

corrected

FINANCIAL SUPERVISION AUTHORITY

CONSOLIDATED ANNUAL REPORT SRR 2023

(year)

(pursuant to &60 sec.2 of the Regulation in relation to current and periodical reports)
for issuers of securities managing production, construction, trade and services activities
(type of an issuer - if the option "for other issuers" is selected)

for financial year 2023 from 2023-01-01 to 2023-12-31
including consolidated annual financial statement according to IRS approved in the EU
in currency PLN
date of publication 2024-04-26

COMARCH SA	
(full name of an issuer)	
COMARCH	Information Technology (IT)
(abbreviated name of issuer)	(sector according to WSE classification)
31-864	Kraków
(postal code)	(city)
Al. Jana Pawła II	39A
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2594001MNJ3BH1UVVG70	0000057567
(LEI)	(KRS)

UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2023	2022	2023	2022
I. Net revenues from sales of products, goods and materials	1,815,839	1,858,715	400,989	396,458
II. Profit (loss) on operating activities	96,261	147,606	21,257	31,484
III. Gross profit (loss)	152,315	153,367	33,636	32,713
IV. Net profit (loss)	100,608	107,848	22,217	23,004
V. Cash flows from operating activities	212,146	164,030	46,848	34,987
VI. Cash flows from investing activities	-67,855	-75,632	-14,984	-16,132
VII. Cash flows from financing activities	-96,265	-35,888	-21,258	-7,655
VIII. Total net cash flows	48,026	52,510	10,606	11,200
IX. Total assets	2,263,869	2,271,982	520,669	484,441
X. Liabilities and provisions for liabilities	943,673	992,292	217,036	211,581
XI. Non-current liabilities	222,518	256,283	51,177	54,646
XII. Current liabilities	721,155	736,009	165,859	156,935
XIII. Equity	1,320,349	1,279,690	303,633	272,861
XIV. Share capital	8,133	8,133	1,871	1,734
XV. Number of shares	8,133,349	8,133,349	8,133,349	8,133,349
XVI. Earnings (losses) per single share (PLN/EURO)	12.37	13.26	2.73	2.83
XVII. Diluted earnings (losses) per single share (PLN/EURO)	12.37	13.26	2.73	2.83
XVIII. Book value per single share (PLN/EURO)	162.32	157.34	37.33	33.55
XIX. Diluted book value per single share (PLN/EURO)	162.32	157.34	37.33	33.55

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Euro exchange rates used for calculation of the selected financial data:
 Arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2023 to 31.12.2023: 4.5284;
 Arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2022 to 31.12.2022: 4.6883;
 The balance sheet items were presented based on NBP average exchange rates as of the end of the period:
 31.12.2023: 4.3480;
 31.12.2022: 4.6899.

ANNUAL REPORT INCULDES:

File	Description
Comarch_SSF_SzB_2023.12.31.xhtml	Report of an Auditor authorized to audit Financial Statements - attachment no. 1a
Comarch_SSF_SzB_2023.12.31.xhtml.XAdES	Report of an Auditor authorized to audit Financial Statements - attachment no. 1b
SRR 2023 Pismo Prezesa Zarządu.xhtml	Letter of the President of The Management Board - attachment no. 2a
SRR 2023 Pismo Prezesa Zarządu.xhtml.XAdES	Letter of the President of The Management Board – signatures - attachment no. 2b
2594001MNJ3BH1UVVG70-2023-12-31-pl.zip	Consolidated Financial Statement - attachment no. 3a
2594001MNJ3BH1UVVG70-2023-12-31-pl.zip.XAdES	Consolidated Financial Statement - signatures - attachment no. 3b
SRR 2023 Sprawozdanie Zarządu.xhtml	Report of the Management Board - attachment no. 4a
SRR 2023 Sprawozdanie Zarządu.xhtml.XAdES	Report of the Management Board - signatures - attachment no. 4b
SRR 2023 Oświadczenie Rady Nadzorczej w sprawie komitetu audytu.xhtml	Supervisory Board's statement regarding the Audit Committee - attachment no. 5
SRR 2023 Ocena przez Radę Nadzorczą zgodności sprawozdania.xhtml	Assessment by the Supervisory Board of the compliance of the consolidated financial statements - attachment no. 6
SRR 2023 Informacja Zarządu w sprawie wyboru firmy audytorskiej.xhtml	Information of the Management Board regarding the selection of the auditor - attachment no. 7a
SRR 2023 Informacja Zarządu w sprawie wyboru firmy audytorskiej.xhtml.XAdES	Information of the Management Board regarding the selection of the auditor – signatures - attachment no. 7b
SRR 2023 Oświadczenie Zarządu w sprawie rzetelności sporządzenia.xhtml	The Management Board's statement regarding the reliability of the financial statement - attachment no. 8a
SRR 2023 Oświadczenie Zarządu w sprawie rzetelności sporządzenia.xhtml.XAdES	The Management Board's statement regarding the reliability of the financial statement - signatures - attachment no. 8b
SRR 2023 Oświadczenie o stosowaniu ładu korporacyjnego.xhtml	Report regarding Corporate Governance Principles- attachment no. 9a
SRR 2023 Oświadczenie o stosowaniu ładu korporacyjnego.xhtml.XAdES	Report regarding Corporate Governance Principles – signatures - attachment no. 9b
2023 Sprawozdanie na temat informacji niefinansowych.xhtml	Non-financial Data Report - attachment no. 10a
2023 Sprawozdanie na temat informacji niefinansowych.xhtml.XAdES	Non-financial Data Report – signatures - attachment no. 10b

COMARCH CAPITAL GROUP

**REPORT OF THE INDEPENDENT AUDITOR
FROM THE AUDIT OF THE ANNUAL CONSOLIDATED
FINANCIAL STATEMENT AS OF 31.12.2023**

26.04.2024

REPORT OF THE INDEPENDENT AUDITOR

for the General Meeting and the Supervisory Board of the Parent Company Comarch S.A.

Report from the audit of the annual financial statement

Opinion

We have audited the annual consolidated financial statement of the Comarch Capital Group ("Capital Group"), in which the Parent Company is Comarch S.A. ("Parent Company"), containing consolidated balance sheet as at 31st of December, 2023, and consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year from the 1st of January, to the 31st of December, 2023, and additional information including a description of the accounting principles adopted and other clarifying information ("consolidated financial statement").

In our opinion, the attached consolidated financial statement:

- presents a reliable and clear picture of the Capital Group's consolidated property and financial situation as at 31st of December, 2023, and its consolidated financial result and consolidated cash flows for the financial year ended on that day in accordance with those applicable International Financial Reporting Standards approved by the Union European and accepted accounting principles (policy);
- agrees on the form and content with the applicable law and the Articles of Association of the Parent Company.

This opinion is consistent with the additional report for the Audit Committee that we have issued as of the 26th of April, 2024.

Basis of the opinion

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution of the National Council of Statutory Auditors No. 3430/52a/2019 of the 21st of March, 2019, on National Auditing Standards and Other Documents, with subsequent changes and Resolution No. 38/I/2022 of the Board of the Polish Audit Oversight Agency of the 15th of November, 2022, on National Quality Control Standards and National Auditing Standard 220 (Amended) ("KSB"), and also pursuant to the Act of the 11th of May, 2017, on Statutory Auditors, Audit Firms and Public Oversight ("Act on Statutory Auditors" - Journal of Laws 2023, item 1015, with subsequent changes) and EU Regulation No. 537/2014 of the 16th of April, 2014, on Specific Requirements for Statutory Audits of Financial Statements of Public Interest Entities ("EU Regulation" - Official Journal EU L158 of 27/05/2014, p. 77, with subsequent changes). Our responsibility under these standards is further described in the section of our report *Responsibility of the statutory auditor for the audit of the consolidated financial statement*.

We are independent of the Capital Group's companies in accordance with the International Code of Ethics for Professional Accountants (including International Standards for Independency) of the International Ethics Standards Board for Accountants ("IESBA Code") adopted by the resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of the 25th of March, 2019, on the Principles of Professional Ethics for Statutory Auditors, with subsequent changes, and with other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

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

Key research matters

The key matters of investigation are matters that, according to our professional judgment, were the most significant during the audit of the consolidated financial statement for the current period reporting. They include the most significant assessed significant risks distortions, including assessed risks of material misstatement due to fraud. We referred to these matters in the context of our audit of the consolidated report as a whole and when formulating our opinion and summarized our response to these types of risks, and in those cases in which we deemed it appropriate we presented the most important observations related to these types of risk. We do not express a separate opinion on these matters.

Key research matter	How our study addressed this issue
<p data-bbox="220 365 767 477">Recognition, settlement and valuation of long-term contracts for IT services performed by the Company</p> <p data-bbox="201 510 775 663">The company performs long-term contracts for IT service contracts (obligations to perform services fulfilled over time).</p> <p data-bbox="201 696 775 960">The issue was considered a key risk area due to the model of long-term contracts valuation and the significance of revenues from this, as well as the complex nature of processes in the area of long-term contracts, which relate in particular to:</p> <ul data-bbox="201 999 783 1339" style="list-style-type: none"> • recognizing revenue from multi-element contracts that require a significant level of judgment on the part of the Management Board; • the correct allocation of costs and revenues to the relevant project and the relevant reporting period; • recognizing expected losses on contracts. <p data-bbox="201 1377 783 1451"><i>Reference to disclosures in the consolidated financial statement</i></p> <p data-bbox="201 1489 783 1709">Accounting principles adopted by the Group regarding settlement IT contracts are described in the additional information to the consolidated financial statement. Relevant disclosures are included in note 3.15</p>	<p data-bbox="809 506 1394 613">Our procedures for the identified key research matter included, but are not limited to:</p> <ul data-bbox="809 651 1394 1384" style="list-style-type: none"> • verification of the Company's accounting policy regarding the settlement of contracts for IT services with the provisions of IAS/IFRS; • analysing the budgets that are the basis for the settlement of revenue from the implementation of contracts in terms of the degree of progress of works and changes in the assumed margin; • comparison of budgets with signed contracts with customers; • assessing the risk of loss on contracts and verifying the number of provisions created in this respect; • analysing the adequacy of disclosures in the financial statement in relation to significant accounting policies regarding sales revenue.

