies to implement fully electronic document circulation.



Comarch campus, Special Economic Zone in Kraków



**20 YEARS
OF EXPERIENCE**



**MORE THAN
10 000
CLIENTS EACH YEAR**



**MORE THAN
300
TRAINING PROGRAMS**



**80
CERTIFIED INSTRUCTORS**



**COURSES IN
8
BIGGEST TRAINING CENTERS**

TRAINING CENTER

ABOUT TRAINING CENTER

The Comarch Training Center organizes specialized training events and IT consultations at various levels, covering a broad area of IT knowledge.

The instructors at Comarch Training Center are experts in their fields. Not only do they have substantial professional backgrounds, but they are also dedicated to sharing their knowledge by teaching.

Our dedicated team members are proud to possess professional certificates in the following areas:

- OCP – Oracle Certified Professional
- MCSE – Microsoft Certified System Engineer;
- MCT – Microsoft Certified Trainer
- Certified Lotus Instructor
- Linux Certified Professional and Linux Certified Administrator
- CCNP – Cisco Certified Network Professional

With long-term experience, we can recognize all the needs of the client and offer the best form of training events. By continuously expanding our knowledge and searching for new methods of sharing it,

we ensure our clients quickly acquire the skills which allow them to overcome all the barriers in the field of modern information technology.

THE OFFER

- Authorized Cisco training
- Databases (Oracle, MS SQL)
- Programming (SQL, PL/SQL QT)
- Office applications
- Project management
- Operating systems (Unix, Linux, Windows)
- Authorized Microsoft training

After completion, each training participant is awarded the Training Completion Certificate issued by our Center.



Training Center, Comarch SSE4 office building, Kraków



SUSTAINED BUSINESS

COMARCH SA STATEMENT TO THE COMPANY STAKEHOLDERS ON THE SUBJECT OF REPORTING OF NON-FINANCIAL DATA

This year's Comarch Capital Group's marketing report for the third time includes the characteristics of integrated reports. Outside of the financial part, there is a socio-environmental section dedicated to non-financial data.

The guidelines and directives of the European Parliament speak about three key areas of disclosure concerning the company's operations. The first one is the mandatory reporting of environmental, social, employment and human rights issues and anti-corruption standards. The second is the obligation to determine the business assumptions, results and risk factors associated with the issues identified in the first area. The next reporting area covers issues related to diversity management, particularly in management and supervisory bodies. The directive encourages companies to publish reports based on internationally recognized standards: GRI, UNGP, OECD Guidelines and ISO 26000, among others. The directive is based on the principle "report or explain". This means that companies that do not disclose details of their activities will be required to inform about the reasons for this.

Comarch has been adhering to best practice in this area for many years, and reporting non-financial activities. This is due both to the internal need to communicate with stakeholders, and the requirement to comply with corporate governance recommendations for companies listed on the Stock Exchange and the provisions of the Accounting Act. Taking care of the environment and taking into account the company profile, Comarch meets most of the detailed requirements of the GRI standards reports on the Internet.

The reporting period (1.01.2016 – 31.12.2016) covers the calendar year, which is also the financial year for Comarch.

Due to the fact that Comarch SA is a company listed on the Warsaw Stock Exchange, the financial part of the report is subject to verification by the auditor. The Company does not provide for external verification of the non-financial part of the report. All activities related to this reporting part will be made through Comarch's own resources, without the involvement of external entities.

Comarch is a service company, a software developer, and primarily produces intangible assets. The services are directed to business rather than to the consumer as defined by the Civil Code. The specificity of the industry in which Comarch operates means that a significant part of the events that are verified in audits, rankings, sustainability reporting standards or responsible business, does not apply to Comarch, or relate to it only minimally, for instance: environmental impact or the risks arising from production activity.

Management Board

QUALITY POLICY AND INTEGRATED MANAGEMENT SYSTEM

The Management Board of Comarch is concerned about its customers, based on a longstanding tradition of cooperation with the educational society, high technologies and having an experienced and highly-qualified staff team, and as such commits to implement the an integrated Quality Management System, Information Security, Environment and Occupational Health and Safety policy.

The Integrated Management System ensures the proper, system-based management of executing all business processes which affect the quality of products and services. Efficient operation of the system guarantees the monitoring of all processes in terms of efficiency and effectiveness, their improvement and adjustment to the continuously changing market and technological conditions, and to the changing requirements and expectations of clients. The high quality of products and services is supported with the continuous care for ensuring the safety of information assets and care to ensure for the environment and the safety of employees. Comarch's system-based attitude to executed processes contributes to increased trust between the Company, its clients and suppliers. It also strengthens the image of the company in the eyes of all entities interested in the results of Comarch's activities in the scope of the quality of offered products and services, its impact on the environment, work safety and hygiene conditions, ensuring the security of information and data, and control in trading dual-use goods. As a result, Comarch is perceived as a reliable and trustworthy business partner.

Comarch meets the high expectations of clients from the domestic and international markets. With continuous work on improving and developing the quality

management system, Comarch has been awarded the certificate of the Integrated Management System and the certificate of Management – Internal Compliance System, issued by the Polish Center for Testing and Certification (PCBC), compliant with the requirements of the following standards:

- PN-EN ISO 9001:2009 Quality management systems
- PN-EN ISO 14001:2005 Systems of Environmental Management
- PN-ISO/IEC 27001:2007 Information Security Management Systems
- PN-N 19001:2006 Internal Control System
- PN-N 18001:2004 Occupational Safety and Hygiene Management Systems.

In 2016 Comarch also obtained a gained AQAP certification, compliant with the requirements of the standard AQAP 2110: 2009 - "NATO QUALITY ASSURANCE REQUIREMENTS FOR DESIGN, DEVELOPMENT AND PRODUCTION". The system has been expanded by AQAP 2210: 2015 NATO Supplementary Software Quality Assurance Requirements to AQAP 2110. AQAP certificates have been issued by the Military Technical Academy (Center of Quality Certification).

As part of Integrated Management System implemented by Comarch Group, the following policies approved by the Management Board apply: Integrated Management System Policy, Internal Control System Policy, Sustainable Development Policy for Suppliers, Information Security Policy, Privacy Policy, Intellectual Property Rights Policy, and Code of Ethics..

CULTURE AND SYSTEM OF VALUES

- Ongoing efforts aimed at ensuring the quality and competitiveness of our products and services.
- Improving our products and services in order to meet the requirements and expectations of our customers.
- Engaging in mutually beneficial cooperation with our suppliers to improve the quality of offered products and services.
- Protecting the information assets of our clients and reinforcing the confidence of customers and other interested parties in the area of information security.
- Continual improvement of the occupational safety and health of all employees.
- Prevention of accidents at work, occupational diseases and potential accidents.
- Improving the skills and qualifications of personnel through an effective education system and training aimed at areas related to quality, information security, environmental protection and occupational safety.
- Actively engaging in activities aimed at limiting negative environmental impacts.
- Obeying applicable legal and other requirements.
- Continual improvement of the effectiveness of the Integrated Management System, including AQAP 2110 and AQAP 2210.
- Provision of adequate resources to implement the actions outlined above.

INTERNAL CONTROL SYSTEM

Comarch is a global supplier of business IT solutions which are used to provide comprehensive support for client relationships and to optimize operational activities and business processes. Technological progress and dynamically growing competition pose new challenges for software, implemented IT systems and trading goods. The necessity of meeting these requirements results in the fact that the products supplied by Comarch can be dual-use items, which may be used in ways that do not comply with domestic regulations and international laws. To prevent such practices, Comarch has implemented the Internal Control System (ICS), within which it is obligated to adhere to the following rules:

- Ensuring that no profits are earned in violation of the Export Control System restrictions,
- Restraining from trading goods or services in violation of the domestic or international laws,
- Ensuring strict adherence to the provisions of the Export Control System in all positions involved with trading goods and services,
- Ensuring the supervision of the Transaction Control Officer over all export control processes.

By understanding, implementing and applying the requirements of the Internal Control System, Comarch joins the activities undertaken by the international community aimed at preserving international peace and safety.

SUSTAINABLE DEVELOPMENT POLICY FOR SUPPLIERS

Sustainable development is a key area for Comarch, therefore we expect that our suppliers determine priorities for sustainable development in their organizations. Comarch, as a global organization specialized in the design, implementation and integration of advanced IT products, has a significant impact on the supply chain, and its responsibilities should go significantly beyond the requirements placed upon suppliers. At the same time, Comarch constantly strives to ensure that cooperation with suppliers is carried out in a transparent manner.

We expect our key suppliers to follow several principles:

- Managing environmental impact in a responsible manner in accordance with the ISO14001 standard or others in order to reduce the negative impact on the environment.
- Applying standards of health and safety according to the OHSAS 18001 standards or similar to minimize risks related to work positions and prevent injuries.
- Use good business practices, social issues and terms related to environmental protection which are connected to the supplier's forms of activities.

- Compliance with all applicable laws and regulations.
- Guarantee the right of employees to organize and bargain collectively.
- Prohibition of discrimination in any form, based on: race, social status, ethnic origin, religion, handicap, disability, gender, sexual orientation, union membership, political belief, age or marital status,
- Prohibition of the employment of children under 15 years of age, and of the use of corporal punishment, mental coercion, physical insult and sexual harassment.
- Elimination of forced labor.

In addition, we expect our suppliers to use the principles of the Universal Declaration of Human Rights UN which is "a common standard of achievements for all peoples and all nations".

The principles of cooperation with suppliers and liabilities of Comarch are set out in the Sustainable Development Policy For Suppliers which was adopted by Comarch Capital Group in June 2015.

INTELLECTUAL PROPERTY RIGHTS POLICY

The Comarch Group, as a software developer, understands perfectly understands the need to respect intellectual property rights and strives for full respect of the intellectual property rights of third parties, including other software producers and the Company's own suppliers and customers. Comarch complies with legal regulations regarding the principles of respect for the intellectual property of third parties at the international, EU and national legal levels, and supports the system of Intellectual property protection. Comarch makes every effort to ensure the highest level of protection .for the intellectual property rights of third parties.

The main goals of the Policy:

- Care and respect for the intellectual property rights of third parties.
- Ensuring respect for patents, trademarks and other industrial property rights of third parties.
- Use of intellectual property, patents, trademarks and other industrial property rights of third parties in accordance with legal regulations and licenses obtained by Comarch.
- Use of third-party software only within the scope of the license granted to Comarch.
- Protection of intellectual property, patents, trademarks, commodities and other industrial property rights of Comarch.
- Protecting Comarch's interests, especially financial and legal.
- Caring for the high quality of the services and products offered by Comarch.
- Risk management within the scope covered by the policy.
- Intellectual Property Management & Licensing.

Policy objectives resulting from the basic objectives:

- Protection of the intellectual property of suppliers and recipients.
- Familiarize Comarch employees with policy and enforce its observance.
- Achieve clarity of rules on the useage of third-party intellectual property by Comarch employees..
- Achieving the highest level of understanding and respect for intellectual property rights.
- Prohibition on use by Comarch employees and software collaborators in a manner that violates the intellectual property of a third party.

