

## Comarch S.A. Supervisory Board Report 2021

In 2021, there were the following members of the Supervisory Board:

- Elżbieta Filipiak – Chairman,
- Andrzej Pach - Vice-Chairman,
- Danuta Drobniak – Member,
- Łukasz Kalinowski - Member,
- Joanna Krasodomska - Member,
- Anna Pruska – Member,
- \*Tadeusz Włudyka – Member of the Board until 24<sup>th</sup> of June, 2021 .

*\*On 24<sup>th</sup> of June, 2021 the Ordinary General Meeting of the Company adopted Resolution No. 24 on dismissal of the supervisory person. Mr. Tadeusz Włudyka, was dismissed from the function of a Member of the Supervisory Board of Comarch S.A. as of 24<sup>th</sup> of June, 2021 at his request.*

The Supervisory Board sat 6 times in 2021 (11<sup>th</sup> of March, 27<sup>th</sup> of April, 10<sup>th</sup> of May, 18<sup>th</sup> of May, 6<sup>th</sup> of September and 29<sup>th</sup> of November). Additionally, the Audit Committee sat on 27<sup>th</sup> of April, 18<sup>th</sup> of May, 27<sup>th</sup> of August and 15<sup>th</sup> of December.

The major subjects addressed by the Supervisory Board at the sittings were:

- 1) monitoring and analysis of the financial condition and organization at the company and Comarch Group,
- 2) assessment of the Management Board's progress in implementing the company's strategy,
- 3) assignation of business purposes for members of the Management Board and assessment of their implementation,
- 4) acquaintance with activities of the selected business sectors at the company and Group,
- 5) risk analysis and assessment for the company's and Group's operations,
- 6) supervision of the internal system control, risk management and compliance systems and the internal audit function in the Company and Group,
- 7) formal-legal issues,
- 8) assessment and approving the financial statements of the Company and Group,
- 9) assessment of the rationality of expenses referred to sponsorship and charity,
- 10) reporting of non-financial data.

The Supervisory Board's detailed scope of activities and the resolution considered in 2021 are set out in detail in the records from its sittings, which are to be found at the Company's headquarters in Krakow.

In connection with detailed principle no. II.Z.11. arising from the second part of the "Best Practice for WSE Listed Companies 2016", with the resolution 10/05/2021 of the 18<sup>th</sup> of May, 2021 the Supervisory Board of Comarch S.A. recorded a positive verdict with respect to the draft resolutions of the Annual General Shareholders' Meeting which took place on the 24<sup>th</sup> of June, 2021.

In line with detailed principle no. II.Z.1.14 arising from the first part of the “Best Practice for WSE Listed Companies 2016”, Comarch S.A.’s ‘Supervisory Board Report and Company’s Assessment regarding 2020” was published at [www.comarch.pl](http://www.comarch.pl) (English version at [www.comarch.com](http://www.comarch.com)). It included information on the work of its committees and an assessment of the company’s situation with regard to an appraisal of the internal controlling and risk management systems vital to the company. The Supervisory Board assessed if there are relationships or circumstances, that may influence on the independence of a particular member of the Supervisory Board and the Supervisory Board decided, that at least two members of the Supervisory Board meets the independence criteria set out in the principle number 2.3. of the “Best Practice for WSE Listed Companies 2021”.

With reference to the scope of the report, the Supervisory Board monitored the current performance of the company and, gave its expert opinion concerning Comarch S.A.’s planned operations and those already in progress. In particular, the Supervisory Board reviewed the quarterly, six-monthly and annual (consolidated) financial statements of Comarch S.A. and the Comarch Group. With the publication of each of the financial reports there followed a sitting of the Supervisory Board. At these meetings the Board analysed the scope, rectitude, correctness and transparency of the data (including the financial data) presented by the company. The Supervisory Board learned in detail of financial situation of the particular company’s business sectors. In this respect, the company’s Management Board and authorized employees provided the Supervisory Board with access to documents and other information sources, prepared the necessary presentations for the Supervisory Board and were forthcoming with essential explanations and clarifications regarding the company’s financial situation, activities undertaken by the company. The Supervisory Board had a meeting with representatives of the entity entitled to audit and review the (consolidated) financial statements of Comarch S.A. and the Comarch Capital Group. The Supervisory Board learned of the Company’s organizational structure, the internal control, risk management and compliance systems and the internal audit function and made a recommendation in relation to its improvement.