Goodwill-impairment

In the financial statement as at the 31st of December, 2023, the Group shows goodwill in the consolidated financial statement in the amount of PLN 45,774 thousand.

Based on IFRS, goodwill is tested annually for impairment. Determining the value in use is related to the Parent Company's Management Board making significant estimates of future cash flows from continued use or disposal of the asset and discounting these values.

Due to the uncertainty of material assumptions regarding the future, which were adopted as the basis for the tests, we considered the risk of impairment of goodwill to be a key audit matter.

Reference to disclosures in the consolidated financial statement

Relevant goodwill disclosures are included in the note 3.6 of the report.

Our procedures for the identified key research matter included, but are not limited to:

- ensuring the appropriateness of identifying cash-generating units for the purpose of allocating goodwill;
- verification of the Management Board of the Parent Company's assessment of the presence of evidence of impairment;
- analysis of impairment tests in terms of the adopted macroeconomic assumptions, as well as underlying financial projections;
- checking the arithmetic correctness of the discounted cash flow models and reconciling them with the budgets of the Group companies;
- assessing the adequacy of the disclosures in the annual consolidated financial statement with respect to significant accounting policies for goodwill.

Responsibility of the Parent Company's Management Board and Supervisory Board for the consolidated financial statement

The Management Board of the Parent Company is responsible for the preparation of the consolidated financial statement, which presents a fair and clear view of the property and financial position and the financial result of the Capital Group in accordance with the International Financial Reporting Standards approved by the European Union, the adopted accounting principles (policy) and the provisions of law and regulations of the Articles of Association applicable to the Capital Group, as well as for internal control, which the Management Board of the Parent Company considers necessary to enable the preparation of consolidated financial statement that are free from material misstatement due to fraud or error.

When preparing the consolidated financial statement, the Management Board of the Parent Company is responsible for assessing the Capital Group's ability to continue its activity, disclosing, if applicable, matters related to continuation and using the continuity of activities' principle as the accounting basis, except when the Management Board of the Parent Company either intends to liquidation of the Capital Group, or to discontinue operations, or there is no realistic alternative to liquidation or discontinuation of operations.

The Management Board of the Parent Company and members of the Supervisory Board of the Parent Company are obliged to ensure that the consolidated financial statement meets the requirements provided for in the Accounting Act of the 29th of September, 1994 ("Accounting Act" - i.e. Journal of Laws of 2023, item 120, with subsequent changes). Members of the Parent Company's Supervisory Board are responsible for supervising the Capital Group's financial reporting process.

Auditor's responsibility for auditing the financial statement

Our goals are to gain reasonable assurance whether the consolidated financial statement as the whole does not contain significant distortion caused by fraud or error and release test reports containing our opinion. Rational certainty is a high-level certainty, but it does not guarantee that the test carried out in accordance with the KSB will always detect existing significant distortion. Distortions can arise from fraud or error and are considered to be important if it can reasonably be expected that one or both of them could affect business decisions of users undertaken on the basis of this consolidated financial statement.

The scope of the audit does not include assurance as to the Capital Group's future profitability or efficiency or the effectiveness of conducting its affairs by the Management Board of the Parent Company currently or in the future.

We use professional judgment while maintaining a professional scepticism, and:

- we identify and assess the risks of material misstatement of the consolidated financial statement due to fraud or error; we design and carry out procedures research corresponding to these risks and we obtain audit evidence that is sufficient and appropriate to form the basis for our opinion. The risk of not finding a significant distortion resulting from the fraud is greater than that resulting from the error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- we gain an understanding of the internal control appropriate for the study to be designed audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Capital Group's internal control;
- we assess the appropriateness of the accounting principles (policy) used and the reasonableness of the estimates accountants and related disclosures made by the Management Board of the Parent Company;

- we draw a conclusion on the appropriateness of the Parent Company Management Board's application the continuity of activities' principle as the accounting basis and, based on the obtained evidence of audit whether there is a significant uncertainty related to events or conditions that may be subject to significant doubt to the Capital Group's ability to continue its activities. If we come to the conclusion that there is a significant uncertainty, it is required to pay attention to us in our auditor's report on related disclosures in the consolidated financial statement or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on evidence of audit obtained up to the date of our preparation the auditor's reports, however future events or conditions may cause that the Capital Group will cease its operations;
- we assess the overall presentation, structure and content of the consolidated financial statement, including disclosure, and whether the consolidated financial statement presents, being their basis, transactions and events, in a manner that ensures a fair presentation;
- we obtain sufficient relevant audit evidence about financial information units or business activities within the Capital Group to express an opinion on the consolidated financial statement. We are responsible for management, supervision and conducting the Capital Group's audit and we remain solely responsible for our opinion from the audit.

We provide the Supervisory Board of the Parent Company with information about, among other things, planned scope and time of the audit and significant findings of the audit, including any significant weaknesses of internal control that we will identify during the audit.

We submit a declaration to the Supervisory Board of the Parent Company that we have observed applicable laws ethical requirements for independence and that we will inform them about all connections and other matters that could be reasonably considered to pose a threat to our independence, and where applicable, we inform about the applied securities.

From among the matters forwarded to the Supervisory Board of the Parent Company, we have established those matters which were the most significant during the audit of the consolidated financial statement as current reporting period and that is why we considered them key issues of the audit. We describe these matters in our auditor's report, unless laws or regulations prohibit us to disclose them publicly or when, in exceptional circumstances, we determine that the issue should not be presented in our report, because it would be reasonable to expect that the negative consequences would outweigh the benefits of such information to the public interest.

Other information, including an activity report

Other information includes a report on the Capital Group's activities for the financial year ended 31st of December, 2023 ("Activity Report") together with a statement on corporate governance and non-financial statement referred to in Art. 55 sec. 2b of the Act on Accounting, which are separate parts of this report, as well as Annual Report for the financial year ended 31st of December, 2023 ("Annual Report") (altogether "Other Information").

Responsibility of the Management Board and the Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for preparing Other Information in accordance with the law.

The Management Board of the Parent Company and members of the Supervisory Board of the Parent Company are obliged to ensure that the Report on the Capital Group's activities along with the separated part meet requirements provided for in the Act on Accounting.

Responsibility of the auditor

Our opinion on the audit of the consolidated financial statement does not include Other Information. In connection with the audit of the consolidated financial statement, our duty is getting acquainted with Other Information, and by doing so, considering whether Other Information is not significant inconsistent with the consolidated financial statement or our knowledge gained during the audit, or otherwise appear to be significantly distorted. If based on the work done, we find out significant distortions in other information, we are obliged to inform you in our audit report. Our duty in accordance with the requirements of the Act on Statutory Auditors is also issuing an opinion or report whether the Capital Group's activities has been prepared in accordance with the regulations and whether it is consistent with the information contained in the consolidated financial statement. Also we are required to give an opinion on whether the Capital Group has included the required information in a statement on the application of corporate governance.

We obtained a report on the Capital Group's activities before the date of this audit report, and the Annual Report will be available after this date. In the case when we find a significant distortion in the Annual Report, we are obliged to inform the Supervisory Board of the Parent Company.

Opinion on the activity report

Based on the work carried out during the audit, in our opinion, the Report on the Capital Group's activities:

- has been drawn up in accordance with article 49 of the Act on Accounting and article 71 of the Regulation Minister of Finance of the 29th of March, 2018, regarding current and periodic information provided by issuers of securities and conditions for recognition as equivalent to information required by the laws of a non-state member ("Regulation on Current Information" - Journal of Laws of 2018, item 757 with subsequent changes);
- is consistent with the information contained in the consolidated financial statement.

In addition, in the light of knowledge about the Capital Group and its surroundings obtained during our audit, we declare that we have not identified material misstatements in the Capital Group's Report on the Capital Group's activities.

Opinion on the statement on the application of corporate governance

In our opinion, the Capital Group has all information in the statement on the application of corporate governance referred to in article 70, section 6, point 5 of the Regulation on Current Information. In addition, in our opinion, the information indicated in article 70, section 6, point 5, lit. c-f, h and lit. i of this Regulation included in the statement on the application of corporate governance are in accordance with applicable provisions and information contained in the consolidated financial statement.

Information on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we confirm that the Capital Group has prepared a statement on non-financial information referred to in Art. 55 sec. 2b of the Accounting Act as a separate part of the Report on activities.

We have not performed any assurance work on the non-financial statement and we do not express any assurance regarding it.

Report on other legal and regulatory requirements

Opinion on the compliance of the consolidated financial statement prepared in the uniform electronic reporting format with the requirements of the regulation on technical standards regarding the specification of the uniform electronic reporting format

In connection with the audit of the consolidated financial statement, we were engaged to perform a reasonable assurance service to express an opinion on whether the Capital Group's consolidated financial statement for the year ended the 31st of December, 2023, prepared in a uniform electronic reporting format included in the file named 2594001MNJ3BH1UVVG70-2023-12-31-pl.zip ("consolidated financial statement in ESEF format") has been labelled in accordance with the requirements set out in Commission Delegated Regulation (EU) 2019/815 of the 17th of December, 2018, supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory standards technical specifications on the specifications of the single electronic reporting format and other regulation of the Commission (EU) with regard to updating the taxonomy to be used for the purpose of the single electronic reporting format (Official Journal of EU L 143 of the 29th of May, 2019, page 1, with subsequent changes) ("ESEF Regulation").