Comarch aims to achieve policy objectives by training staff and working in harmony with the procedures for ordering the evaluation, selection process and software acquisition and storage license for:

- Software for internal purposes of Comarch: tools and office.
- Programming components and source code for further use in Comarch products.
- Programming components and source code for further use in development services implemented in a way that the effects of Comarch's work becomes the property of the customer (dedicated products).

Policy objectives are also achieved through action within the certified internal system of control, according to procedures of foreign trade goods, technologies and services strategically important for national security and for maintaining international peace and security.

Each employee and associate of Comarch needs to be aware of and respect policy of intellectual property rights and the procedures which are the results of the policy, i.e. in terms of:

- Responsibility for using Comarch software.
- Responsibility for the use of software on computer hardware belonging to Comarch.
- How to obtain permission to use the intellectual property of a third party in Comarch products and Comarch dedicated products.
- How to get permission to buy new software.

Both the supplier and the recipient of software have the right to respect for their intellectual property rights. Respect for intellectual property rights are guaranteed by the implementation of appropriate procedures for Comarch employees and associates. In the event of non-compliance with this policy, or of infringement of a third-party's intellectual property rights, Comarch obliges its own employees, associates, suppliers and recipients to report the infringement to the Department of Quality, Safety and Health, and to the Legal Department, using the appropriate email address.



Comarch SSE6 office building, Kraków

COMARCH CAPITAL GROUP CODE OF CONDUCT

I. THE HIGHEST ETHICAL STANDARDS

Comarch CG is aware of the importance of abiding by the regulations, legal provisions, working procedures and ethical standards set by the Company. As a leader of the IT market in Europe, Comarch is committed to promoting ethics and is striving to be among the world leaders in fostering corporate responsibility, respect for human rights and environmental protection. The achievement of this goal is the joint responsibility of all Comarch employees.

The present Code of Conduct has been approved by Comarch CG Management Board, which is committed to regular assessment and observance of the

code, and to amending it on the basis of submitted proposals.

The Code reflects the ethical values that Comarch upholds and intends to abide by. For the employees of Comarch CG, it constitutes the standard of behavior towards fellow employees as well as towards superiors, customers, partners, and local communities when doing business and also when involved in business related activities.

The present Code of Conduct shall be circulated and publicized by Comarch's PR department.

II. THE MISSION OF COMARCH CAPITAL GROUP

RESPONSIBILITY FOR THE SUCCESS OF OUR CUSTOMERS

Comarch is a global supplier of IT services, which comprehensively support customer relationships and optimize operational activity and business processes. The company's in-depth knowledge of the industry is its main advantage and we hand this on to our customers in the form of integrated IT solutions. Ever since its establishment, Comarch has placed great emphasis on the delivery of applications and professional services of the highest quality in such a way as to ensure that they can be optimally applied in customers' day to day activities. In this respect, Comarch has already acquired a strong position as a supplier of comprehensive IT solutions. Comarch CG aims at to deliver innovative IT solutions to all sectors of the economy.

More than 5 000 experienced specialists and consultants work for our customers in the USA, Europe and the Middle East. We have conducted thousands of comprehensive implementations and these have benefitted from the use of the most modern technologies, an in-depth knowledge of market trends and a sense of responsibility. More

than a thousand customers in Poland and abroad use Comarch software, and we are proud of the fact that many of our international customers consider Comarch to be an excellent example of a thriving Central European IT company that is efficiently winning global markets. The company's domestic and international product development strategy is supported by extensive R&D investments. In 2015, expenditure on research and development exceeded PLN 138.2 million, 12% of total sales revenues of the Group. In concentrating its efforts on spreading knowledge, Comarch organizes research and development programs based on cooperation with consultants, analysts and customers. The main idea of these programmes is to distribute knowledge and to check, compare and revise our ideas for the development of new technologies while also taking into account market trends. Comarch's strategy is based on using the diverse experience and knowledge of its employees to deliver a full range of IT services from consulting, through the implementation of individual solutions, to outsourcing.

III. THE VALUES CHERISHED BY COMARCH CAPITAL GROUP

Both in the Group's internal as well as external relations with its shareholders, Comarch cherishes universal values by fostering honesty, diligence and conscientiousness in the delivery of the tasks the Group is entrusted with, quality and innovation as individual

goals the employees set for themselves, building and maintaining trust among co-workers and business partners, as well as respect, understanding and willingness to help and assist others regardless of the position held in the company or diversity of opinion.

IV. MAINTENANCE OF THE HIGHEST STANDARDS OF WORK

Comarch Capital Group respects and maintains international standards regarding human rights as well as the international standards of work, perceiving them as fundamental and universal.

Comarch CG respects and executes labor law regulations as well as health and safety provisions and ensures that employees are always treated in accordance with the requirements in force.

Recognizing the right of employees to free association, Comarch CG engages in dialog with an elected council of employee representatives.

The Group respects the prohibition of discrimination based on race, social status, ethnicity, religion, impairment, disability, sex, sexual orientation, political affiliation and views, age and marital status.

The company guarantees freedom of conscience and religion as well as freedom of speech and opinion.

Comarch CG promotes teamwork that is free from any prejudice and consciously pulls strength from the values which are there to draw on and that stem from the diversity among the employees. In return, the Group makes every effort to ensure that their employees get fair and regular remuneration and have development possibilities, stimulating challenges, and very good working conditions.

Comarch CG protects its employees' copyright and, with regard to international standards, respects their intellectual property as personal goods that should be free from any abuse.

The Group respects the prohibition of the following: the work of children below the age of 15, the use of corporal punishment, mental and physical bullying, insults and sexual harassment, and considers the workplace free of such practices.

V. LACK OF TOLERANCE FOR CORRUPTION, FAIR COMPETITION

Comarch Capital Group observes the rules of fair competition and prevents bribery, illegal payments and corruption.

It is the duty of Comarch Capital Group's employees to avoid any activity leading to a conflict of interests, namely receiving and offering gifts as a part of business and commercial

activity. It is forbidden to pay or to propose bribes or illegal services to state officials or the representatives of political parties in order to make or to keep a transaction. Comarch employees shall not derive benefits or assist in deriving benefits from opportunities which may arise as a result of using company information or their position within the Group.

VI. PARTNERSHIP IN BUSINESS

Customer Relationships

Comarch CG's main principles are responsibility for its customers' success as well as respect for and openness to their needs. Comarch delivers innovative IT services of the highest quality, which result from the employees' experience and exceptional skill, and from cooperation with the leading research and development centers in Poland and abroad. The Group spares no effort in ensuring that the IT solutions delivered correspond with the highest standards and customer requirements.

Contacts with Public Administration

As far as contact with the public sector customers (central and local government, community partnerships, treasury companies, public health centers) is

concerned, the provisions of the Public Procurement Act of 29 January 2004 (Journal of Laws of 2004, no. 19, item 177 with amendments) are applied. These provisions regulate the method of communication with the ordering person during the tender procedure, the scope of activities which can be undertaken by the parties to the procedure as well as the resources available for legal protection.

Security in International Business

In order to ensure control and security in the trading of products, technologies and services which are strategically important for your security, Comarch CG has implemented the Export Control System, which guarantees that international and domestic standards and requirements are applied.

VII. INTEGRATED MANAGEMENT SYSTEM

Comarch Capital Group sets particular standards by the quality of the products it offers and the services it provides. Quality-raising initiatives are therefore undertaken to ensure that the ever increasing and more specific expectations of customers on both the Polish and international markets can be met.

The Integrated Management System guarantees the correct system of administration for the realization of all business processes which have a bearing upon the product and service quality. The effective operation of this system ensures that processes are continuously monitored and that they are improved and adapted according to the changing market conditions, technologies and customer requirements. The emphasis

placed upon the quality of products and services runs parallel to the Group's active support of environmental protection, and strict adherence to the security principles that apply to employees and suppliers.

Compliance with the rules and systems implemented at Comarch results in relations of trust being developed between the company and its customers and suppliers. In this way, Comarch's corporate image is reinforced in the eyes of all parties interested in the effects of the company's activities within such areas as product and service quality, impact upon the natural environment, occupational safety and health, information and data security, and the sale of dual-use products.

VIII. ECOLOGICAL AWARENESS

Comarch Capital Group follows the legal regulations regarding the protection of the natural environment. Comarch makes great efforts to limit the impact of its activities upon the natural environment by minimizing the exploitation of natural resources and the

amount of waste resulting from current activities. The company also promotes an ecological lifestyle among its employees by supporting initiatives that encourage the active protection of the natural environment.

IX. CORPORATE SOCIAL RESPONSIBILITY

Comarch Capital Group has been deeply involved in social activities since its inception, by propagating the idea of an extended social platform for promoting sport and advanced IT technologies.

As far as promoting and supporting sports is concerned, the principal object of Comarch's engagement is MKS Cracovia SSA, the oldest sports club in Kraków, which participates in professional leagues and competitions in several sports disciplines with a focus on football and ice hockey. Comarch Capital Group is also involved in promoting sports among young people.

Comarch provides its employees with permanent and free access to recreation facilities located in one the company buildings, and so encourages them and their families to lead an active lifestyle.

Another idea widely promoted by Comarch Capital Group is the organization of knowledge regarding the most recent IT technologies. Every year, a group of approximately 300 IT students participate in a three-month summer internship program at Comarch, which enables young people from all over the world to become familiar with cutting-edge IT solutions for business.

Furthermore, Comarch supports Polish science by taking part in and co-financing scientific conferences.

Finally, Comarch Capital Group is also a frequent sponsor of cultural events, including festivals, concerts and other socially significant events.

X. IMPLEMENTATION AND ENFORCEMENT

All obscurities, ambiguities and problems related to the interpretation of the Code of Conduct should be submitted to the Spokesperson on Ethics appointed by the Management Board. Comarch employees are encouraged to present any remarks or suggestions regarding the modification of the Code of Conduct.

The Spokesperson on Ethics is responsible for:

- Supporting employees with regard to complying with the Code of Conduct.
- Promoting the Code within the company.

- Updating the Code.
- Taking proper steps in response to current problems that employees may have as regards to the ethical dimensions of the business activities they undertake.
- Employees of Comarch Capital Group are entitled to expect assistance and support from the Spokesperson on Ethics regarding questions submitted by e-mail to: etyka@comarch.com.



Comarch SSE6 office building, Kraków

XI. CORPORATE GOVERNANCE

Corporate Governance is a set of principles of operation addressed both to companies and members of these entities, as well as to the majority and minority shareholders. The principles of corporate governance refer to the broadly understood management of a company. The Company has implemented the rules of the Corporate Governance code "Code of Best Practice for WSE Listed Companies 2016" adopted by the Council of Warsaw Stock Exchange.

The Code of Best Practice for WSE Listed Companies is the subject of annual reports on the proceedings in the scope of observing the corporate order principles, prepared by companies listed on the Stock Exchange. To supplement the annual report released 28th of April, 2016, the Management Board of Comarch SA enclosed, a report on the application of the principles of corporate governance by Comarch SA in 2016.