It is the opinion of the Supervisory Board that the accounting methods adopted by the Company and the Capital Group have been applied in accordance with the provisions of the law. It is the opinion of the Supervisory Board that cooperation with the Management Board of Comarch S.A. has been entirely successful and the Management Board has presented the necessary information correctly, clearly and with rectitude.

In 2021, BDO Sp. z o.o. Sp. k. was the entity authorized to audit and review the financial statements of the company. The resolution of the Supervisory Board regarding selection of an auditor to provide auditing services for Comarch S.A.’s financial statements for 2019, 2020 and 2021 was concluded on the 27<sup>th</sup> of May, 2019. It is the opinion of the Supervisory Board that the entity authorized to audit and review the financial statements of Comarch S.A. and the Comarch Capital Group was selected within the terms of the prevailing law, and that the statutory auditors conducting them met the conditions required for expressing an unbiased and independent opinion in compliance with Polish law.

According to the Supervisory Board, the composition and diversity of the competence of the members of the Supervisory Board allow to effective and proper supervision of all

areas of the company's operations. The members of Supervisory Board are diverse both in terms of gender, age and education. They all have the knowledge and skills backed by years of professional experience. Three members of the Supervisory Board meets the independence criteria set out in the principle number 2.3. of the "Best Practice for WSE Listed Companies 2021".

The Supervisory Board of Comarch S.A. assesses its work in 2021 as effective. Members of the Board fulfilled their duties with commitment, participating in most cases, at full strength in its meetings.

The Audit Committee (the equivalent of the Audit Committee within the meaning of Annex I to the Commission Recommendation of 15<sup>th</sup> of February, 2005 related to the non-executive directors (...)) operates in accordance with the Regulations of the Audit Committee of the Supervisory Board of Comarch S.A. adopted on 27<sup>th</sup> of November, 2017 with Resolution No. 2/11/2017 of the Audit Committee of Comarch S.A. and approved by the Supervisory Board. These Regulations of the Audit Committee of the Supervisory Board of Comarch S.A. were changed by a resolution of the Supervisory Board of Comarch S.A. no. 12/05/2020 of the 26<sup>th</sup> of May, 2020. From 1<sup>st</sup> of January, 2021 to 31<sup>st</sup> of December, 2021, the Audit Committee consisted of: Joanna Krasodomska as Chairman of the Audit Committee, Danuta Drobniak as a member of the Audit Committee and Andrzej Pach as a member of the Audit Committee.

According to information possessed by the Company, two members of the Audit Committee fulfil independency conditions (Mrs. Joanna Krasodomska and Mr. Andrzej Pach).

Knowledge of accounting or auditing financial statements is held by: (i) Joanna Krasodomska (PhD of Economic Sciences, Associate Professor at the Department of Financial Accounting at the University of Economics in Krakow; implementer of national and international research projects, author of numerous scientific publications dealing with financial reporting and sustainable development issues; certified accountant (no. in the register 890); cooperates with the Accountants Association in Poland, the District Branch in Krakow and the Association of Chartered Certified Accountants (ACCA); represents Poland in the European Accounting Association; is a member of national and international organizations gathering professionals related to accounting and Chapter Zero Poland); and (ii) Danuta Drobniak (an Expert Auditor, number in the register 9578; since 2001, the President of the Management Board of A.M. Jesiołowscy - Finanse Sp. z o.o. where performs audits of financial statements of companies, conducts numerous audits of EU projects, oversees legal, organizational, financial and accounting works related to mergers, separation and transformation of companies, draws up written opinions on the implementation of investment commitments and oversees comprehensive accounting services for companies together with the provision of legal and tax consultancy for them; until June, 2016, the inspector/controller of the National Supervisory Commission of the National Chamber of Statutory Auditors and a member of the National Council of Statutory Auditors of the current term of office).