Identification of criteria and description of the subject of the service

The consolidated financial statement in the ESEF format has been prepared by the Management Board of the Parent Company in order to meet the labelling requirements and technical requirements for the specification of a uniform electronic reporting format, which are set out in the ESEF Regulation.

The subject of our assurance service is the compliance of the consolidated financial statement in the ESEF format with the requirements of the ESEF Regulation, and, in our opinion, the requirements set out in these regulations constitute appropriate criteria for our opinion.

Responsibility of the Management Board and the Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for the preparation of consolidated financial statement in the ESEF format in accordance with the labelling requirements and technical requirements regarding the specification of a uniform electronic reporting format, which are set out in the ESEF Regulation. This responsibility includes the selection and use of appropriate XBRL tags, using the taxonomy set out in these regulations.

The responsibility of the Management Board of the Parent Company also includes the design, implementation and maintenance of the internal control system ensuring the preparation of consolidated financial statement in the ESEF format, free of material non-compliance with the requirements of the ESEF Regulation.

Members of the Supervisory Board of the Parent Company are responsible for overseeing the financial reporting process, which also includes the preparation of financial statement in accordance with the format resulting from applicable law.

Auditor's responsibility

Our goal was to express an opinion, based on the assurance service performed, providing reasonable assurance whether the consolidated financial statement in the ESEF format have been marked up in accordance with the requirements of the ESEF

Regulation. We performed the service in accordance with the National Standard of Assurance Services Other than Audit and Review 3001PL - "Audit of Financial Statements Prepared in a Uniform Electronic Reporting Format" adopted by the resolution of the National Council of Statutory Auditors No. 1975/32a/2021 of the 17th of December, 2021 ("KSUA 3001PL") and, where applicable, in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3000 (Z) as amended by the International Standard on Assurance Engagements 3000 (Revised) - "Assurance Engagements Other than Audit or Review of Historical Financial Information" adopted by resolution National Council of Statutory Auditors No. 3436/52e/2019 of the 8th of April, 2019, with subsequent changes ("KSUA 3000 (Z)").

This standard requires the auditor to plan and perform procedures in such a way as to obtain reasonable assurance that the consolidated financial statement in ESEF format have been prepared in accordance with specified criteria.

Reasonable assurance is a high level of assurance, but it does not guarantee that an engagement conducted in accordance with KSUA 3001PL and, where applicable, in accordance with KSUA 3000(Z) will always detect a material misstatement that exists.

The procedures selected depend on the auditor's judgment, including the auditor's assessment of the risks of material misstatement due to fraud or error. In assessing these risks, the auditor considers internal control related to the preparation of ESEF consolidated financial statement in order to design appropriate procedures to provide the auditor with sufficient and appropriate evidence in the circumstances. The assessment of the functioning of the internal control system was not carried out in order to express an opinion on the effectiveness of its operation.

Summary of the work done

The procedures planned and carried out by us included, among others:

- obtaining an understanding of the process of preparing consolidated financial statement in the ESEF format, including the process of selecting and applying the XBRL markers by the Company and ensuring compliance with the ESEF Regulation, including understanding of the internal control mechanisms related to this process;
- obtaining sufficient and appropriate evidence related to the operational effectiveness of controls, related to XBRL tagging, when (if, where) as part of the risk assessment process we considered that procedures other than testing of controls would not provide sufficient test evidence;
- reconciliation on a sample of the tagged information contained in the consolidated financial statement in ESEF format to the audited consolidated financial statements;
- using a specialised IT tool, an assessment of compliance with the technical standards for the single electronic reporting format specification, an assessment of the completeness of the tagging of information in the consolidated financial statement in ESEF format with XBRL tags;

- assessment of whether the applied XBRL tags from the taxonomy specified in the ESEF Regulation have been properly applied and that the taxonomy extensions have been used in situations where no relevant elements have been identified in the basic taxonomy specified in the ESEF Regulation;
- assessment of the correctness of anchoring the applied taxonomy extensions in the basic taxonomy specified in the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of the labelling with the requirements of the ESEF Regulation.

Ethical requirements, including independence

In performing the service, the statutory auditor and the audit firm complied with the independence and other ethical requirements set out in the IFAC Code. The IFAC Code is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We have also complied with other independence and ethical requirements that apply to this assurance engagement in Poland.

Quality control requirements

The audit firm applies the National Quality Control Standards introduced by Resolution of the Board of the Polish Audit Oversight Agency No. 38/I/2022 of the 15th of November, 2022. National Quality Control Standard 1 in the wording of International Quality Management Standard (PL) 1 requires the audit firm to design, implement and apply a quality management system, including policies or procedures with regard to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the requirements of the ESEF Regulation

The auditor's opinion is based on the matters described above and the opinion should therefore be read with these considerations in mind.

In our opinion, the consolidated financial statement in the ESEF format have been marked, in all material respects, in accordance with the requirements of the ESEF Regulation.

Non-audit services statement

To the best of our knowledge and belief, we declare that during the period under review and up to the date of issuance of this audit report, we have not provided the Parent Company and its Controlled Entities with any services other than reviews of the interim separate financial statement, review of the interim consolidated financial statement, audit of the separate financial statement, audit of the consolidated financial statements, assurance services to verify the compliance of the consolidated financial statement prepared in the uniform electronic reporting format with the requirements of the regulation on technical standards for the specification of the uniform electronic reporting format, and assurance services to evaluate the remuneration report.

In addition, to the best of our knowledge and belief, we declare that the non-audit services listed above that we have provided to the Parent Company and the Entities controlled by it comply with the laws and regulations applicable in Poland and that we have not provided non-audit services that are prohibited under article 5, section 1 of the EU Regulation and article 136 of the Act on Statutory Auditors.

Choosing an auditing company

We have been selected to audit the consolidated financial statement of the Capital Group with a resolution of the Parent Company's Supervisory Board of the 16th of May, 2022 (the resolution was updated on the 28th of June, 2023. We are examining the consolidated financial statement of the Capital Group for the second time.

The key statutory auditor responsible for the audit, which resulted in this report of the independent statutory auditor is Dominik Biel

.....

Registration number 13567

acting on behalf of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, entered on the list of audit firms under number 3886, on behalf of which the key statutory auditor examined the consolidated financial statement.

Warsaw, 26th of April, 202

Krakow, 26th of April, 2024

Dear Shareholders,

The year 2023 was a difficult period for the Comarch Group. In addition to external challenges, such as the tense international situation (in particular the war in Ukraine), high energy prices, high inflation and rising operating costs, the Comarch Group had to face the passing of people who were key to the Company's operations. On the 17th of December, 2023, Prof. Janusz Filipiak, the Company's CEO for many years, one of its founders and major shareholders, passed away. On the 10th of March, 2023, Paweł Prokop, the long-time Vice-President of the Company, one of its first employees and a major shareholder, passed away. Despite these unfavourable conditions, the Comarch Group once again proved its resilience in the face of crises, stably developed its business and achieved very good financial results. The Group's consolidated revenues reached PLN 1,815.8 million, the operating profit PLN 96.3 million and the net profit attributable to the shareholders of Comarch S.A. was PLN 100.6 million. Net profitability was 5.5 percent.

The Comarch Group has consistently implemented the key elements of its long-term growth strategy in 2023, focusing on improving existing and developing new IT products, offering them to a wide range of industries and selling them to customers worldwide. More than 94% of the Group's revenues were generated from the sale of its own services and solutions and finished goods, while 51.6% of revenues were realized outside Poland. Last year, sales on the Polish market increased (+12.5%) mainly due to increased sales of ERP systems in Poland and increased sales to the medical sector. The less dynamic development of foreign sales was related to the temporary decline in sales to the telecommunications sector. Thanks to its broad and comprehensive offer of modern IT solutions and high-quality services, the Comarch Group has strengthened its position as a the leading Polish software producer and one of the leading IT providers in Europe and the world. Thanks to the global sales network developed over many years, the Comarch Group, despite the challenges mentioned in the introduction, was able to successfully develop the sale of its solutions on existing and new markets.

In the year under review, the Comarch Group continued its extensive R&D activities. Expenditure on research reached almost PLN 412 million, which represented 22.7% of sales revenues. Comarch Group specialists worked intensively on the development of new generations of loyalty and ERP systems, systems for telecommunications operators, e-commerce solutions, telemedicine and solutions related to financial services based, among others, on artificial intelligence. In 2023, the dominant sales model for IT solutions was the service model - Comarch is always one of the market leaders in this area.

During the year, the Comarch Group adjusted the size of its workforce to the current level of revenues and employed 6,479 people at the end of the year. As every year, the summer internship program for students was very popular, thanks to which Comarch is perceived as the employer of choice on the IT job market.

In the past year, the Group paid special attention to the issue of IT security and took a number of measures to improve its level. A state-of-the-art data centre in Phoenix, USA, was launched in 2023, which, together with similar facilities in Kraków, Dresden and Lille, ensures a very high level of diversification of the Comarch Group's ICT infrastructure and also allows it to benefit from lower electricity prices than in Europe. The Comarch Group also continued to invest in its own renewable energy sources and other sustainable solutions.

In 2023, the Comarch Group received many awards and distinctions, both in Poland and internationally. For example in the "ITwiz BEST 100 2023" report, the Company was ranked among the 100 best companies, taking first place in key categories such as ERP sales, telecommunications sales and retail sales,. In the "Computerworld TOP200" report, it was on the podium in as many as 10 categories. The Company was also recognized in a list of the top 12 providers of technology solutions for loyalty program management, "The Forrester Wave: Loyalty Technology Solutions, Q1 2023". The FSS product Comarch Open Platform, which enables financial institutions to build their own SME ecosystem, was recognized by experts in prestigious rankings, including the "Best SME ecosystem software" at the CEE23 SME Banking Conference.