The Management Board and the Supervisory Board of Comarch SA do their best to observe most of the principles of the Good Practices of Companies Listed in SE in the scope covered by the principle "comply or explain," which consists of the Company providing the market with information about practice violation. Comarch SA fully complies with all the principles contained in the Code of Best Practice for WSE Listed Companies, excluding the recommendation concerning the exercise of the right to vote during the general meeting in person or by proxy, outside of the general meeting by means of electronic communication. The Company does not observe some recommendations in the scope of the salary policy and sustained participation of men and women in the execution of the management and supervision functions in the companies. The detailed information on these issues may be found in the report on the observation of corporate governance principles by Comarch SA in 2016.

Comarch Capital Group pays special attention to the activities which improve the communication of the company with its external surroundings. The team responsible for investor relations along with the Department of Communication spare no effort to ensure that credible, complete and transparent information about Comarch is readily available with .on the Company's website, and via email and direct contact. The main source of information is the expanded website, as well as numerous meetings with company management organized during the year at the request of investors, analysts or public media.

Comarch SA management representatives also participate in conferences dedicated to the issues of capital markets, during which they characterize the activities conducted by Comarch, the current successes of Comarch Group, the achieved results, and business plans for the coming years.

The source of current information about Comarch also comes in the form of presentations of periodical results of Comarch Capital Group, organized most often in its head office in Kraków, in which investors, analysts and representatives of public media take part.

For those who cannot come to the meetings in person, live broadcasts are organized, during which answers to questions related to Comarch SA and Comarch Capital Group are given.

The Company's Management Board is responsible for the Company's accounting in accordance with the Act on Accounting of 29th of September, 1994 (consolidated text, Journal of Laws from 2016, pos. 1,047 with subsequent changes) and compliant with the Regulation issued by the Minister of Finance on 19th of February, 2009 concerning current and periodical information pertaining to companies traded on the Stock Exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not an EU Member State (consolidated text, Journal of Laws from 2014, pos. 133 with subsequent changes).

The audited consolidated financial statements are prepared in all significant aspects compliant with the International Financial Reporting Standards, as approved by the European Union. When specifying the scope and methods of consolidation, as well as the relations of dependency, IFRS principles are applied. Consolidation of the Capital Group's financial statement in relation to the subsidiaries is conducted

using the full method by summing all the appropriate items from the dominant unit and the consolidated subsidiaries' financial statements in the full amount. In relation to the associates, the equity method is applied. The value of the share of the dominant unit in the associate is adjusted in the interest of the dominant unit by the increase in the associate's equity occurring within the consolidating period.

When preparing financial statements and consolidated financial statements, internal control and risk management at Comarch S.A. are effected in accordance with the Company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29th of September, 1994, the Company maintains documents describing the accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and sets of data. Both financial statements and consolidated financial statements are prepared jointly by people working in the accountancy, the capital market, the control and the finance departments under the supervision of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited, and half year financial statements are reviewed by an independent expert auditor elected by the Company's Supervisory Board.

The document is divided into six parts:

- Information policy and investors relations
- Management Board and Supervisory Board
- Systems and internal function
- General assembly and relations with shareholders
- Conflict of interest and transactions with entities
- Wages

The full content of the Report on the Application of Corporate Governance Principles is available at: <http://www.comarch.com/investors/corporate-governance>





Declaration of Polish Businesses for Sustainable Development

Aware of the challenges faced by the Polish economy and fully recognizing the need to pursue a path of sustainable development, we, the undersigned, hereby commit:

- I. To running our operations based on extensive cooperation, innovative thinking and education of our own employees and society at large.
- II. To carrying out business based on trust and dialog.
- III. To cooperating with academic institutions and schools in the education of future employees.
- IV. To creating conditions and opportunities for the professional advancement of employees.
- V. To promoting the implementation of new technologies and their support.
- VI. To building infrastructure and running projects based on dialog and in line with principles of sustainable development.
- VII. To taking steps to reduce our adverse impact on the environment.
- VIII. To introducing solutions designed to reduce energy consumption by deploying new technologies, streamlining processes and education.
- IX. To communicating with the government and sharing our experience in areas relevant to business and economy.
- X. To enhancing ethical standards of business conduct, including relations with all groups of stakeholders.

Declaration of Polish Businesses for Sustainable Development



Comarch SSE7 office building, Kraków - visualization

NON-FINANCIAL DATA REPORTING

Comarch Group complies with legal regulations in terms of environmental protection. Comarch consciously limits the impact on the environment, minimizing consumption of natural resource and production of waste generated as a result of current activity. The company also promotes an eco-friendly lifestyle among its employees, leading incentive actions to popularize the protection of the environment.

The signing of the Declaration took place along with the Inauguration of the III Stage of the project – the Vision of Sustainable Development for the Polish Business 2050. The participants of the event became familiar with the proposition of actions planned under the III Stage of the Vision 2050. Signatories of the Declaration have the possibility to engage in the works of the following working groups: social innovations, sustainable production and consumption, renewable sources of energy, greening of a new perspective and small and medium-sized enterprises.

The project Vision 2050 refers to an international initiative, put forward by the World Business Council on Sustainable Development. Vision 2050 is a common project of the Ministry of Economy, the Ministry of Environment, the Forum of Responsible Business and the consulting company PwC. The aim of undertaken actions is to integrate business in Poland around the

idea of sustainable development, to point out to business representatives the challenges with this respect, and to strengthen the dialog between administration and business in order to work out specific solutions for supporting the achievement of the development goals in Poland.

Comarch has for several years been cooperating with an organization dealing with electrical and electronic equipment recovery. This cooperation has included actions organized for employees, who could give away used electrical and electronic equipment, including large equipment. At the same time, waste paper has been collected.

Currently, containers for waste are located in Comarch's facilities. The employees can, on a continuous basis, dispose of used electrical and electronic equipment. Additionally, they can bring used batteries and fluorescent lamps.

In November 2014, Comarch became a founder member of the Polish Chamber of Commerce for the Protection of the Environment, which associates waste recovery enterprises and enterprises which market packages, products in packages, and electrical and electronic equipment.

Environment

RAW MATERIALS

DESCRIPTION OF APPROACH TO MANAGEMENT

Comarch is an organization belonging to software house type, due to that one cannot refer to the typical use of raw materials/materials. Comarch deals with the development of software and IT systems, using for that purpose the typical materials consumed in day-to-day functioning. As the enterprise is going to develop, and manufacturing of physical electronic devices will be launched, the approach to the use of raw materials/materials is going to change and will be adjusted to the production profile.

At the moment, a small portion of the activities of Comarch Group comprises design and research activity, or small batch manufacturing of electronic devices, using sub-assemblies purchased outside.

The production takes place in the modern facilities of IoT Lab (Internet of Things Laboratory) located in the Kraków Special Economic Zone. For the above production, as well as for research and development work in that respect, minimum amounts of related process materials are used, such as epoxy glues, cyanide acrilate or meta-acrilate adhesives, and derivatives (maximum 1 litre per year), tin (maximum a few kilograms per year), fluxing agents (maximum 1 kilogram a year), IPA cleaning materials and others (a few litres per year), etc. Due to launching the IoT (Internet of Things) laboratory in Kraków, in the first quarter of 2017, the turnover in those substances will be managed in line with the quality control system, in which the company prepares the register of chemical substances.

Due to the fact that Comarch produces equipment and devices from components manufactured by third parties, the company is not capable of analyzing in detail the composition of sub-assemblies used for production, nor can it indicate whether their particular elements have been made of renewable or not renewable materials.

In the production process, paper, cardboard and plastic packaging and protective elements are used.

In the implemented system of environmental management, complying with the requirements of the norm ISO 14001, Comarch identified the environmental aspects which it monitors, supervises, and influences. The following have been identified among the raw materials used: electricity, heat, water, gas and other fuels (petrol and diesel fuel).

ENERGY

DESCRIPTION OF APPROACH TO MANAGEMENT

Reduction of energy consumption

Comarch Group has been continuously monitoring the use of electricity, heat, and fuels in all the areas of its activity, focusing mainly on electricity and heat used in the buildings utilized by Comarch, and the consumption of liquid fuels in vehicles from Comarch fleet.

All the premises of Comarch are modern buildings, equipped with systems for managing heat and electricity. In the premises owned by Comarch (among others: SSE buildings in Kraków, buildings in Warszawa and Łódź) fluorescent lamps have been gradually replaced with lamps produced in LED technology, also more modern and energy-saving equipment has been introduced.

Since 2015, Comarch S.A. has been using environmentally friendly energy provided under the offer of Tauron Eko Biznes, where the electricity purchased has been produced in highly efficient co-generation of electricity and heat, thus reducing the CO2 emission to the atmosphere.

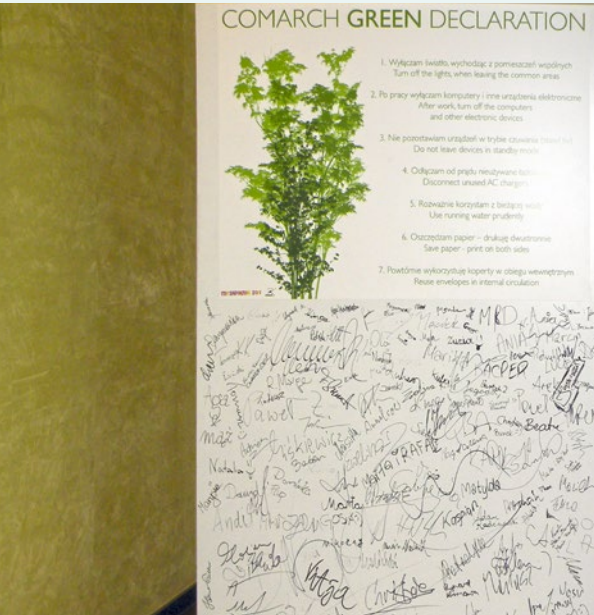


The development dynamics, establishment of long-term cooperation with partners from all over the world, the generation of new jobs resulting from this, entail the necessity of extending the programming centres all over Poland. In March 2016, Comarch S.A. started the investment in the modern office building SSE7, located in the Kraków Special Economic Zone, within the campus of Comarch in prof. Michała Życzkowskiego street in Kraków. The completion of the investment is scheduled for late 2017. The building will comprise an underground garage, ground floor, 4 floors of usable area, and the technical facilities on the roof.

The building has been designed with particular attention paid to ecology. It is planned to obtain the BREEAM Very Good certificate. The building will offer various facilities, such as direct contact with daylight in all work rooms, the possibility of ventilating all offices via windows, plenty of greenery, access via bicycle paths, as well as indoor and outdoor recreation areas. Additionally, because of care for the environment, photovoltaic cells will be installed on the roof, which will partially meet the demand for electricity, with the possibility of selling the surplus of energy produced to the grid.

A distinctive feature are light shelves, designed for the southern and western facades. Those shelves have a double function: on the one hand they protect the window area from the sun, on the other hand they reflect light, providing additional illumination for the offices located at the background. Environmental programmes are prepared every year, they define the aims and measures for reducing the negative environmental impact and enhancing awareness of the staff.