The knowledge of the IT industry is held by Andrzej Pach (professor of technical sciences, author of over 250 scientific publications in the field of modelling and analysis of computer networks and radio networks, participant and manager of many research projects. He is an academic teacher at the Institute of Telecommunications AGH University

of Science and Technology, whose head was in the years 1998 – 2016. In the years 2016-2020 performed the function of Vice-Rector for Science of AGH University of Science and Technology. He is a member of the Electronics and Telecommunications Committee of the Polish Academy of Sciences).

In 2021, the Audit Committee held 4 meetings and in particular dealt with:

- 1) monitoring the process of financial reporting;
- 2) monitoring the effectiveness of internal control systems, internal audits and risk management;
- 3) monitoring financial reviews;
- 4) monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- 5) monitoring non-financial reporting.

Due to the scope of their powers the Supervisory Board and the Audit Committee invited members of the Company's governing bodies and statutory auditors to participate in their meetings.

The Supervisory Board assessed that in the reporting period from 1<sup>st</sup> of January, 2021 to 31<sup>st</sup> of December, 2021, there was no need to establish committees other than the Audit Committee in the Supervisory Board.

### **The assessment of the Company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles**

This assessment of the Comarch S.A.'s compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Stock Exchange Regulations and the regulations on current and periodic reports published by issuers of securities was prepared by the Supervisory Board in accordance with rule 2.11.4. of Best Practice for WSE Listed Companies 2021.

Comarch S.A., a company listed on the Warsaw Stock Exchange, was in the period from 1<sup>st</sup> of January, 2021, to the 30<sup>th</sup> of June, 2021, a subject to the corporate governance principles set out in the document "Best Practices of WSE Listed Companies 2016".

From 1<sup>st</sup> of July, 2021, the Company, pursuant to the Resolution of the Stock Exchange Council was obliged to apply the principles of corporate governance set out in the document "Best Practices of WSE Listed Companies 2021" (Annex to the Resolution of the Stock Exchange Council No. 13/1834/2021 from 29<sup>th</sup> of March, 2021, hereinafter "DPSN 2021").

On the 30<sup>th</sup> of July, 2021, The Management Board of Comarch S.A. pursuant to § 29 sec. 3 of the Regulations of the Warsaw Stock Exchange S.A. published information of the Company's compliance the principles contained in the set of "Best Practices of WSE Listed Companies 2021". The relevant information has been posted on the Company's website. According to the published report, the Company does not apply the following principles: 2.1., 2.2., 3.3., 3.4., 3.6., 3.7.

Additionally, on the 29<sup>th</sup> of April, the Management Board of Comarch S.A. provided an update of information of the Company's compliance the principles contained in the "Best

Practices of WSE Listed Companies 2021”, which is available on the Company’s corporate website. The reason to update the information on the application of DPSN 2021 by Comarch S.A. was the appointment of an internal auditor managing the internal audit function, therefore the principles 3.3., 3.4., 3.6., and 3.7., of DPNS 2021 began to be applied by the Company.

The Supervisory Board monitored the compliance by the Company with the corporate governance rules and the manner of compliance with the disclosure obligations defined in the Stock Exchange and the regulations on current and periodic reports published by issuers of securities. Corporate governance issues were discussed with the Audit Committee, and relevant documents and reports on the implementation of corporate governance principles were submitted by the Company's employees directly to the Audit Committee. The Supervisory Board got acquainted with the Report of Comarch S.A.'s Management Board Regarding the Acceptance of Corporate Governance Principles in 2021 of the Company and the Comarch Group. In the opinion of the Supervisory Board, the information provided by the Company complies with the requirements and fairly presents the state of application of the corporate governance.

The Company runs a corporate website in both Polish and English, where it publishes all information relevant to investors, including the applicable corporate governance principles.

In the opinion of the Supervisory Board, the Company in 2021 correctly fulfilled the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities.