Last year, for the first time, a Comarch representative participated in the substantive work of the Digital Transformation Working Group of the B20, the G20's business advisory body. Its purpose was to prepare recommendations for the G20 leaders, who each year adopt a special communiqué that provides guidance for the actions of economies and governments over the next 12 months.

In the past year, the expanded Management Board of the Comarch Group, with the support of the Supervisory Board, endeavoured to effectively combine the mission of disseminating innovative technological ideas created in Poland throughout the world with the implementation of a responsible policy of corporate social responsibility and sustainable development. Last year, the Comarch Group was a constant patron of sports and science, supported local initiatives, local government and non-governmental organizations, health care units and charity actions.

The year 2023, as well as the previous few years, has proven that a very good geographic and industry diversification of the business, high quality employees, a wide range of products and the available financial resources allow the Comarch Group to efficiently adapt to the rapidly changing environment and to continue its long-term corporate development. As the newly appointed President of the Management Board of Comarch S.A., I will make every effort to ensure that the Comarch Group continues to strengthen its market position as a global provider of IT solutions and to increase its value for shareholders, customers, employees and all other stakeholders.

PhD Anna Pruska, *President of the Management Board of
Comarch S.A.*

COMARCH



Comarch Group Consolidated Financial Statement

for the period 01.01.2023-
31.12.2023

**Financial Statement Prepared Compliant
with International Financial Reporting Standards**

Kraków, the 26th of April, 2024

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over **70** countries on **6** continents
- we carry out projects all over the world



PLN 1,816 million
of sales revenue



PLN 101 million
of net profit attributable to the parent Company's
shareholders



> PLN 1.6 billion
capitalization of Comarch S.A. on the Warsaw
Stock Exchange
(the 31st of December, 2023)



5.3%
EBIT margin



6,400+
Professionals employed

Comarch Group Consolidated Financial Statement for the Twelve Months of 2023

I. Consolidated Balance Sheet

ASSETS	Note	At 31 December 2023	At 31 December 2022
I. NON-CURRENT ASSETS		917,217	976,471
Property, plant and equipment	3.3	636,243	684,642
Right-of-use assets	3.4	85,478	85,296
Investment in real estates	3.5	36,747	37,313
Goodwill	3.6	45,774	45,774
Other intangible assets	3.7	64,472	69,062
Non-current prepayments	3.8	3,579	5,942
Other assets at fair value	3.10a	8,456	9,723
Other investments		825	1,249
Deferred income tax assets	3.11	29,002	30,452
Other receivables		6,641	7,018
II. CURRENT ASSETS		1,322,907	1,295,511
Inventories	3.12	107,442	85,947
Trade and other receivables	3.14	510,648	535,309
Current income tax receivables		13,198	6,792
Long-term contracts receivables	3.14	140,164	166,811
Available for sale financial assets	3.9	576	27
Other financial assets at fair value – derivative financial instruments	3.10a	26,995	2,327
Cash and cash equivalents	3.17	523,884	498,298
III. ASSETS HELD FOR SALE	3.13	23,745	-
TOTAL ASSETS		2,263,869	2,271,982

EQUITY AND LIABILITIES	Note	At 31 December 2023	At 31 December 2022
I. EQUITY		1,320,196	1,279,690
Capital and reserves attributable to the Company's equity holders		1,324,759	1,277,519
Share capital	3.18	8,133	8,133
Reserve capital from sales of shares above the nominal value	3.19	84,446	84,446
Other capitals		58,595	58,595
Exchange differences		33,695	54,530
Retained earnings and net profit for the current period		1,139,890	1,071,815
Equities attributable to non-controlling interests		(4,563)	2,171
II. LIABILITIES		943,673	992,292
Non-current liabilities		222,518	256,283
Credit and loans	3.20	89,621	127,475
Other financial liabilities	3.22	-	-
Other liabilities		805	436
Liabilities due to lease	3.21	68,249	70,227
Financial liabilities at fair value – derivative financial instruments	3.10b	-	2,176
Provision for deferred income tax	3.11	59,994	52,720
Provisions for other liabilities and charges	3.23	3,849	3,249
Current liabilities		721,155	736,009
Trade and other payables	3.24	280,979	277,732
Current income tax liabilities		28,199	27,484
Long-term contracts liabilities	3.15	137,632	145,999
Credit and loans	3.20	39,137	44,732
Liabilities due to lease	3.21	22,138	21,099
Financial liabilities at fair value – derivative financial instruments	3.10b	-	5,199
Other financial liabilities	3.22	-	-
Provisions for other liabilities and charges	3.23	213,070	213,764
TOTAL EQUITY AND LIABILITIES		2,263,869	2,271,982

II. Consolidated Income Statement

	Note	12 months 2023	12 months 2022
Revenue	3.26	1,815,839	1,858,715
Costs of products, services, goods and materials sold	3.27	(1,387,209)	(1,369,559)
Gross profit		428,630	489,156
Other operating income	3.28	42,611	31,125
Sales and marketing costs		(202,396)	(193,296)
Administrative expenses		(142,077)	(143,044)
Other operating expenses	3.29	(30,507)	(36,335)
Operating profit		96,261	147,606
Finance revenue / (costs) - net	3.30	56,054	5,761
Profit before income tax		152,315	153,367
Income tax expense	3.29	(58,442)	(54,795)
Net profit for the period		93,873	98,572
Net profit attributable to Shareholders of the parent Company		100,608	107,848
Net profit / (loss) attributable to interests not entitled to control		(6,735)	(9,276)
Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)			
- basic	3.33	12.37	13.26
- diluted	3.33	12.37	13.26

III. Total Income Consolidated Statement

	12 months 2023	12 months 2022
Net profit for the period	93,873	98,572
Other total income		
Exchange differences from recalculation of subsidiaries	(20,834)	16,289
Total other total income	20,834	16,289
Sum of total income for the period	73,039	114,861
attributable to shareholders of the parent Company	79,773	124,140
attributable to interests not entitled to control	(6,734)	(9,279)

Other total income comprises items, which may be transferred to income statement in the following periods.

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company						Total equity
	Share capital	Share capital from sales of shares over their nominal value	Other capitals	Exchange differences	Retained earnings and net profit / (loss) for the current period	Capitals attributable to non-controlling interests	
Balance at 1 January 2022	8,133	84,446	58,595	38,238	996,500	11,450	1,197,362
Dividend paid	-	-	-	-	(32,533)	-	(32,533)
<i>Currency translation differences</i> ⁽¹⁾	-	-	-	16,292	-	(3)	16,289
<i>Profit for the period</i> ⁽²⁾	-	-	-	-	107,848	(9,276)	98,572
Total income recognised in equity ⁽¹⁺²⁾	-	-	-	16,292	107,848	(9,279)	114,861
Balance 31 December 2022	8,133	84,446	58,595	54,530	1,071,815	2,171	1,279,690
Balance at 1 January 2023	8,133	84,446	58,595	54,530	1,071,815	2,171	1,279,690
Dividend paid	-	-	-	-	(32,533)	-	(32,533)
<i>Currency translation differences</i> ⁽¹⁾	-	-	-	(20,835)	-	1	(20,834)
<i>Profit for the period</i> ⁽²⁾	-	-	-	-	100,608	(6,735)	93,873
Total income recognised in equity ⁽¹⁺²⁾	-	-	-	(20,835)	100,608	(6,734)	73,039
Balance at 31 December 2023	8,133	84,446	58,595	33,695	1,139,890	(4,563)	1,320,196

Pursuant to the resolution of the Comarch S.A. Annual General Meeting hold at the 28^h of June, 2023, the net profit for 2022 was partly allocated for dividend for shareholders outside the Group. Details are described in point 3.19.1. As at the 31st of December, 2023, in subsidiaries of the Group, there is no reason to make dividend payments for 2022 to entities outside the Comarch Group.

V. Consolidated Cash Flow Statement

	12 months 2023	12 months 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	93,873	98,572
Total adjustments	168,865	118,026
Depreciation*	95,729	93,796
Profit (loss) from foreign exchange differences	(2,643)	9,658
Interest and profit sharing (dividends)	6,595	3,748
Profit (loss) on investing activities	(52,167)	(21,534)
Change in inventories	(20,829)	5,961
Change in receivables	109,598	(101,758)
Change in liabilities and provisions excluding credits and loans	32,582	128,155
Net profit less total adjustments	262,738	216,598
Income tax paid	(50,592)	(52,568)
Net cash generated (used) in operating activities	212,146	164,030
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(44,108)	(130,334)
Proceeds from sale of property, plant and equipment	2,272	15,944
Purchases of intangible assets	(15,466)	(24,191)
Proceeds from disposal of investment in intangible assets	1,784	1,799
Expenses for purchase of financial assets	(21,459)	(1,000)
Expenses for investment in real estates	(4,983)	(46)
Repayment of granted loans	-	450
Interest on granted loans	3,878	355
Proceeds from financial instruments	10,228	73,067
Expenses for financial instruments	(1)	(11,676)
Net cash generated (used) in investing activities	(67,855)	(75,632)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from credits and loans	20,876	81,915
Repayments of credits and loans	(53,714)	(58,603)
Interest on credits and loans	(4,470)	(2,248)
Dividend and expenses due to profit sharing but other than those to owners	(32,533)	(32,533)
Payments of liabilities in relation to finance lease agreements	(26,224)	(24,831)
Other financial proceeds (expenses)	(200)	412
Net cash generated (used) in financing activities	(96,265)	(35,888)
Net change in cash	48,026	52,510
Cash, cash equivalents and bank overdrafts at beginning of the period	498,187	437,782
Positive (negative) exchange differences in cash and bank overdrafts	(22,626)	7,895
Cash, cash equivalents and bank overdrafts at end of the period	523,587	498,187
including those with limited disposability	14,162	8,175