Many employees also signed the voluntary "green declaration", containing the rules whose following helps us take care of the environment. Those rules are so formulated and adjusted to the firm, that they can be followed without problems by Comarch employees:



"Comarch Green Declaration"

1. I turn off the lights when I leave the shared rooms.

2. After work I turn off computers and other electronic devices after work.

3. I do not leave appliances on standby.
4. I disconnect unused chargers.

5. I use a water with much attention.

6. I save paper - duplex printing.

7. I use envelopes several times in internal document exchange.

Energy

Consumption of energy within the organization

Year	Consumption of electricity
2015	15 754 700 kWh
2016	16 399 683 kWh

The consumption of electricity is presented for buildings owned by Comarch, i.e. buildings in the Special Economic Zone (SSE1, SSE2, SSE3, SSE4, SSE5, SSE6), two buildings in Warszawa (located in Puławska and Leśna streets), and buildings in Łódź in Jaracza street. The total energy consumption for those buildings is presented. Electricity consumption in 2016 was 16 399 683 kWh and is by some 4% higher than in 2015. The increase is due to commissioning of SSE6 building, which also comprises a server room.

Year	Consumption of gas
2015	386 044 kg
2016	398 846 kg

Gas consumption is presented for buildings owned by Comarch, i.e. buildings in the Special Economic Zone where gas is used (SSE2, SSE3, SSE4), and two buildings in Warszawa (located in Puławska and Leśna streets). Total gas consumption for those buildings is presented. Gas consumption has been expressed in kg,

using the following coefficient for calculations: 1m3 of gas = 0.75 kg. Gas consumption in 2016 amounted to 398 846 kg and was by some 3% higher than in 2015. This marks a slight increase and may result from the weather in 2016 – lower average temperatures.

Year	Petrol consumption	Diesel fuel consumption
2015	275 934 kg	76 202 kg
2016	287 955 kg	60 855 kg

Petrol and gas consumption is presented for:

- **petrol:** as total consumption of petrol in fleet cars and fuel used in lawn mowers.
- **diesel fuel:** as total consumption of diesel fuel in fleet cars, and fuel used in machines and units.

Fuel consumption is provided in kg, the following coefficients have been used for calculations: 1 litre of petrol = 0.73421 kg, 1 litre of diesel fuel = 0.83752 kg. Petrol consumption in 2016 was 287 955 kg and was higher by 4.4% than in 2015. The increase may be due to increase of the number of fleet cars. Diesel fuel consumption in 2016 was 60 855 kg and was significantly reduced in comparison with 2015. This may be due to the fact that all fleet cars purchased met the EURO6 norm, while the number of fleet cars running on diesel fuel was reduced.

INTENSITY OF ENERGY CONSUMPTION

Year	Energy consumption	Energy consumption/person
2015	92 822 120 MJ	33 389 MJ
2016	96 577 642 MJ	33 086 MJ

For the purpose of calculating the total energy consumption in the organization, the consumption of electricity, gas, and fuels (petrol and diesel fuel) presented above was taken into account. The following coefficients have been used for calculations: 1 kg of gas = 14.75 kWh, 1 kg of petrol = 13.1 kWh, 1 kg of diesel fuel = 12.69 kWh. The total consumption of energy was converted into MJ. The total consumption of energy in 2016 amounted to 96 577 642 MJ and increased by some 4% in comparison with 2015, because of increased consumption of electricity, gas, and petrol. The intensity of energy consumption was also calculated, taking into account the number of staff working in the buildings belonging to Comarch. According to data of 31.12.2016, 2 919 people were employed, which accounted for some 140 people more than in 2015. The energy consumption per person in 2016 was 33 086 MJ, thus it was reduced by 0.9% in comparison with 2015.

COMARCH CAR FLEET

The cars in the fleet have been gradually replaced with vehicles which meet the European requirements concerning flue gas emissions. Comarch Group has been successively modernizing its fleet of cars. In 2015 and 2016, over 100 new cars were purchased, which meet the rigorous EURO6 emission norm. In 2016, also 6 environment friendly hybrid cars were added to Comarch fleet. Consequently, in 2015 and 2016, an appropriate number of older cars, less economical and less environment friendly was replaced. Ecology (fuel consumption, compliance with flue gas emission norms) is a significant criterion for selecting vehicles to Comarch fleet. Additionally, since 2016 Comarch Group employees have been participating in theoretical and practical courses of eco-driving, which stands for economical and ecological driving. 48 employees have participated in them so far.

Emission norms	Cars in Comarch fleet in Poland	
	2015	2016
EURO 6	39,3%	25,53%
EURO 5	47,8%	50,15%
EURO 4 and below	12,9%	24,32%

WATER

DESCRIPTION OF APPROACH TO MANAGEMENT

Water consumption has been subject of continuous monitoring, by using meter data. The measures implemented to minimize water consumption comprise raising the awareness of personnel, such activities include causing faster and more efficient reactions to various failures, including pipe bursts or leaking taps.

Total water intake acc. to source

Year	Water consumption	Water consumption / person
2015	35 163 m³	12.7 m³
2016	38 624 m³	13,2 m³

Interpretation: Water consumption is presented for the buildings located in Poland, owned by Comarch, i.e. buildings in the Special Economic Zone i.e. buildings in the Special Economic Zone (SSE1 – SSE6), two buildings in Warszawa (in Puławska and Leśna streets), and buildings in Łódź (Jaracza street). Total consumption of water for those buildings is reported. In 2016, water consumption was some 9% higher than in 2015. This resulted from the construction works related to the building of Studio S1 production facilities, building SSE6.

EMISSIONS

DESCRIPTION OF APPROACH TO MANAGEMENT

Comarch has been continuously striving to minimize the negative environmental impact. In that respect, since 2012 the emission of equivalent carbon dioxide to the environment has been assessed. For the purpose of the assessment, the methodology applied consists of multiplying the data concerning consumption of energy, water, and fuel, applying suitable emission conversion coefficients. Those conversion factors allow to express the data in carbon dioxide equivalent (CO2e). CO2e is a universal unit of measure, which allows to assess the influence on global warming, which results from the emission of greenhouse gases. Presented below are the estimated values of direct (resulting from organization activity) and indirect (due to all other activities) emissions of carbon dioxide in the base year.

Direct emissions of greenhouse gases

Year	CO ₂ e emission	CO ₂ e emission/ person
2015	2 247,23 MgCO ₂ e	0,78 MgCO ₂ e
2016	2 278,66 MgCO ₂ e	0,81 MgCO ₂ e

For the calculation of direct emission of greenhouse gases, data has been used which concern fuel consumption (petrol and diesel fuel), as well as natural gas, for buildings owned by Comarch. In 2016, also the emission of hydrofluorocarbons (HFC) was added, coming from leakages in cooling and air-conditioning installations. In the calculations, indicators developed by DEFRA – Greenhouse Gas Conversion Factor Repository - for 2016 have been used. Additionally, for the calculation of HFC emissions, data from the analysis of database of the Central Register of Operators has been used. Direct emission of greenhouse gases in 2016 amounted to 2 278.66 Mg CO2e, which means the increase of about 1.4% in comparison with 2015. The increase has been caused by increased employment and more vehicles in the company fleet.

Indirect emissions of greenhouse gases

Year	CO ₂ e emission
2015	12 792,82 MgCO ₂ e
2016	13 316,54 MgCO ₂ e

For the calculation of indirect greenhouse gas emission, data has been used which concern electricity consumption in the buildings owned by Comarch. For the calculations, data presented by the National Centre for Balancing and Managing Emissions (Krajowy Ośrodek Bilansowania i Zarządzania Emisjami) has been used, concerning the reference carbon dioxide emission indicator for the production of electricity, which amounted to 0.812 Mg CO2/MWh.

In 2016, the indirect emission of greenhouse gases amounted to 13 316.54 Mg CO₂e, which accounts for some 4% in comparison with 2015. The increase is due to increased employment and commissioning of the

SSE6 building, where the server room is also located. The indirect carbon dioxide emission results mainly from the technology used for electricity production.

Intensity of greenhouse emissions

Rok	Total emission of greenhouse gases (direct and indirect - total)	CO ₂ e emission/person
2015	15 040,044 MgCO ₂ e	5,41 MgCO ₂ e
2016	15 595,206 MgCO ₂ e	5,34 MgCO ₂ e

In order to calculate the intensity of greenhouse gas emissions, the direct and indirect emissions of greenhouse gases in the organization have been added. In 2016, the total emission of greenhouse gases amounted to 15 595.206 MgCO₂e, which means a 3.7% increase, in comparison with 2015. Also the intensity of greenhouse gas emissions has been calculated, taking

into account the number of employees in buildings owned by Comarch. According to the 31.12.2016 data, the number of employees was 2919, which means the increase by 140 people, in comparison with 2015. In 2016, the emission of greenhouse gases per person amounted to 5.34 Mg CO₂e, thus it was reduced by 1.3% in comparison with 2015.

Reduction of greenhouse gas emissions

In 2016, the activity related to reducing the emission of greenhouse gases was sealing the installations

containing hydrofluorocarbons (HFC). It resulted in reducing the direct emissions of greenhouse gases.

Emissions of substances depleting the ozone layer (SDOL)

In 2016, the installations containing SDOL were decommissioned. Such substances were recovered

and rendered harmless by authorized entities.

Emissions of nitrogen oxides, sulphur oxides and other significant emissions to the air

Year	CH ₄ emission	N ₂ O emission
2015	2,89 MgCH ₄	4,15 MgN ₂ O
2016	4,34 MgCH ₄	3,65 MgN ₂ O

The level of collection of waste/used electric and electronic equipment amounted to 40% of products sold. The minimum recovery rate was 75%. The calculations were made on the basis of the Act of Law of September 11, 2015, on used electric and electronic equipment (Official Journal of Law - Dz. U. – 2015, item 1688). That responsibility rests with the Organizacja Odzysku [Recovery Organization] Biosystem S.A.

The recovery level of packaging used is minimum 61%. The calculations have been made on the basis of the Act of Law of June 13, 2013 on disposal of packaging and packaging waste (uniform text: Official Journal of Law Official Journal of Law - Dz. U. – 2013, item 888, with subsequent changes) That responsibility rests with the Organizacja Odzysku [Recovery Organization] Biosystem S.A.

Investments related to environmental protection

The biggest investment of Comarch Group, which influences the environmental protection is the office building SSE7 in the Kraków Special Economic Zone. The building has been designed with particular attention paid to environment and ecology. Photovoltaic panels having the total power of 64 kW will be installed on the roof of the building. The photovoltaic cells, of which the photovoltaic panels are composed, transform sunlight energy into electricity. This will allow

to partially meet the demand for electricity, with the possibility of selling the surplus of energy produced to the grid, without additional CO₂ emission to the atmosphere. The installation designers assume that it will generate yearly savings in electricity consumption costs of about 34 000 PLN, which entails about 10 years for return of the investment.