### **The assessment of the amounts expended by the Company and its Group in support of culture, sports, charities, the media, social organisations, trade unions, etc.**

Comarch S.A. for years takes a number of pro-social activities, among others, by active supporting the sport, taking patronage of cultural events, supporting the education and development of science and engaging in helping the neediest. The Supervisory Board assesses positively conducted by Comarch S.A. and its subsidiaries policy on sponsorship and charitable activities, realized among others by:

- financial support for the initiative to build the Krakow Music Center,
- sponsoring the concert of Last Night of the Proms,
- cooperation with schools, colleges and other educational institutions by sharing knowledge by Comarch employees during various conferences and events, among others: UX Poland, Javeloper, career days in Poland, France and Belgium,
- popularization of knowledge about ERP systems and controlling among universities and vocational schools with economic profiles, by lending Comarch ERP systems, meetings, seminars and trainings,
- providing of the Comarch Innovation Zone, a space in which Comarch's technological achievements in the field of IT systems, telecommunications, the Internet of Things or artificial intelligence are presented,
- involvement of employees in the blood donation campaign on the company's campus in Krakow, thanks to which it was possible to obtain a total of 18 800 ml of blood,
- getting involved in promoting sport among young people and the inhabitants of the Małopolskie Voivodeship, mainly through sponsorship of the MKS Cracovia

SSA sports club. Since 2003, the company has been the titular sponsor of the oldest existing football club in Poland, and the five-time Polish Champion - Cracovia, including the hockey section.

- donating large amounts of computer equipment to schools, orphanages, non-governmental organizations.

In the opinion of the Supervisory Board, the actions taken by the Company and the Comarch Group in this respect are rational, bring benefits to society and exert a positive impact on the Company's image.

### **Information regarding the degree of implementation of the diversity policy applicable to the Management Board and the Supervisory Board**

Comarch S.A. has a diversity policy applicable also for the Management Board and the Supervisory Board. The diversity policy covers the companies of the Comarch Capital Group and has been approved by the Management Board of Comarch S.A. Comarch's diversity policy does not pose any barriers due to gender, views, sexual orientation, racial or ethnic origin in terms of employment and HR policy, it does not contribute to direct or indirect discrimination due to sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion or sexual orientation. However, Comarch's diversity policy does not provide for the participation of minorities in a given body at a level not lower than 30%. Nevertheless, Comarch S.A. partially meets the requirement of ensuring a 30% differentiation in relation to women and men, because in the composition of the six-person Supervisory Board of Comarch S.A. there are four women, which accounts for 67% of total members. Two persons represent the age range of 30-50, four persons are over the age of 50. The members of the Board are diverse in terms of gender, age and education. They all have knowledge and skills supported by many years of professional experience. The Management Board of Comarch S.A. is composed of men only, which is mainly related to the nature of Comarch's business and the specifics of the IT industry, in which men constitute the vast majority. It should also be emphasized that the current members of the Management Board of Comarch S.A. are people associated with Comarch for many years, with extensive knowledge of technological issues in the IT area and qualifications necessary for their positions. Four members of the Management Board have a technical education related to the IT industry, two members of the Management Board have an economic education. Five members of the Management Board are in the 30-50 age group and one is over 50.

In the opinion of the Supervisory Board, the diversity policy applied in the Company with regard to members of the Supervisory Board is satisfactory. The composition of the Management Board in relation to the Supervisory Board is less diversified and results from the specificity of the IT industry.

**Annex no. 2 to Resolution no 07/05/2022  
of Comarch S.A. Supervisory Board**

**Assessment of the Company's situation, including assessment  
of the internal control system and the system of risk management  
significant for the Company, compliance and the internal audit  
function**

The Supervisory Board positively assesses the financial results achieved by the Company in 2021, as well as its current financial standing. Sales revenue amounted to PLN 1,067.4 million, operating profit reached PLN 67.4 million, while net profit reached PLN 78.0 million. Operating profitability in 2021 was 6.3%, and net profitability 7.3%.

The Supervisory Board positively assesses the Company's continuation in 2021 of investments in new and improving existing IT products. Expenditures on research work exceeded 26% of sales revenue, they were financed mainly from own funds. The Company has intensively developed, among others a new generation of a loyalty system, ERP system, systems for telecommunications operators, e-commerce solutions, solutions for the medical sector and related to financial services. In 2021, the dominant model for delivering IT solutions was the services model - Comarch is one of the market leaders in this area. The Supervisory Board notes that investments in human capital is the key element for the further development of the company.

At the end of 2020, the Company employed almost 5,200 people in Krakow and other national branches, being the largest Polish employer among IT companies. As every year, the summer student internship program was very popular, thanks to which Comarch is perceived as the employer of the first choice on the job market in the IT industry.