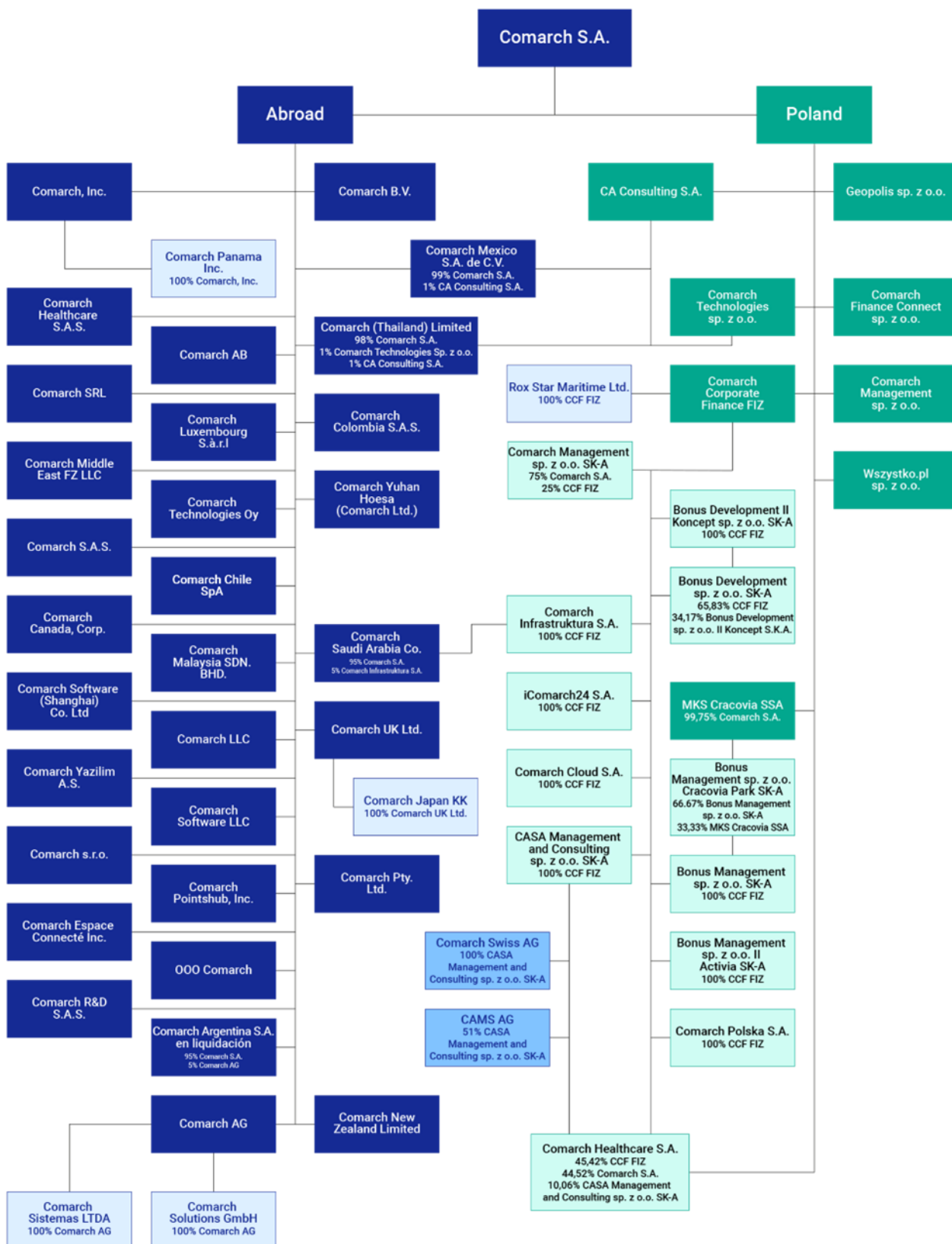
*) includes the depreciation of the right-of-use asset resulting from the application of IFRS 16 (details in note 2.6)

VI. Supplementary Information

1. Information about Group Structure and Activities

The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Kraków at Al. Jana Pawła II 39 A is a Parent Company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Kraków Śródmieście in Kraków, The Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. Comarch S.A. holds the dominant share in Group regarding realised revenue value of assets and number and volume of executed contracts. Comarch S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the Parent Company is not limited. There have been no changes in the name of the reporting entity or in other identifying data since the end of the previous reporting period.

1.1. Organizational Structure of Comarch Group



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

All amounts are presented in thousands of PLN unless otherwise indicated

As of the 31st December, 2023 an affiliate of the parent company is:

SolInteractive S.A. in liquidation with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o. o. Activia SK-A).

On the 11th of April, 2022, the general meeting of SolInteractive S.A. adopted a resolution to dissolve the company and appoint a liquidator to liquidate the company. The process of liquidation of the company is ongoing.

The associated company is not consolidated and its shares valued using the equity method as of 31st of December, 2023, have a value of zero.

1.2. Activities Structure in the Comarch Group

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

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them,
- Companies Comarch S.A.S., Comarch R&D S.A.S., Comarch Luxembourg S.à r.l., Comarch Inc., Comarch Panama Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA, Comarch Sistemas LTDA, Comarch Yazilim A.S., Comarch S.R.L., Comarch Malaysia SDN. BHD., Comarch AB, Comarch Colombia S.A.S., Comarch Japan KK, Comarch Saudi Arabia Co., Comarch Yuhan Hoesa (Comarch Ltd.), Comarch (Thailand) Limited, Comarch BV, Comarch Pty. LTD. acquire IT contracts in foreign markets and execute them in their entirety or in part,
- Company Comarch AG (until the 4th of October, 2023, operating as Comarch Software und Beratung AG) produce and provide ERP software for SME clients in the DACH region, and also sells other IT systems and services of the Comarch Group on the DACH markets. Activities of Comarch Solutions GmbH are identical as activities of Comarch AG,
- Comarch Swiss AG deals with the sale and implements software (mainly ERP) and integrates IT systems in Switzerland,
- Comarch Healthcare S.A.S. (operating as Cabinet Conseil en Strategie Informatique S.A.S. until the 2nd of February, 2024) provides IT solutions and services to medical entities in the French market,
- OOO Comarch dealt with the sale and implementation of Comarch products in Russia and support for IT systems delivered to client, currently does not conduct operational activity,
- Comarch Polska S.A. acquires IT contracts in domestic markets mainly in the public sector,
- Comarch Technologies sp. z o. o. is responsible for the development of technologies related to the design and production of electronic devices and software,
- CA Consulting S.A. is in the business of providing outsourcing, IT and consulting services,
- Comarch Cloud S.A. provides IT and outsourcing services, mainly to the banking sector,
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty conducts investment activities, through its subsidiaries, in the scope of new technologies and IT services, as well as investment activities on the capital and real estate market,
- Bonus Management sp. z o.o. SK-A oraz Bonus Management sp. z o.o. II Activia SK-A conduct investment activities on the capital and real estate's market,

All amounts are presented in thousands of PLN unless otherwise indicated

- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A is the development and investment activity on the real estate market,
- Comarch Healthcare S.A. sells software related to medicine and medical devices, provides medical and diagnostic services at the iMed24 Medical Centre in Kraków,
- Comarch Infrastruktura S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group,
- MKS Cracovia SSA conducts sports activities and promotes physical education,
- “Bonus Management spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sport, wellness and recreation,
- Rox Star Maritime Ltd. conducts activities related to tourist services,
- Comarch Finance Connect sp. z o.o. is the operator of the Apfino platform offering financial services,
- On the 15th of February, 2024, Wszystko.pl sp. z o.o. announced the termination of e-commerce portal under the name Wszystko.pl,
- Company Geopolis sp. z o.o., Comarch Management Sp. z o.o., Comarch Management sp. z o.o. SK-A , CASA Management and Consulting sp. z o.o. SK-A , Comarch s.r.o., Comarch Pointshub, Inc., Comarch Espace Connecté Inc., Comarch Argentina S.A. *en liquidación*, Comarch Mexico S.A. de C.V., Comarch Software (Shanghai) Co. Ltd, Comarch New Zealand Limited, LLC „Comarch Software” and CAMS AG are currently not operating.

1.3. Changes in Ownership and Organisational Structure in 2023

- On the 4th of January, 2023, an increase in the share capital of Comarch Finance Connect sp. z o.o. was registered from PLN 205,000 to PLN 1,000,000 i.e. of PLN 795,000 by creating 15,900 new shares with a nominal value of PLN 50 each.
- On the 11th of January, 2023, the Extraordinary Meeting of Shareholders of Comarch Finance Connect sp. z o. o. adopted a resolution to increase the share capital of the company by PLN 3,000,000 by creating 60,000 new shares with a nominal value of PLN 50 each. The shares were acquired by the shareholder Comarch Finance Connect Sp. z o. o. , i.e. Comarch S. A. and have been paid on the 12th of January, 2023. After registration of the above increase, the company has a share capital of PLN 4,000,000 which is divided into 80,000 shares, each of PLN 50 each.
- On the 31st of March, 2023, an increase in the share capital of Comarch Colombia SAS by COP 2.5 billion (PLN 2,310,000 at the exchange rate of the 31st of March, 2023) was passed. As a result of this transaction, the company's share capital amounts to COP 5,694,638,000 (PLN 5,261,845.51 at the exchange rate of the 31st of March, 2023).
- On the 28th of April, 2023, an increase in the share capital of Wszystko.pl sp. z o. o. was registered from PLN 1,530,000 to PLN 3,630,000, i.e. of PLN 2,100,000 by creating 3,500 new shares with a nominal value of PLN 600 each.
- On the 1st of June, 2023, a resolution was adopted to increase the capital in Comarch SRL by EUR 1,188,000 (i.e. PLN 5,383,065.60 at the exchange rate of the 1st of June, 2023) to cover the loss. Comarch S.A. transferred the entire amount. At the same time, the share capital was reduced by EUR 400,000 (i.e. PLN 1,812,480 at the exchange rate of the 1st of June, 2023), moving it to the loss from previous years.