In order to reduce the energy intensity level, the SSE7 office building will be also equipped with:

- light shelves that have a double function: on the one hand they protect the window area from the sun, on the other hand they reflect light, providing additional illumination for the offices located at the background,
- Building Management System (BMS) with automatic control: a system that integrates the installations for ventilation, air conditioning, heating, lighting, access control, uninterrupted power supply (UPS), burglar alarm; thus allowing for efficient

and optimal management of the building and utilities.

- The BMS system has already been implemented in the office building of Comarch S.A. in Łódź, commissioned in the first quarter of 2017.
- Additionally, modernization of air-conditioning equipment is going on, and its replacement of that equipment with more environment friendly devices, also the fluorescent lamps have been gradually replaced with lamps produced in LED technology, and more modern and energy-saving equipment has been introduced (EnergyStar).

WASTE

DESCRIPTION OF APPROACH TO MANAGEMENT

Comarch has implemented procedures concerning waste management. Waste is collected in a selective manner, which also prevents its negative environmental impact. As concerns transport and rendering waste harmless, Comarch cooperates only with authorized entities, which have proper technical means for management of the waste received in the manner that is safe for humans and the environment.

Comarch. Such waste, in accordance with the Polish law, is subject to recycling process in installations of firms that collect waste.

Presented below is a table reporting the amount of waste generated and transferred in the years 2015 and 2016. Waste electronics accounts for the highest percentage in the stream of waste generated in

In 2016, besides the waste generated in the main office of the company in Kraków, monitoring also comprised the waste generated in the branch in Katowice (in connection with moving to a new location). Hazardous waste was marked with *, waste mass was expressed in mega-gram. All the companies belonging to Capital Group report the amount of waste generated to the appropriate Marshall Office [Urząd Marszałkowski] every year.

Level of compliance with regulations

Comarch implemented the procedure for identification and access to legal requirements. At least once a year, assessment of compliance with applicable legal requirements and other requirements assumed for use in Comarch is performed. The results of the

assessment procedure are presented in the documentation prepared for the review of integrated management system and submitted to the Management Board

No discrepancies have been identified in Comarch, as regards compliance with the regulations of law or other regulations.

Type of waste	Code of waste	Amount of waste generated and transferred in 2015 (Kraków only)	Amount of waste generated and transferred in 2016 (Kraków and other locations)
Sorbents, filtration materials, wiping cloths (e.g. cloths) and protective clothing other than listed in 15 02 02	15 02 03	0,290 Mg	—
Waste devices containing freons, HCFC, HFC	16 02 11*	0,300 Mg	0,389 Mg
Waste devices containing hazardous parts other than listed in 16 02 09 through 16 02 12	16 02 13*	0,821 Mg	0,352 Mg
Waste devices other than listed in 16 02 09 through 16 02 13 – electronic scrap	16 02 14	8,877 Mg	7,538 Mg
Parts removed from waste devices, other than listed in 16 02 15 – toners from office printing devices	16 02 16	0,1702 Mg	0,185 Mg
Other batteries and rechargeable cells	16 06 05	0,079 Mg	0,047 Mg
Mixture of waste from sand traps and from drainage of oils in separators	13 05 08*	5 m ³	Since 2016, a waste producer (i.e. Separator Service Sp. z o.o) has been keeping record of waste.
Fats and mixture of oils from oil/water separation, containing only edible oils and fats	19 08 09	—	6,692 Mg
Large/bulk size waste	20 03 07	—	0,725 Mg
Mixed waste from construction, repairs, and dismantling, other than listed in 17 09 01, 17 09 02, and 17 09 03	17 09 04	—	2, 090 Mg

SAFETY AND HYGIENE OF WORK

The system for supervision and accident investigations

There are no registered trade unions in the Polish companies of the Group, so there are no formal agreements (local or international ones) with trade unions, concerning the issues of health and safety. Accidents at work are investigated in compliance with the binding regulations: by the Chief Safety and Hygiene of Work Specialist and a representative of employees. The records concerning circumstances and causes of accidents are subject of approval by the Employer. Accident register and documentation pertaining to accidents are kept in archival records. The procedures in case of accidents are described in internal procedures, developed on the basis of binding regulations and good practice of Comarch.

In all its branches Comarch has a group of Rescuers, their total number is about 100. The Rescuers are employees who had been trained in providing first aid, pre-medical care, and procedures in case of evacuation. Every 2 years the Rescuers undergo training to refresh and properly systematize their knowledge, to inform them about possible changes concerning standards of pre-medical care and its provision, as well as of any changes in evacuation procedures. Trainings are also meant to recruit new Rescuers to replace the ones that left. Rescuers have at their disposal the means for providing first aid, as well as instructions concerning pre-medical care. Instructions and checklists have also been prepared which stipulate the evacuation procedures. Rescuers are volunteers.



Comarch SSE6 office building, Kraków



Modern "IoT Lab" laboratory-production hall, Comarch SSE6 office building, Kraków



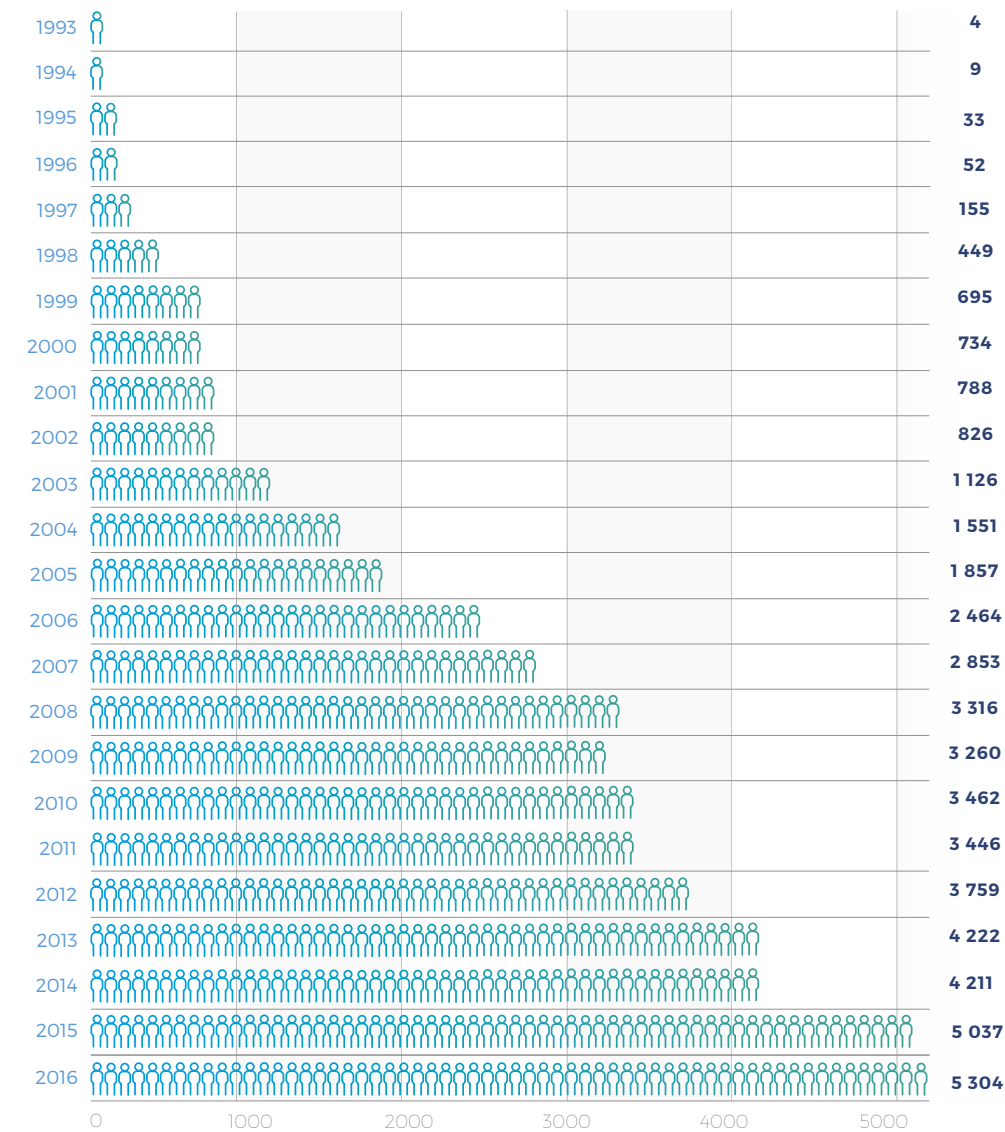
CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

HUMAN CAPITAL

The Comarch Group's dynamic business expansion has been driving the growth of its human resources. In 2016 alone, as many as 267 new employees joined Comarch, mostly after first completing our 14th summer internship program. Each year, approximately 300 students take part in the program, with 70% of them later entering into a long-term employment relationship with the Company and developing their careers there.

In 2016/2017, Comarch also opened its "IoT Lab", a state-of-the-art laboratory with manufacturing facilities, and a new data storage and processing center on its campus in the Czyżyny Special Economic Zone, Kraków, Poland. Development of our own infrastructure will allow Comarch to create more than 400 jobs across the Internet of Things, healthcare IT solutions and data analytics sectors.



INTERNSHIP PROGRAM

In 2016, the company held the 14th edition of its summer internship program, designed as a launchpad for a career in the IT industry for students of IT and other, related disciplines. Once again, more than 300 people were given an opportunity to develop their programming skills under the watchful eye of Comarch experts. Having completed a three-month paid internship, 70% of them signed long-term contracts with the Company. Just as the previous editions, the 2016 program enjoyed immense popularity—out of a total of more than 3 300 applicants, 2 611 were invited to take qualification tests. Internship positions were offered by 10 of the Comarch branches across Poland, with selected students able to choose one of three internship profiles—programming, system engineering or embedded. What really makes the Comarch internship program stand out is that our student interns work on actual business projects instead of merely solving mock learning-aid tasks. Each year, many of our employees assume the roles of internship group tutors and coordinators helping students in taking their first steps on the path to becoming programmers.

– The Comarch internship program presents a great opportunity to test and extend the knowledge you have gained at university. Besides enabling students to apply their technical skills in practice, we also create an environment where they can develop their soft competences, learning how to establish relationships and work as part of a team. They are encouraged to present their own solutions and opinions. Before effectively

joining the Comarch team, they are inducted into our work environment through a series of training sessions, including one dedicated to workplace policies and guidelines. Our commitment to building a positive and friendly work atmosphere is reflected in the program statistics, i.e. most interns stay with the company for a long time following their internship. Comarch's efforts in this area have been recognized by the Polish Agency for Enterprise Development (PARP). In 2016, we were awarded the Employer of Tomorrow prize for the measures we had been taking to help young employees gain professional competences sought by employers – says Radosław Chłodowicz, Employer Branding Manager.

COMPETENCY ACADEMY

Comarch has also been successfully helping students of economics and other related fields take the first steps in their professional careers. To that end, the company, in partnership with the Kraków University of Economics, has already held five editions of the Comarch Competency Academy, a project designed to teach students know-how and practical business skills in various areas, including IT project management, investment portfolio management, and innovative IT systems for enterprise management. Its participants attend regular workshops delivered by Comarch professionals at the company's headquarters. The workshops are focused on practical learning, and most Academy graduates are given an opportunity to join Comarch, e.g. by taking part in the paid summer internship program.