The Supervisory Board considers it appropriate for the Company to continue implementing its growth strategy based on the diversification of operations between various industry segments, development of its own products and sales on the global market. Over 96% of the Group's revenue came from the sales of proprietary IT services and solutions, and half of the sales were generated outside Poland. Last year, business developed rapidly on foreign markets (an increase of 9.6%), especially in Asia and Western Europe. Customers were particularly interested in solutions for the telecommunications sector, whose sales increased by as much as PLN 73.7 million, i.e. by 78.8% compared to the previous year. This was the result of the implementation of large contracts obtained in previous periods. The sales of ERP systems showed very good dynamics. Thanks to a wide and comprehensive offer of modern IT solutions and high-quality services, the Comarch Group strengthened in 2021 as a leading Polish software producer and one of the leading IT suppliers in the world. Thanks to the global sales network that has been operating for many years, the Comarch Group was able - despite the pandemic and the related limitations - to effectively develop the sales of solutions on new markets.

The Supervisory Board, through the Audit Committee, monitors the effectiveness of internal control systems, risk management, compliance and the internal audit function. In 2021, at Comarch S.A. a compliance and internal audit function was established in the form of a separate unit responsible, i.e., for ensuring compliance with the law, the area of internal control and internal audit. Once a year, the representative of the Management

Board presented the Audit Committee with a description of the functioning of the internal control system and the effectiveness of its operation. In 2022, for the first time, the person responsible for the internal audit in the Company prepared and presented to the Audit Committee and the Supervisory Board a report on the functioning of the internal control system, risk management and compliance, as well as the internal audit function in 2021 at Comarch S.A. along with an assessment of their effectiveness. The report includes, i.a., the following information:

- a) description of the elements of the internal control system and risk management, including information on organizational units that play a significant role in internal control and the manner of supervising them,
- b) information on the risk identification, analysis and response to identified risks carried out in 2021,
- c) the results of the audits carried out in 2021,
- d) issues in the compliance area, including information on implemented procedures, description of the mechanism for reporting violations, reports made and violations found,
- e) description of activities undertaken in 2021, currently implemented and planned for 2022 in the scope covered by the report.

The Supervisory Board familiarized itself with the report and analysed it.

In 2021, the Supervisory Board also carried out a constant analysis of risk areas related to the Company's operations and an analysis of how these risks were managed by the Management Board.

The most important operational risks in 2021 were:

- a) risks related to R&D works (production of own software products),
- b) risks related to the implementation of long-term contracts,
- c) risks related to non-compliance with contractual terms and the use by contractors of the performance guarantees or contractual penalties granted to them,
- d) risks of foreign economic, legal and political environment related to the implementation of export contracts,
- e) the risk of staff turnover, the risk of not being able to employ a sufficient number of qualified employees, the risk of increased labour costs,
- f) risk related to the spread of SARS-CoV-2 coronavirus and COVID-19 incidence, which affects the Company's ability to conduct business operations and the financial condition of the Company's clients and the demand for IT products and services they generate,
- g) risks related to the introduction of changes to tax and insurance regulations referred to as the Polish Order,
- h) the risk of a sudden increase in electricity costs,
- i) risks related to operations in fragile countries, in particular in Russia and Ukraine.

In terms of financial risk, the Supervisory Board noticed the following threats:

- a) credit risk of Comarch contractors,
- b) the risk of termination of loan agreements in the event of failure to maintain financial ratios or breach of sanction clauses,
- c) exchange rate fluctuations, in particular EUR / PLN, USD / PLN, GBP / PLN, CAD / PLN, CHF / EUR, BRL / PLN, RUB / PLN, NZD / PLN, UAH / PLN, MYR/PLN,



JPY/PLN, KRW/PLN, TRY/PLN, ARS/PLN and COP/PLN affecting the profitability of foreign sales;

- d) risk of financial liquidity and increased expectations of clients in the area of financing IT projects by IT suppliers, related to the spread of sales of IT products and services in the services model ("cloud computing").