As a result of these operations, the loss from previous years was reduced in total by EUR 1,587,835 (i.e. PLN 7,194,797.95 at the exchange rate of the 1st of June, 2023) and the share capital currently amounts to EUR 500,000 (i.e. PLN 2,265,600 according to the exchange rate of the 1st of June, 2023).

- On the 30th of June, 2023, by virtue of a resolution of the general meeting of shareholders, the liquidation of Comarch Argentina S.A. was opened. Therefore, starting from this date, the company is obliged to use the designation "en liquidación" in all documents and correspondence, and therefore the full name of the company is currently: Comarch Argentina S.A. en liquidación.
- On the 30th of June, 2023, an agreement was signed for the sale of shares in Comarch Healthcare S.A. by Comarch AG (formerly: Comarch Software und Beratung AG) to Comarch S.A. As a result of the transaction, Comarch AG (formerly: Comarch Software und Beratung AG) sold to Comarch S.A. block of 4,000,000 shares (33.02%) Comarch Healthcare S.A. for the price of EUR 5,681,876.45 (i.e. PLN 25,286,054.77 at the exchange rate of the 30th of June, 2023). The payment is to be made by the 30th of June, 2024.
- On the 17th of July, 2023, the share capital of Comarch R&D S.A.S. was increased from EUR 7,500 (i.e. PLN 33,390 at the exchange rate of the 17th of July, 2023) by EUR 1,500,000 (i.e. PLN 6,678,000 at the exchange rate of the 17th of July, 2023) through the issuance of 150,000 shares with a value of EUR 10 (i.e. PLN 44.52 at the exchange rate of the 17th of July, 2023) each. The shares were fully subscribed by Comarch S.A. As a result of the above transaction, the share capital of Comarch R&D S.A.S. amounts to EUR 1,507,500 (i.e. PLN 6,711,390 according to the exchange rate of the 17th of July, 2023).
- On the 19th of July, 2023, an agreement was concluded for the acquisition of shares by Comarch Corporate Fundusz Inwestycyjny Zamknięty (closed investment fund) in the increased share capital of Comarch Healthcare S.A. The capital increase was made by issuing 1,587,000 shares with a nominal value of PLN 1 per share and an issue price of PLN 6.30. The surplus over the nominal value, i.e. PLN 8,411,100, was transferred to supplementary capital. The capital was paid up on the 24th of July, 2023.
- On the 25th of July, 2023, an increase to PLN 4,000,000 in share capital of Comarch Finance Connect Sp. z o.o. was registered.
- On the 8th of August, 2023, an increase in the share capital of Comarch Saudi Arabia Co. was registered in the Saudi Arabian commercial register on the basis of a shareholders' resolution changing the amount of the share capital from the existing SAR 1 million, i.e. SAR 1,078,700.00 (according to the exchange rate of the 8th of August, 2023) to SAR 4,756,500, i.e. PLN 5,130,836.55 (according to the exchange rate of the 8th of August, 2023) (an increase of SAR 3,756,500, i.e. PLN 4,052,136.55 (according to the exchange rate of the 8th of August, 2023)). The increase is to be carried out by cash contributions from existing shareholders (Comarch SA and Comarch Infrastruktura S.A.) within 90 days of registration, in proportion to the shares they previously held and without changing the number of shares. The capital was not paid up in the third quarter. As a result of the share capital increase, the value of one share changed, which from now on was SAR 4,756.50, i.e. PLN 5,130.84 (according to the exchange rate of the 8th of August, 2023) (Comarch S.A. holds 950 shares, Comarch Infrastruktura S.A. holds 50 shares).
- On the 16th of August, 2023, Comarch Peru S.A.C. en liquidación was deregistered from the business register in Peru.
- On the 2nd of October 2023, the Extraordinary Meeting of Shareholders of Wszystko.pl sp. z o. o. passed a resolution raising the company's share capital from PLN 3,630,000 to PLN 9,630,000 (by PLN 6 MILLION). The new shares in the number of 10,000 with a total nominal value of PLN 6 million (PLN 600

each) were fully subscribed for by the Company's previous sole shareholder, i.e. Comarch S.A. The cash contribution was made by Comarch S.A. to Wszystko.pl sp. z o. o. on the 13th of October, 2023.

- Comarch KPPA, i.e. Comarch S.A.'s representative office in Indonesia, was registered on the 3rd of October, 2023.
- On the 4th of October, 2023, amendments to the Articles of Incorporation of Comarch Software und Beratung AG were passed, which changed the name of the entity to Comarch Aktiengesellschaft (Comarch AG). The amendment became effective as of the date of registration in the commercial register, i.e. the 11th of October, 2023.
- On the 27th of October, 2023, the companies: Comarch S.A. and Comarch Infrastruktura S.A. made payments for the share capital increase of Comarch Saudi Arabia Co. passed in August.
- On the 6th of November, 2023, an increase in the share capital of Comarch Healthcare S.A. to PLN 13,701,806.00 was registered.
- On the 1st of December, 2023, Comarch S.A. signed an agreement to acquire a block of shares in the company Miejski Klub Sportowy Cracovia Sportowa Spółka Akcyjna with its seat in Kraków (30-111), at 1 Józefa Kałuży Street ("MKS Cracovia SSA"). As part of the transaction, Comarch S.A. acquired 73,480 (in words: seventy-three thousand four hundred and eighty) ordinary registered shares of MKS Cracovia SSA, series A and B, with a nominal value of PLN 100 each ("Share Package"), from the Municipality of Krakow. The price for the Share Package was PLN 21,206,328, and the price per share was PLN 288.60. As a result of the aforementioned transaction, Comarch S.A. became the owner of 217,861 ordinary registered shares in MKS Cracovia SSA of series A, B, C, D, E, F and G with a nominal value of PLN 100 each, i.e. with a total nominal value of PLN 21,786,100, constituting 99.75% of the share capital of MKS Cracovia SSA. Pursuant to Article 3289 § 1 of the Commercial Companies Code, the acquisition of the shares took place upon the entry in the Shareholders' Register on the 1st of February, 2024.

1.4. Ownership Changes and Changes in Organizational Structure after the Balance Sheet Date

- On the 11th of January, 2024, an increase in the capital of the company Wszystko.pl Sp. z o.o. to PLN 9,630,000 was registered in the National Court Register.
- On the 1st of February, 2024, in the Register of Shareholders of the company Miejski Klub Sportowy "Cracovia" S.A., the Municipality of Krakow was deleted as a shareholder entitled to 73,480 registered non-preference shares, including 68,480 series A shares numbered from 1 to 68,480 and 5,000 series B shares numbered from 1 to 5,000, and at the same time Comarch S.A. was registered as a shareholder with the above shares. As a result, 99.75% of the shares of Miejski Klub Sportowy "Cracovia" S.A. are now held by Comarch S.A.
- On the 2nd of February, 2024, amendments to the Articles of Incorporation of Cabinet Conseil en Strategie Informatique S.A.S. were enacted, changing the name of the entity to Comarch Healthcare S.A.S. The name change became effective as of the date of its enactment, i.e. the 2nd of February, 2024.
- On the 15th of February, 2024, Wszystko.pl sp. z o. o. announced the termination of its e-commerce portal under the name Wszystko.pl.
- On the 5th of April, 2024, the Extraordinary Meeting of Shareholders of Comarch Finance Connect Sp. z o.o. was held, at which the decision was made to increase the company's share capital from PLN

4,000,000 to PLN 11,000,000 by establishing 140,000 new shares with a nominal value of PLN 50.00. All newly established shares in the increased share capital of the company were acquired by the current sole shareholder - Comarch S.A. The newly established shares were covered in full by a payment from Comarch S.A., which was made on the 10th of April, 2024. As at the date of publication of this report, the changes have not been registered in the National Court Register.

- On the 5th of April, 2024, the Extraordinary Meeting of Shareholders of company Wszystko.pl was held, at which the decision was made to increase the company's share capital from PLN 9,630,000 to PLN 16,230,000 by establishing 11,000 new shares with a nominal value of PLN 600.00. All newly established shares in the increased share capital of the company were acquired by the current sole shareholder - Comarch S.A. The newly established shares were covered in full by a payment from Comarch S.A., which was made on the 10th of April, 2024. As at the date of publication of this report, the changes have not been registered in the National Court Register.
- On the 10th of April, 2024, the Extraordinary General Meeting of Shareholders of Comarch Chile SpA. adopted an increase in the share capital by CLP 4.8 billion (in words: four billion eight hundred million Chilean pesos) from CLP 161,500,000 to CLP 4,961,500,000. The share capital is therefore divided into 496,150 shares without nominal value. All shares of the new issue were taken over by the current sole shareholder of Comarch Chile SpA., i.e. Comarch S.A. Payments for their acquisition were made on the 11th of April, 2024 in the following amounts: EUR 2,300,000, which was CLP 2,356,120,000 at the exchange rate applicable on that day at Banco Central de Chile and USD 2,563,035.52, which was CLP 2,443,880,000 CLP at the rate applicable on that day at Banco Central de Chile. The capital increase is effective on the date of preparation of the notarial act registering the above-mentioned resolution of the EGM, i.e. on the 12th of April, 2024.