INDUSTRIAL DESIGN
– INTERNSHIP FOR DESIGNERS

Seeking a fusion of design and state-of-the-art technologies, Comarch has partnered with the Kraków Academy of Fine Arts. Under an EU-funded project, we jointly invite fine arts students and graduates to take part in our summer internship program and offer them opportunities to work in the areas of UX, 3D design or industrial design. The Industrial Design internship program is set to continue in 2017.

HR TOOLS AND PROCESSES

The dynamic growth of human resources has committed Comarch to continuously enhance its business processes so that they enable the optimum professional development of its workforce.

HR TOOLS



Induction of new employees
(First Step program, individual guidance for new staff)



Building career paths – 13 career development profiles



Internal recruitment opportunities





Tailor-made periodic appraisal interviews, including employee self-assessment (attended by over 90% our workforce), provide employees with an opportunity to share their perspective with their managers




Individual employee development plans, including training schedules, with some training held at Comarch's dedicated training center




Improving the management's competences through training (Comarch Management Academy), discussion panels, development center, individual consultations with HR partners, guidance for new managers, and continuous efforts to enhance the quality of human resources management




Established in
1906

ONE
OF POLAND'S OLDEST SPORTS
CLUBS




5 - time
champions
of Poland




12 - time
champions
of Poland

16 years of sponsorship by **COMARCH**




**Cracovia Kids
and
Cracovia Akademia**



2016
debuted in the
Champions Hockey
League

TRADITION AND VALUES

- Cherish tradition and shape your own future
- Embrace fair play and always pursue victory
- Show true emotions every day
- Learn what really matters in life

CRACOVIA 

SPORTS AND HEALTHY LIFESTYLE

For almost 20 years, Comarch has been actively promoting sports among young people and other residents of the Kraków region, mainly through sponsorship of the MKS Cracovia sports club. Company employees are also encouraged to lead an active and healthy lifestyle.

CRACOVIA

Saint John Paul II, a lifelong fan of MKS Cracovia, used to refer to the club as "my dear Cracovia". Comarch has been sponsoring the club for 16 years (since 2001). Cracovia is Poland's oldest continuously-run association football club. Its history, spanning more than 100 years, makes it a legend of Polish soccer, and thanks to Comarch it has regained its position as a strong Polish sports brand. According to a report by E&Y, with its high and diversified revenues, good liquidity, and properly balanced budget, Cracovia has been one of the best managed Polish clubs in recent years. What is also important, it has maintained a reputation as a reliable and solvent employer, a quality shared by too few of the soccer clubs in the country. Comarch has an ownership interest of 66.11% in MKS Cracovia SSA, which is a guarantee of the club's stable position.

The Cracovia soccer team has won five Polish league titles, while the Comarch Cracovia ice hockey team can boast as many as 12 such accolades, the last one earned in the 2016/2017 season. Thanks to its 2015/2016 triumph in the national league, Cracovia became the first Polish ice hockey team admitted to the Champions Hockey League, an elite tournament for the best European clubs. It debuted in mid-August 2016

in matches against HC Sparta Prague and Färjestad BK. Although Cracovia's 110-year-old history has been marked by great triumph and success, including numerous Polish league titles, there is more. It is also a history of generations committed to fair play, respecting one's competitors, and good sportsmanship values, i.e. dedication, ambition and discipline. In line with its distinguished tradition of youth training, the "Stripes", as Cracovia is often referred to by its fans, have been promoting the Cracovia Champions Academy and Cracovia Kids projects.

Comarch employees and their families can cheer their team during matches played in Kraków.

- Cracovia is unique as a club. Not because we've invested in it, but because it's the oldest sports institution in Poland. It's been run continuously since 1906. Kraków itself is unique too. I'm not saying this because of my personal attachment. It's one of the few Polish cities whose populations weren't displaced in the course of the two world wars. There are people in Kraków whose grandparents or great grandparents used to watch Cracovia games and shared that passion with their children and grandchildren, who today live it too, together with their own children. Regardless of the club's position in the football or ice hockey standings, this tradition continues to be handed down from generation to generation. That's value. Kraków would never forgive us if Comarch exited this investment, so it's not an option for us. Cracovia is a value in itself. We treasure that, as Comarch is headquartered in Kraków. The city's residents and our employees expect us to make a more meaningful contribution to the community than through merely creating jobs - says Professor Janusz Filipiak, Comarch founder..



2016/2017 Polish Ice Hockey Championship, final match between GKS Tychy and Comarch Cracovia

AKTYWNY COMARCH

The program of our annual open-air event for Comarch employees and their families includes a number of sports competitions. Intense rivalry in the Comarch World Cup, the Volleyball Tournament and the President's Run generates considerable excitement each year. Sports activities are also a regular part of a lot of our team building events.

Comarch employees are also encouraged to take part in third-party sports events. Money raised through most of them is donated to charity.

In 2016, the company was represented in more than a dozen such competitions, including the Cracovia Marathon, the Three Mounds Run, 4RestRun, the Lublin IT Football Championship, the Szpot Swarzędz Run, the Color Run, the Philips Piła Half-marathon, the Lechites Run, the Poznań Marathon, the Bike Challenge, the National Independence Run, the Warsaw Uprising Run, the Biegnij Warszawo Run, the IT Run, and the Firefly Run.

The last year also saw Comarch's first dragon boat racing team taking up training on the Vistula River by Wawel Hill in Kraków, and finishing as the runner-up in the Amateur Polish Dragon Boat Racing Championship held in our city.



Comarch Team – 2016 Three Mounds Run



Comarch Team, Polish Dragon Boat Racing Championship



RUNNING



DRAGON BOATS



SWIMMING



GYM
SAUNA



BICYCLE
RACING



VOLLEYBALL



ICE RINK



PARTICIPATION
IN MORE THAN
20 EVENTS



SOCCER

The summer of 2016 was the second time that Comarch employees had an opportunity to rise to the training challenges of the ComarchONbike and ComarchONrun trials. For three months, employees could take part in sports contests, each month being challenged to a different trial.

Their goal was to promote outdoor activity and regular training, as well as to stimulate creativity and a spirit of competition among our employees. The initiative enjoyed considerable popularity and generated positive feedback from employees, which is why it is continued in 2017.

COMARCH
ONbike

▶ May trial: Comarch employees took part in a total 954 cycling training sessions in one month alone!

▶ June trial: statistically, each of the active competitors cycled a distance of 266 km throughout the month, with the leader having covered 1 433 km!

▶ July trial: All our cyclists together covered a total distance of 31 400 km. If they had been taking part in a cycling relay, they could have cycled around Poland nearly... nine times!

COMARCH
ONrun

▶ May trial: our runners together covered a distance of 165 marathons. Statistically, each of them ran 1.5 marathons.

▶ June trial: if the runners had been taking part in a relay race, its track would have been equal to the distance between San Francisco, on the U.S. West Coast, and New York, on the U.S. East Coast (4 700 km).

▶ July trial: if our athletes had been running along a relay race track, they would together have covered a distance equal to the length of the Amazon, the world's longest river (7 200 km)

BIKING TO WORK

Comarch employees are also encouraged to commute to work by bike. They can use dedicated bicycle infrastructure and take part in regular cycling-related events.

During the annual Bicycle Breakfast, those who ride a bike to work on that day receive healthy snacks.



Bicycle Breakfast,
Comarch Kraków Headquarters

In all Comarch branches across Poland, cyclists received approximately 500 breakfast packs and could learn how to increase their safety when riding in traffic after dark. The educational part of the project was also addressed to drivers, who received a pocket guide on best practices to follow when they see cyclists in traffic.

SPORTS SPONSORSHIP
BEYOND POLAND

Comarch appreciates the hard work and effort that athletes put into their training, which is why it has extended its sponsorship to new sports clubs. Since 2015, it has been the main sponsor of the Swiss Zug 98 Soccer Club. It has also been supporting the rugby team of the Arquitectura Sports Club, run by the Faculty of Architecture of the Technical University of Madrid.

COLLABORATION WITH UNIVERSITIES

Since its establishment, the Company has been working together with schools, colleges, universities, and other education centers, including AGH University of Science and Technology, Wrocław University of Science and Technology, Silesian University of

Technology, Jagiellonian University in Kraków, and Kraków University of Economics. Our employees contribute their expertise to various projects, contests, workshops, and symposiums. Acting at grass roots level in all of our branches, they set up initiatives which entail dedicating their own time to students during specialist courses or one-time events.

DEDICATED BICYCLE FACILITIES



Free bicycle repair service
for employees – 350
bicycles repaired



Educational events



Shower facilities
in almost all Comarch
buildings



New bicycle racks



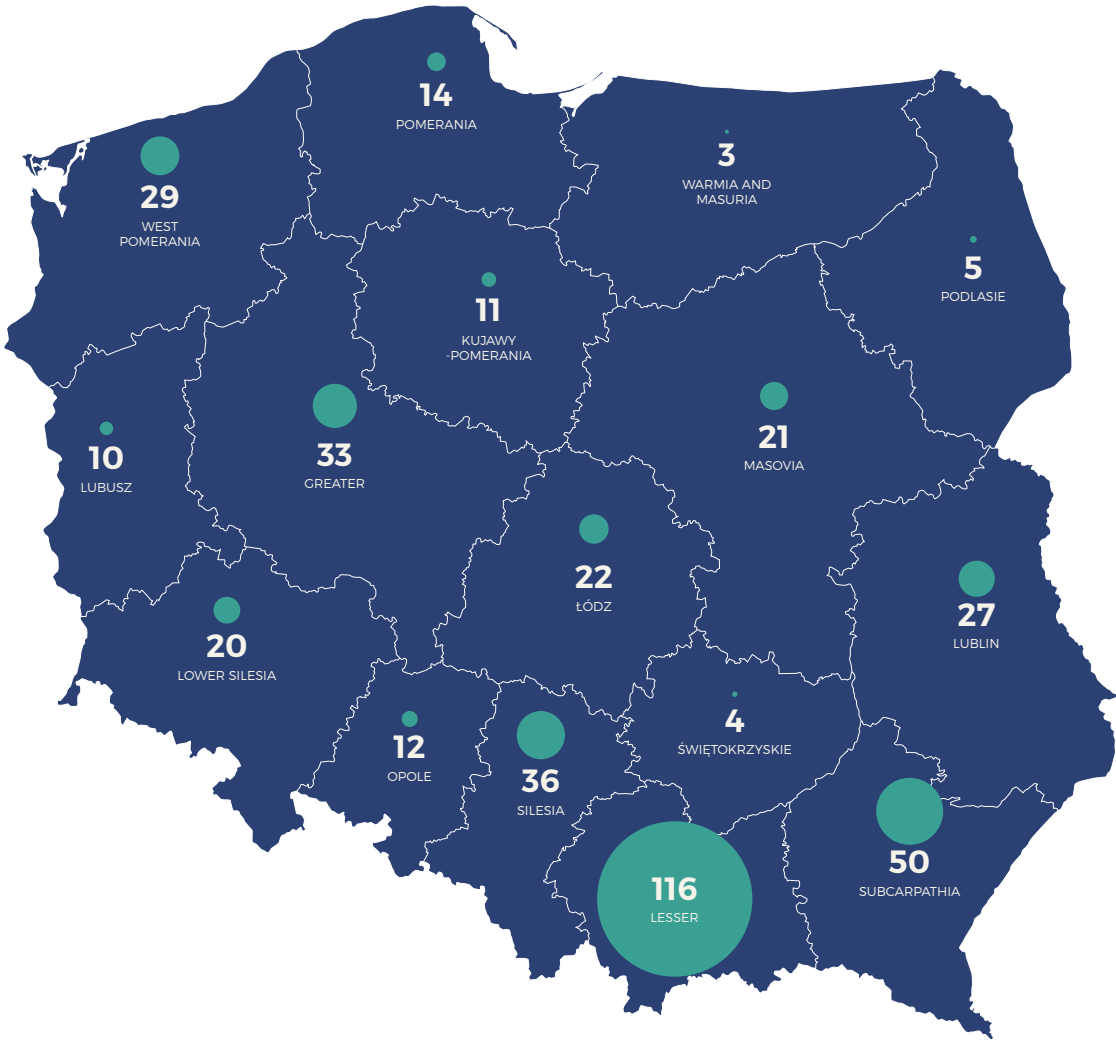
Bicycle shelters
(some roofed)