In the opinion of the Supervisory Board, Comarch S.A. correctly identifies the risks related with the Company's operations, effectively mitigates and manages them. The financial statements provide a fair and complete picture of the Company's situation. Description of the main features used in Comarch S.A. internal control and risk management systems in relation to the process of preparing financial statements was presented in the Report of Comarch S.A.'s Management Board Regarding the Acceptance of Corporate Governance Principles in 2021. The Supervisory Board assessed the Company's situation on the basis of the analysis of the documents received, including the report presented by the internal auditor, own assessments made after meetings with the Management Board, key employees and the statutory auditor examining the Company's financial statements.

The Supervisory Board emphasizes that in 2021 the Company achieved financial results, despite operating in the conditions of the Covid-19 pandemic and related restrictions. The beginning of this year brought another challenge in the form of Russian aggression against Ukraine. Comarch S.A. is in full solidarity with the Ukrainian nation and from the first day of the conflict provides support in many forms and many areas. The operational activities of the Comarch Group companies are conducted without disruptions, and the effects of the conflict will not have a significant negative impact on the economic situation of the enterprise - in 2021, customers from Ukraine and Russia were responsible for 1.6% of the Company's sales.

The Supervisory Board also draws attention to the fact that in addition to the business activities of Comarch S.A. implements a policy of corporate social responsibility and sustainable development. Comarch S.A. conducts pro-social activities, supports non-governmental organizations and charity campaigns, is a patron of culture, art and sport. In 2021, investments in photovoltaic installations were implemented on the Comarch campus in Krakow, as a result of which the Company independently produces some of the energy used for its own needs.

**Annex no. 3 to Resolution no 07/05/2022  
of Comarch S.A. Supervisory Board**

**Assessment of the situation of the Comarch Group including the assessment of  
the internal control system and the system of risk management significant for the  
Group, compliance and the internal audit function**

The Supervisory Board positively assesses the Group's achievement of development and financial goals set for 2021. The year 2021 was another period of successful development and very good financial results for the Comarch Group. Consolidated sales reached PLN 1.63 billion, operating profit was PLN 187.2 million, and the net profit attributable to the company's shareholders was PLN 123 million. EBIT margin in 2021 was 11.5%, and net margin was 7.6%.

The Supervisory Board positively assesses the investments made in 2021 by the Comarch Group in new and improving existing IT products. Expenditures for research works reached 19,5% of sales revenue, they were financed mainly from own funds. Comarch has intensively developed, among others, a new generation of a loyalty system, ERP system, systems for telecommunications operators, e-commerce solutions, solutions for the medical sector and related to financial services. In 2021, the dominant model for delivering IT solutions was the services model - Comarch is one of the market leaders in this area. The Supervisory Board notes that investments in human capital is the key element for the further development of the company. At the end of 2021, the Group employed 6,723 people in Poland and abroad. As every year, the student internship program has had very positive effects, thanks to which the Comarch Group is perceived as one of the first choice employers on the labour market in the IT industry.

The Supervisory Board considers it appropriate for the Company to continue implementing its growth strategy based on the diversification of operations between various industry segments, development of its own products and sales on the global market. Almost 94% of the Group's revenue came from the sales of proprietary IT services and solutions, and almost 58% of the sales were generated outside Poland. Last year, business developed rapidly both on the domestic market (an increase of 7.7%) and on foreign markets (an increase of 4.6%), especially in Asia and Western Europe. Customers were particularly interested in solutions for the telecommunications sector, whose sales increased by as much as PLN 98 million, i.e. by 31.8% compared to the previous year. This was the result of the implementation of large contracts obtained in previous periods. The sales of ERP systems as well as services and solutions for Medicine also showed very good dynamics. Thanks to a wide and comprehensive offer of modern IT solutions and high-quality services, the Comarch Group strengthened in 2021 as a leading Polish software producer and one of the leading IT suppliers in the world. Thanks to the global sales network that has been operating for many years, the Comarch Group was able - despite the pandemic and the related limitations - to effectively develop the sales of solutions on new markets.

The Supervisory Board, through the Audit Committee, monitors the effectiveness of internal control systems, risk management, compliance and the internal audit function.