2. Description of the Applied Accounting Principles

This consolidated financial statement for the 12 months ended the 31st of December, 2023, was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.

This financial statement was prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.

Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.5 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.

The financial statement was prepared with the assumption of the continuation of commercial activities by the Comarch Group in the foreseeable future. According to Parent Company's management, there are no circumstances suggesting any threat to the continuation of activities.

The Comarch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

All amounts are presented in thousands of PLN unless otherwise indicated

The consolidated financial statement of the Comarch Group for the 12 months ended the 31st of December, 2023, comprises the financial statements of the following companies:

Company name	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	Parent company	Full	
Comarch Sistemas LTDA	Subsidiary	Full	100% held by Comarch AG (until the 4 th of October, 2023, operating as Comarch Software und Beratung AG)
Comarch AG	Subsidiary	Full	100%
Comarch Solutions GmbH	Subsidiary	Full	100% held by Comarch AG (until the 4 th of October, 2023, operating as Comarch Software und Beratung AG)
Comarch S.A.S.	Subsidiary	Full	100%
Comarch R&D S.A.S.	Subsidiary	Full	100%
Comarch Luxembourg S.à r.l.	Subsidiary	Full	100%
Comarch Inc.	Subsidiary	Full	100%
Comarch Panama Inc.	Subsidiary	Full	100% held by Comarch Inc.
Comarch Canada, Corp.	Subsidiary	Full	100%
Comarch Espace Connecté Inc.	Subsidiary	Full	100%
Comarch Middle East FZ-LLC	Subsidiary	Full	100%
Comarch LLC	Subsidiary	Full	100%
OOO Comarch	Subsidiary	Full	100%
Comarch Software (Shanghai) Co. Ltd.	Subsidiary	Full	100%
Comarch Technologies Oy	Subsidiary	Full	100%
Comarch UK Ltd.	Subsidiary	Full	100%
Comarch Japan KK	Subsidiary	Full	100% held by Comarch UK Ltd.
Comarch Chile SpA	Subsidiary	Full	100%
Comarch Colombia S.A.S.	Subsidiary	Full	100%
Comarch Yazilim A.S.	Subsidiary	Full	100%
Comarch SRL	Subsidiary	Full	100%
Comarch Malaysia SDN. BHD.	Subsidiary	Full	100%
Comarch s.r.o.	Subsidiary	Full	100%
Comarch Pointshub, Inc.	Subsidiary	Full	100%
Comarch AB	Subsidiary	Full	100%
Comarch Argentina S.A. <i>en liquidación</i>	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch AG (until the 4 th of October, 2023, operating as Comarch Software und Beratung AG)
Comarch Saudi Arabia Co.	Subsidiary	Full	95% held by Comarch S.A., 5% held by Comarch Infraestructura S.A.
Comarch Mexico S.A. de C.V.	Subsidiary	Full	99% held by Comarch S.A., 1% held by CA Consulting S.A.
Comarch Yuhan Hoesa (Comarch Ltd.)	Subsidiary	Full	100%
Comarch (Thailand) Limited	Subsidiary	Full	98% held by Comarch S.A., 1% held by CA Consulting S.A., 1% held by Comarch Technologies sp. z o. o.
Comarch BV	Subsidiary	Full	100%

All amounts are presented in thousands of PLN unless otherwise indicated

Comarch Pty. LTD	Subsidiary	Full	100%
Cabinet Conseil en Strategie Informatique S.A.S.**	Subsidiary	Full	100%
Comarch New Zealand Limited	Subsidiary	Full	100%
LLC "Comarch Software"	Subsidiary	Full	100%
Comarch Technologies sp. z o.o.	Subsidiary	Full	100%
CA Consulting S.A.	Subsidiary	Full	100%
Geopolis sp. z o.o.	Subsidiary	Full	100%
Wszystko.pl sp. z o.o.	Subsidiary	Full	100%
Comarch Management sp. z o.o.	Subsidiary	Full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	Subsidiary	Full	100% of total number of investment certificates,
Comarch Management sp. z o.o. SK-A	Subsidiary	Full	26,45% held by Comarch S.A., 8,82% held by CCF FIZ, 64,73% purchased by Comarch Management sp. z o. o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
"Bonus Management sp. z o.o." Cracovia Park SK-A	Subsidiary	Full	50% held by Bonus Management sp. z o. o. SK-A, 50% held by MKS Cracovia SSA
Bonus Development sp. z o.o. SK-A	Subsidiary	Full	65,52% held by CCF, 34,48% held by Bonus Development sp. z o. o. II Koncept S.K.A
Bonus Management sp. z o.o. II Activia SK-A	Subsidiary	Full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	Subsidiary	Full	100% held by CCF FIZ
Rox Star Maritime Limited	Subsidiary	Full	100% held by CCF FIZ
Comarch Healthcare S.A.	Subsidiary	Full	44,52% held by Comarch S.A. 45,42% held by CCF FIZ 10,06% held by CASA Management and Consulting sp. z o. o. SKA
Comarch Polska S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Cloud S.A.	Subsidiary	Full	100% held by CCF FIZ
Comarch Infrastruktura S.A.	Subsidiary	Full	100% held by CCF FIZ
iComarch24 S.A.	Subsidiary	Full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	Subsidiary	Full	100% held by CCF FIZ
Comarch Swiss AG	Subsidiary	Full	100% held by CASA Management and Consulting sp. z o. o. SK-A
CAMS AG	Subsidiary	Full	51% held by CASA Management and Consulting sp. z o. o. SK-A
Comarch Finance Connect sp. z o.o.	Subsidiary	Full	100%
MKS Cracovia SSA*	Subsidiary	Full	66,11% held by Comarch S.A.

*) On the 1st of February, 2024, the Municipal Municipality of Krakow was deleted in the Register of Shareholders of Miejski Klub Sportowy "Cracovia" S.A. as a shareholder entitled to 73,480 registered non-preference shares, including 68,480 series A shares numbered from 1 to 68,480 and 5,000 series B shares numbered from 1 to 5,000, and at the same time Comarch S.A. was registered as a shareholder with the above shares. As a result, 99.75% of the shares of Miejski Klub Sportowy "Cracovia" S.A. are now held by Comarch S.A.

***) On the 2nd of February, 2024, amendments to the Articles of Incorporation of Cabinet Conseil en Strategie Informatique S.A.S. were enacted, changing the name of the entity to Comarch Healthcare S.A.S. The name change became effective on the date of its enactment, i.e. the 2nd of February, 2024.

As of the 16th of August, 2023, Comarch Peru S.A.C. en liquidación was deregistered from the business register in Peru.

2.1. Methods of Valuation of Assets and Liabilities and the Determination of Financial Results

2.1.1. Segment Information

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

- the sales of IT systems and services, including the production of software for medicine and the sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment") conducted by MKS Cracovia SSA,
- investment activity on capital market and activity in relation with real estate investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services (hereinafter referred to as the "Medical segment").

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

On account of geographical distribution of activities, Comarch Group distinguishes the following market segments: Poland, DACH Region (Germany, Austria, and Switzerland), Other countries. Sport Segment, Investment Segment and Medical Segment carry out their activities exclusively in Poland. Due to the fact that only the IT Segment operates outside of the country and at the same time incurred in the IT segment costs are largely common to export and domestic sales, it is not intentionally to set the result separately for export and domestic activities.

Comarch Group's sales is highly diversified and is not dependent on a single customer. Within 12 months of 2023, the share of none of the contractor exceeded 10% of the sales of Comarch Group. Over 2023, Comarch Group sales revenue structure was as follows: 23% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 30% in the fourth quarter. Over 2024, the company expects sales revenue to be similar to those in 2023.

2.1.2. Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities), over which Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Acquisitions of companies and the individual parts of the activity are accounted for with the purchase method. The cost of merging companies is evaluated in the aggregated fair value of the assets transferred, born or acquired and capital instruments issued by the Group in return for taking control over the acquired entity. Acquisition-related costs are recognised in profit or loss as incurred.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. All other changes are recognised in accordance with the respective IFRS regulations. Changes in the fair value of the contingent consideration that qualify as equity transactions are not recognised.

Identifiable assets, liabilities and contingent liabilities of the acquire meeting the requirements of recognition in accordance with the IFRS 3 “Merging economic entities” is recognized at fair value as at the day of acquisition, except exclusions in accordance with the IFRS 3.

Where a business combination is achieved in stages, the Group’s previously held equity interest in the acquire is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss.

Goodwill arising on an acquisition of a business is recognised in assets and initially carried at cost, assumed exceed the Group’s interest in the net fair value of identifiable assets, liabilities and contingent liabilities. If, after reassessment, the share of the Group in net of the acquisition-date amounts of the identifiable assets, liabilities and contingent liabilities of the acquire, assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in profit or loss.

Transactions, settlements and unrealised gains on transactions between parties in the Comarch Group are eliminated. Unrealised gains are also eliminated, unless a transaction gives evidence for impairment of assets. Accounting principles applied by subsidiaries have been changed everywhere it has been necessary to ensure compliance with accounting principles applied by the Comarch Group.

b) Associates

Associates are all entities over which the Group has significant influence but not control; this generally accompanies a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised as costs. The Group’s investment in associates includes goodwill identified on acquisition.