Self-service repair stations
for employees



Drying



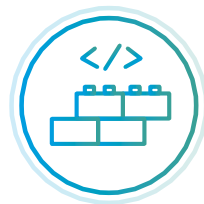
Student editions of Comarch systems shared with universities – by province

PROMOTION OF SCIENCE

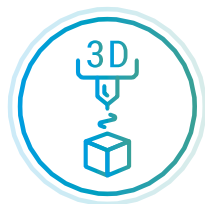
In 2016, Comarch helped organize the Małopolska Researchers' Night for the second time. Over the years, the Night has become one of the best recognized popular science events in the Kraków Region,

its main idea being to show visitors that researchers' work on new technologies is absolutely gripping.

Comarch employees who engaged in organizing the event on the premises of the Kraków Special Economic Zone set up attractions for all age groups.



Lego brick programming lessons



3D printing



Humanoid robot



Realm of chemical experiments



First aid workshop



Lecture on online safety



Presentation of state-of-the-art telemedicine solutions

PROMOTION OF CULTURE

For a few years now, the Company has been sponsoring various artistic events. In 2016, Comarch was the main partner of St. Mary's Organ Music Festival for the second time. The festival comprised eight concerts performed between 2nd of August and 20th of September, by some of the most renowned names in the world of organ music. Its main aim was to promote organ music among both professional musicians and amateur music lovers alike.

Last year, Comarch also once again sponsored the Last Night of the Proms, an event which is inherent part of Kraków's cultural life. Its inception was inspired by the UK's most important annual classical music event – The Proms, which is a series of classical music promenade concerts.

In September, Comarch sponsored the Art of the Future Foundation's Nowa Huta Alternative Festival, with performers including that researchers' work on new technologies is absolutely gripping.

Comarch employees who engaged in organizing the event on the premises of the Kraków Special

Economic Zone set up attractions for all age groups. Kazik Staszewski accompanied by Kwartet Proforma, Wu-Hae, Piotr Wróbel, Stonerror, Five Stitches, Natty Dead, Doomsday, and the winners of an amateur music band contest.

Cultural events often serve charitable purposes. In 2016, Comarch not only sponsored a charity concert for Bohdan Smoleń, a legendary Polish comedian, but also donated items for sale at a related fundraising auction.



"Kraków artists for Smoleń" – a charity concert for Bohdan Smoleń

SUPPORT FOR THE POLISH MUSEUM IN RAPPERSWIL

Comarch is going to financially support the Polish Museum in Rapperswil, Switzerland. It is one of the oldest Polish institutions of its kind, boasting a vast collection of paintings, medals, ancient maps, sculpture and militaria related to Polish culture and history.

Founded 140 years ago by count Władysław Plater, the Museum is located in the historical 13th-century Rapperswil Castle. It played an important role in the cultural life of Polish émigrés and in the activities of the Polish national independence movement.



Rapperswil, Switzerland

– We are very happy to have received financial support from Comarch, a Polish company with global operations and a strong financial position. The company's support reflects its attachment to the shared history of Poland and Switzerland – says Anna Buchmann, Director of the Museum.

The castle rooms house numerous cultural treasures, including religious items, historical paintings, and historical documents

– I recommend, to the Swiss, to people coming from neighboring countries, and particularly to Poles, visiting the Museum and experiencing the centuries-old Polish culture and history in the ancient atmosphere of the castle. Our intention is to establish along-term partnership and collaboration with the Museum. We will try to support it also by promoting it in Poland and among Polish people living in countries where Comarch operate – says Professor Janusz Filipiak, Comarch's founder and CEO.

The Polish Museum in Rapperswil, located by Lake Zurich, is a successor of the Polish National Museum,

founded in 1870 by Polish émigrés. Its permanent exhibition comprises paintings by Polish artists, including members of the Munich School, 18th-century miniatures, snuffboxes with Polish cavalry motifs, memorabilia of the life of Maria Skłodowska-Curie, Ignacy Paderewski and Fryderyk Chopin, and antique prints. The collection also contains paintings by Józef Brandt, Józef Chełmoński, Teodor Axentowicz and Jacek Malczewski, as well as medals, antique maps, sculpture, militaria, and memorabilia, including some connected with soldiers of the 2nd Polish Infantry Riflemen Division, interned in Switzerland during the Second World War.

FOR THE YOUNGEST ONES

Comarch-owned Cracovia has been actively engaged in helping the young. Both soccer and ice hockey players not only get involved in various events in person, but also encourage their fans to do the same.

Teddy Bear Toss is a popular, globally held ice hockey event. In 2016, Cracovia brought it to Kraków once again. Hundreds of teddy bears tossed onto the rink during matches played by the "Stripes" were handed by the players to the patients of the University Children's Hospital in Kraków and children from foster homes.

Cracovia players visit the hospital not only to donate collected gifts to patients, but also to spend time with them, e.g. during Easter egg painting workshops.



Comarch Cracovia is actively involved in charitable projects

2016 saw the third Clean Angel initiative, consisting of a charitable collection of cleaning products for children from underprivileged Kraków families. On the anniversary of the death of Saint John Paul II, who was closely associated with the club, Cracovia organized collections of food and cleaning products for foster family homes in Chrzanów and Dursztyn, which bear the name of the club's distinguished supporter.

The I'm Playing for You initiative was also continued. In each league game, a different player of the "Stripes" wore a special shirt with the names of patients from the Kraków Children's Hospice. After the game, the shirt was signed by the entire team and then auctioned to raise funds for the Hospice.

The club also eagerly supports charitable projects organized by others, including the Great Orchestra of Christmas Charity, to which it donates t-shirts, balls, scarves and calendars for fundraising auctions. Players also visit school children during PE classes and give free skating lessons on the Kraków ice rink during skating nights.

HELPING PETS

Comarch employees are involved in annual charitable events dedicated to animals. In 2016, we once again held collections for animal shelters and animal welfare charities at our Kraków headquarters and several branches throughout Poland. We managed to help as many as 10 organizations.

PLANTING KRAKÓW

Comarch employees and their family members planted 300 yews around one of the traffic circles in Kraków. The event was organized together with the Municipal Park and Plant Administration, and will be repeated in the future.



Planting yews around a traffic circle in Kraków

GRANT CONTEST

In 2016, Comarch held two editions of the #ComarchCares grant contest, where teams of our employees partnered with third-party institutions and submitted projects aimed at supporting local communities and stimulating their development in one of the following areas:

- New technologies
- Environmental protection
- Culture
- Education
- Sports
- Addiction prevention
- Promoting the welfare of the disabled, youngsters from underprivileged families, and seniors

The winners were awarded grants of PLN 2 500 each for implementing their projects. In 2016, the contest was held in spring and in autumn, with a total of three employee teams receiving grants.



Sailing camp for children from a day care center – #ComarchCares grant contest

IMPLEMENTED PROJECTS

Project #1:

Sailing camp for children from a day care center

The project was implemented in partnership with the You Can voluntary organization, which is dedicated to helping people from underprivileged families who have to cope with various problems. For many of them, the camp was the only opportunity to enjoy a summer vacation.

Sailing is a sport which teaches teamwork and stimulates physical, social and cognitive development. The project was aimed at preventing social exclusion and addiction, as well as improving the emotional and social functioning of the participants.

By being active and fulfilling demanding tasks, they learned the meaning of responsibility, thus also building their self-esteem. The youngsters were encouraged to take part in various activities, including swimming, sailing, sightseeing, socio-therapeutic workshops, and outdoor games.

Projekt #2:

Disabled youngsters' visit to an agrotourism farm

The project was implemented in partnership with the Special School and Educational Center No. 2 in Lublin, which provides care and education for disabled children and teenagers. During their visit, the participants had an opportunity to learn about farming machinery, to see different animals, including reindeer, Scottish and Hungarian cattle, llamas, mouflon, emu, storks, sheep, and goats, and to take part in group games and contests.

Many of the pupils came from underprivileged families. By taking part in the project, youngsters with intellectual disabilities could acquire new social skills and competences required in environments other than school. Projects of this kind are also valuable as they contribute to shifting the social perception of people with intellectual disabilities.

Project #3:

Programming workshop for school children from a small community

The project was implemented in partnership with the Nicolaus Copernicus School and Kindergarten in Nidek. An mBot programming workshop using the Scratch language was delivered to second graders by Comarch employees during the winter break. Before the workshop, the pupils helped organize a Christmas fair.

Part of the funds raised were allocated to buying new accessories for the robots. Participation in the fair allowed the children to realize the importance of a personal contribution in achieving goals.

The workshop also included a rehabilitation component delivered by an oligophrenopedagogy-qualified teacher to an autistic pupil. The component was aimed at enhancing the boy's cognitive skills and strengthening his position in his peer group.

COMMITMENT TO SENIORS

2016 was another year in a row in which Comarch Healthcare and the iMed24 Medical Center took part in senior activation projects. The company focused on promoting technological solutions for the elderly (telecare) and teaching seniors how to operate modern medical devices. Representatives of Kraków senior activation centers established by Dr Anna Okońska-Walkowicz, the Senior Policy Adviser to the Mayor of Kraków, tested Life Bracelets and NoMED-AF vests, which are Comarch Healthcare medical devices dedicated to senior care.

Comarch Healthcare and iMed24 also held several local conferences aimed at raising awareness of the digital exclusion of senior citizens.