In 2022, for the first time, the person responsible for the internal audit in the Company prepared and presented to the Audit Committee and the Supervisory Board a report on the functioning of the internal control system, risk management and compliance, as well as the internal audit function in 2021 at Comarch Group along with an assessment of their effectiveness. The report includes, i.a., the following information:

- a) description of the elements of the internal control system and risk management, including information on organizational units that play a significant role in internal control and the manner of supervising them,
- b) information on the risk identification, analysis and response to identified risks carried out in 2021,
- c) the results of the audits carried out in 2021,
- d) issues in the compliance area, including information on implemented procedures, description of the mechanism for reporting violations, reports made and violations found,
- e) description of activities undertaken in 2021, currently implemented and planned for 2022 in the scope covered by the report.

The Supervisory Board familiarized itself with the report and analysed it.

In 2021, the Supervisory Board also carried out a constant analysis of risk areas related to the Group's operations and an analysis of how these risks were managed by the Management Board.

The most important operational risks in 2021 were:

- a) risks related to R&D works (production of own software products),
- b) risks related to the implementation of long-term contracts,
- c) risks related to non-compliance with contractual terms and the use by contractors of the performance guarantees or contractual penalties granted to them,
- d) risks of foreign economic, legal and political environment related to the implementation of export contracts,
- e) the risk of staff turnover, the risk of not being able to employ a sufficient number of qualified employees, the risk of increased labour costs,
- f) risk related to the spread of SARS-CoV-2 coronavirus and COVID-19 incidence, which affects the Company's ability to conduct business operations and the financial condition of the Company's clients and the demand for IT products and services they generate,
- g) risks related to the introduction of changes to tax and insurance regulations referred to as the Polish Order,
- h) the risk of a sudden increase in electricity costs,
- i) risks related to operations in fragile countries, in particular in Russia and Ukraine.

In terms of financial risk, the Supervisory Board noticed the following threats:

- a) credit risk of Comarch contractors,
- b) the risk of termination of loan agreements in the event of failure to maintain financial ratios or breach of sanction clauses,
- c) exchange rate fluctuations, in particular EUR / PLN, USD / PLN, GBP / PLN, CAD / PLN, CHF / EUR, BRL / PLN, RUB / PLN, NZD / PLN, UAH / PLN, MYR/PLN, JPY/PLN, KRW/PLN, TRY/PLN, ARS/PLN and COP/PLN affecting the profitability of foreign sales;

- d) risk of financial liquidity and increased expectations of clients in the area of financing IT projects by IT suppliers, related to the spread of sales of IT products and services in the services model ("cloud computing").

In the opinion of the Supervisory Board, Comarch Group correctly identifies the risks related with the Company's operations, effectively mitigates and manages them. The financial statements provide a fair and complete picture of the Company's situation. Description of the main features used in Comarch Group internal control and risk management systems in relation to the process of preparing financial statements was presented in the Report of Comarch S.A.'s Management Board Regarding the Acceptance of Corporate Governance Principles in 2021. The Supervisory Board assessed the Comarch Group situation on the basis of the analysis of the documents received, including the report presented by the internal auditor, own assessments made after meetings with the Management Board, key employees and the statutory auditor examining the Company's financial statements.

The Supervisory Board emphasizes that in 2021 the Company achieved financial results, despite operating in the conditions of the Covid-19 pandemic and related restrictions. The beginning of this year brought another challenge in the form of Russian aggression against Ukraine. The Comarch Group is in full solidarity with the Ukrainian nation and from the first day of the conflict provides support in many forms and many areas. The operational activities of the Comarch Group companies are conducted without disruptions, and the effects of the conflict will not have a significant negative impact on the economic situation of the enterprise - in 2021, customers from Ukraine and Russia were responsible for 1.5% of the Group's sales. To increase the diversification and security of its infrastructure, the Comarch Group is building a new Comarch Data Center in the United States, which will be put into operation in the second half of this year.

The Supervisory Board also draws attention to the fact that in addition to the business activities of Comarch Group implements a policy of corporate social responsibility and sustainable development. Comarch Group conducts pro-social activities, supports non-governmental organizations and charity campaigns, is a patron of culture, art and sport. In 2021, investments in photovoltaic installations were implemented on the Comarch campus in Krakow, as a result of which the Company independently produces some of the energy used for its own needs.