Kraków seniors learning about telemedicine at a conference held by Comarch Healthcare

AWARDS AND RANKINGS

AWARDS AND RANKINGS

Comarch was the winner of the ranking **Index of Polish Business Patriotism** for the second time in a row. The company was honored by the daily newspaper *Rzeczpospolita* for consistently pursuing a long-standing strategy of patriotism. It consists of honestly paid taxes, creating new jobs, dynamic development of sales in Poland and abroad, expenditures on research and development and charity. It was also valued for pro-social activities or support for NGOs.

In the **TOP 200 Computerworld** ranking edition **Comarch was the leader in the following categories: company with the highest headcount growth and the largest provider of mobile applications.** Comarch was also the winner in the competition among of IT providers for responsible development.

Comarch was presented with **the Polish Company – International Champion Award**. The organizers awarded the Kraków company in the category of Exporter: Polish Private Company – Large Corporations. The contest is a joint initiative of consultancy firm PwC and the *Puls Biznesu* daily newspaper. The purpose of the contest is to reward Polish businesses that have attained major successes on foreign markets, thus contributing not only to their own development, but are also driving forces behind the growth of the entire economy.

Comarch is one of the companies that most effectively exploit the potential of Łódź scientists. **The Marshal of the Łódź Region** granted the company a statuette for the promotion of "good practices" in the field of joint science and business projects.

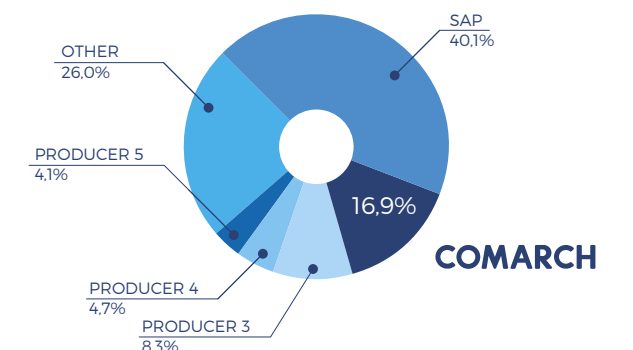


For the fourth time, the Polish Agency for Enterprise Development (PARP) presented the title of the Employer of Tomorrow to entrepreneurs who successfully implement educational undertakings focused on people who are preparing themselves to enter the labor market. **The judges named Comarch as one of the laureates**

Comarch was named one of the winners in the competition organized by **Embassy of the Republic of Poland in Rome**. The Company received the Centaur awards for exports to Italy in the category of high technology and innovation.



For another year in a row, Comarch was awarded the title of **Perta Polskiej Gospodarki**. The contest is organized by the editors of the Polish Market magazine and SGH Warsaw School of Economics.



Comarch's ERP position on the Polish market in the report "The Enterprise Application Software Market in Poland: 2016–2020 Forecasts and 2015 Vendor Shares".

Comarch was named one of the winners in the first edition of the competition organized by the weekly magazine "Wprost". Comarch received the Eagle of "Wprost 2016". The prize was awarded in the category of "The company with the largest average net profit in 2012-2014".

According to the latest **IDC report, the Enterprise Application Software Market in Poland: 2016-2020 Forecasts and 2015 Vendor Shares Comarch, for the next consecutive year, has strengthened its leadership position among Polish ERP vendors.**

Moreover, the company took second place in general classification, taking into account both Polish and foreign companies. Comarch was also been a leader in the small and medium-sized business segment, with a 50% market share and maintained a leading position in the number of newly acquired customers during the year.

Comarch was named **Entrepreneurial Company of the Year in the Telecommunications Network Solutions and Services Market in Latin America** by Frost & Sullivan, international experts in market research across multiple sectors and geographical areas. Thanks to successful cooperation with telecom companies across Latin America, Comarch is recognized as an important partner in network transformations in the region.

Comarch won recognition from Informa **for the Best OSS Transformation Project in Latin America**. The title was awarded to Comarch, based on the company's

COMARCH IN RESEARCH AND ANALYTICS REPORTS

Comarch has been included in the latest Gartner reports. The company is mentioned in both **the Magic Quadrant for Integrated Revenue and Customer Management for CPSs and the Magic Quadrant for Operations Support Systems**, noted for its product portfolio combining a full range of out of the box functionalities with easy customization to meet clients' individual requirements.

A Celent report titled 'European Wealth Management Technology Vendors: Evaluating Front-to-Back Office Platform Vendors' indicates **Comarch as one of the recommended European software and IT specialists catering to the financial industry**.

Comarch was named a Strong Performer in Customer Loyalty Solutions by Forrester in The Forrester Wave™: Customer Loyalty Solutions For Large Organizations, Q1 2016 evaluation. Comarch received its highest scores for loyalty management, pricing structure and average deal size. In the latter two cases, this was also the maximum score possible.

extensive cooperation within the Telefónica Group in the Latin American countries.

In the **ITwiz Best 100 ranking**, Comarch was recognized by as the company with the highest sales of data center services, the largest sales of ERP systems and the largest sales of mobile applications, web and Internet portals in Poland in 2015. Comarch was also among the top five largest IT exporters.

Comarch was awarded, in the sixteenth edition of the **"Przyjaciół sportu"** ("**Friend of Sports**") contest. This prestigious prize is rewarded to people and companies working on the development and promotion of sport in Kraków. Comarch received the title for the highest financial contribution to the development of physical culture, for the assistance given to athletes or sports organizations working in the Kraków area and consequently growth of Cracovia sport club.

TPx Vendor Panorama 2016, published by the Promotion Optimization Institute, is yet another report in which **Comarch, as the only Polish IT company, is among the leading suppliers of TPM/TPO technology**. The ranking is aimed at assisting manufacturers of consumer goods while choosing a solution best tailored to their needs.

The Forrester report titled Choose the Right Mobile Solution **highlights Comarch as one of the top IT providers rising to the development challenges faced by mobile insurance teams**.

The report is a periodical update on technology solutions for the insurance industry, being part of a wider publication ('The Mobile Insurance Strategy Playbook') which provides digital insurance professionals with hints and tips on how to hone their mobile strategies.

Comarch is the only Polish company in the Gartner report Market Guide for Integration Brokerage. Their analysts note Comarch's continuous growth with integration brokerage businesses and dynamic expansion.

AWARDS FOR COMARCH EMPLOYEES

Poland's President Andrzej Duda recognized Professor Janusz Filipiak, founder and President of the Board of Comarch for his service to Polish business, by awarding him an Individual prize.

The President handed the award to Professor Filipiak during Congress 590, which took place on November 17, 2016 in Rzeszów. The President emphasized Professor Filipiak's scientific achievements and academic work, and his contribution to the development of Polish business. "The President particularly congratulated Professor Filipiak as an individual award winner, emphasizing that there is no doubt that he is one of his brightest characters in Polish business.

The Małopolska Economic Council and the Executive Board of Małopolskie Voivodeship Voivodeship recognized Professor Janusz Filipiak's special achievements related to the economic development of the Małopolska Region and building an image of the voivodeship as an innovative and modern region, awarding him with a special prize.

Konrad Tarański, Vice President and CFO of Comarch, was noted in the **"CFO of the Year 2016"** report that highlighted 10 personalities from the world of finance who have had an undeniable impact on the functioning of their companies. The report was published by the newspaper "Gazeta Finansowa"



President Andrzej Duda (left), congratulates Professor Janusz Filipiak.

Photo Krzysztof Sitkowski / KPRP.

GRI G4 INDEX

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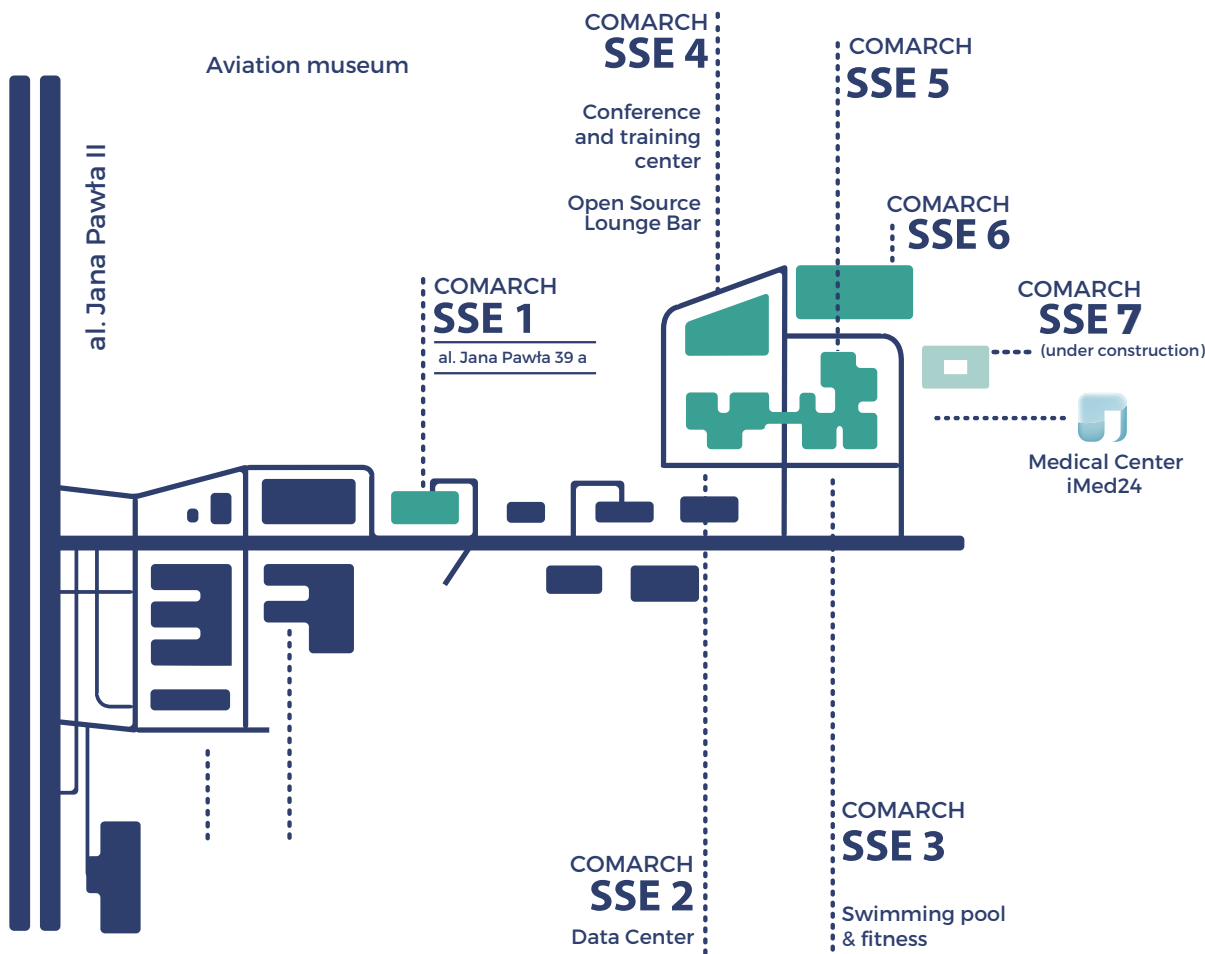
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