The Comarch Group’s share of the post-acquisition profits or losses of its associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Comarch Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Comarch Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Comarch Group and its associates are eliminated to the extent of the Comarch Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Comarch Group.

c) Principles for the Presentation of the Comarch AG Group within the Financial Statement

Comarch AG (formerly Comarch Software und Beratung AG) is the parent company for the companies of the Comarch AG from 2013 has not prepared independently the consolidated financial statement, including data from Comarch AG and its subsidiaries. Comarch S.A. is the Parent Company of the Comarch Group and prepares directly the consolidated financial statement, including data from Comarch S.A. and all other subsidiaries (including Comarch AG and its subsidiaries).

On the 23rd of August, 2022, an agreement was concluded to merge Comarch Software und Beratung AG with Comarch AG. The acquiring company is Comarch Software und Beratung AG. The merger of Comarch AG and Comarch Software und Beratung AG ("Comarch SuB") was registered in the Comarch SuB commercial register on the 13th of September, 2022 and became effective on the 30th of September, 2022. On the 1st of October, 2022, Comarch SuB assumed the rights and duties of Comarch AG.

On the 4th of October, 2023, amendments to the Articles of Incorporation of Comarch Software und Beratung AG were passed, which changed the name of the entity to Comarch Aktiengesellschaft (Comarch AG). The amendment became effective as of the date of registration in the commercial register, i.e. the 11th of October, 2023.

2.1.3. Valuation of Items Expressed in Foreign Currencies

a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Polish zlotys (PLN), which is the Parent Company's functional and presentation currency.

b) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit and loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale assets, are included in the available-for-sale reserve in equity.

c) The Comarch Group Companies

The results and financial position of all group entities (none of which operates in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate of the date of the balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the

All amounts are presented in thousands of PLN unless otherwise indicated

transaction dates, in which case income and expense are translated at the dates of the transactions); and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of credits and loans and other currency instruments designated as hedges of such investments, are included in shareholder equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

EURO rates used to financial data

NBP average exchange rates

as at 31.12.2023	4.348
as at 31.12.2022	4.6899

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

for the period 1.01. - 31.12.2023	4.5284
for the period 1.01. - 31.12.2022	4.6883

Selected currency rates used to financial data

NBP average exchange rates for USD

as at 31.12.2023	3.9350
as at 31.12.2022	4.4018

NBP average exchange rates for CHF

as at 31.12.2023	4.6828
as at 31.12.2022	4.7679

NBP average exchange rates for GBP

as at 31.12.2023	4.9997
as at 31.12.2022	5.2957

NBP average exchange rates for DKK

as at 31.12.2023	0.5833
as at 31.12.2022	0.6307

NBP average exchange rates for NZD

as at 31.12.2023	2.4836
as at 31.12.2022	2.7884

NBP average exchange rates for CAD

as at 31.12.2023	2.9698
as at 31.12.2022	3.2486

2.1.4. Investment

a) Financial Assets and Liabilities at Fair Value through Profit or Loss

This category comprises two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of sale in the short term or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges. This type of derivative is classified separately in 'Derivative financial instruments' in the balance sheet. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months from the balance sheet.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. These arise when the Group gives cash, goods or services directly to the debtor, without the intention of introducing its receivables into trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

c) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

d) Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Comarch Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are no longer recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets available-for-sale and financial assets carried at fair value, through profit or loss are initially recognised at fair value. Loans, receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of the non-monetary securities classified as 'available-for-sale' are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or if a security is unlisted), the Comarch Group establishes fair value by using valuation techniques. These comprise the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and models (commonly regarded as correct) of the valuation of derivative instruments based on input data from the active market.

All amounts are presented in thousands of PLN unless otherwise indicated

The Comarch Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each balance sheet date. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.1.5. Non-Current Assets

a) Intangible Assets

Intangible assets are recorded at their acquisition prices less the current redemption as well as possible write-offs due to permanent loss in value. The Group carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

▪ computer software	30%
▪ licences	30%
▪ copyrights	30%
▪ other rights	10 - 20%

Adopted depreciation rates are related to the estimated useful life of intangible assets, excluding the players' cards (MKS Cracovia SSA), which are depreciated within the period of the agreement signed with a given player.

In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

The right of perpetual usufruct of land relating to MKS Cracovia SSA is classified as an intangible asset with an undefined useful life, therefore it is not depreciated. Lands that MKS Cracovia SSA holds in perpetual usufruct are not depreciated, because of an undefined useful life, since the company expects that the perpetual usufruct rights will be renewed without any major costs, as it is not obliged to meet any conditions, upon which the extension of these rights depends.

In Poland, perpetual usufruct is considered synonymous to ownership, as opposed to a lease after which a user releases land. The company does not expect to incur any major costs for the renewal of perpetual usufruct rights as the co-owner of MKS Cracovia SSA is the City of Krakow. The city supports sports activities, including those of MKS Cracovia SSA through initiatives that include:

- refinancing sports infrastructure,
- redeeming real estate taxes,
- providing fees for perpetual usufruct.

The right of perpetual usufruct of land relating to the Parent Company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

Intangible assets purchased as a result of the acquisition of the A-MEA Informatik AG (currently Comarch Swiss AG) are comprised of the value of the company's relationships with customers. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the A-MEA Informatik AG. It was assumed the depreciation period is equal to the predicted period of economic benefit from the company's relationships with customers, i.e. 60 months. The depreciation settlement was completed in 2016.

Intangible assets purchased as a result of the acquisition of the ESAProjekt sp. z o.o. (currently Comarch Healthcare S.A.) are comprised of property rights for the software: Optimed, OptiNFZKom, BaKS, Carber, SDK, Repos. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the ESAProjekt sp. o.o. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months. The depreciation settlement was completed in 2016.

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Comarch Group's share of the net identifiable assets (including identifiable assets acquired as well as liabilities and contingent liabilities assumed in the merger) of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill recognised separately is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carriage of an amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

c) Property, Plant and Equipment

Property, Plant and Equipment in Use

Property, plant and equipment in use were valued according to acquisition prices or production costs less current redemption and possible write-offs due to losses in value. The adopted depreciation rates correspond to the economic utility of property, plant and equipment in use.

The following detailed principles of depreciation of property, plant and equipment in use have been adopted by the company: assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for buildings), 30% (for machines and devices) and 20% (for furniture, equipment and other assets). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Property, Plant and Equipment under Construction

Property, plant and equipment under construction are valued according to the acquisition price less any possible write-offs due to permanent loss in value. The company applies the rule that interests on investment credit, in the period when the investment is realised, are recognised as property, plant and equipment under construction. Interests on investment credit decrease the annual result within finance costs, after non-current asset, financed by credit, was brought to use.

Improvements in Third Party Property, Plant and Equipment Assets

Improvements in third party property, plant and equipment are valued according to the acquisition price less any current redemptions and possible write-offs due to loss in value.

d) Leasing

As of the 1st of January, 2019, the Group has been applying the IFRS 16 standard for lease agreements.

In accordance with IFRS 16, the contract is a lease if the lessee has the right to exercise control, including economic benefits, over the use of the identified asset for a specified period of time in exchange for remuneration.

For lease agreements subject to IFRS 16, the Group included rental agreements for buildings and office space, the right to perpetual usufruct of land, leasing of means of transport and leasing of computer equipment.

For contracts concluded for a definite period, the Group has adopted a lease period consistent with the lease agreement period, unless circumstances indicating the use of the option of extension or termination were known. Contracts concluded for an indefinite period with a notice period shorter than 12 months are not subject to measurement according to IFRS 16 (except for the agreement for lease of the stadium in Krakow at street Kałuży 1, which was valued according to IFRS 16 due to the strategic nature of rented property, and for which the Comarch Group accepts a 5 years lease period). Contracts of lease for an indefinite period with a notice period longer than 12 months the Group has not identified.

The Group recognizes the right to use the asset together with an appropriate leasing liability determined in the amount of discounted future payments during the lease term. Instead of the previously included in the costs of the basic activity of fees for the use of leased assets, depreciation calculated on the value of the asset due to the right of use was introduced. Depreciation is allocated according to production costs, overheads or selling costs. Assets due to the right of use are amortized on a straight-line basis.

e) Non-Current Prepayments

Non-current prepayment Impairment of Assets s refer to the non-current part of prepayments costs.

f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sales costs and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2.1.6. Current Assets

a) Inventories (Products in Progress and Finished Goods)

Production in progress given in the statement refers to software produced by the Comarch Group and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by the Comarch Group and allocated for multiple sales is valued in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenue obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.

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

The register of materials and finished goods is managed at current purchase prices. Expenses are appraised according to the FIFO principle. Finished goods are appraised according to actual purchase prices, no higher than net selling prices.

b) Receivables

Receivables are recognised initially at fair value and subsequently according to adjusted acquisition prices (at amortised cost).

Receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).

In order to make their value real, receivables are decreased by write-offs revaluating bad debts. Write-offs due to loss in value correspond with the difference between balance sheet value and the current value of actual cash flows from the given item of assets. Due to the specific nature of activities (limited scope of receivables from mass contractors), appropriate updating of write-offs is carried out by way of a detailed identification of receivables and an assessment of risk of the inflow of funds resulting from contractual and business conditions.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks, bank deposit payable on demand, liquid current securities and other current investment with high liquidity.

d) Settlement of Long-Term Contracts

Costs related to long-term contracts are given when they occur. The result in contracts is determined according to the progress of work if a reliable determination of such is possible. If it is not possible to determine the results in contracts, revenue is recognised uniquely up to the amount of a contract's costs incurred, which are probable to recover. The progress of work is measured based on the value of costs incurred by the balance sheet date divided by the total estimated costs due to contracts, expressed as a percentage. If it is probable that the total costs due to an agreement exceed total revenue, the anticipated loss is recognised immediately.

In assets, the Comarch Group presents 'Long-term contracts receivables' for cases where there is a surplus in incurred costs and recognised profits due to long-term contracts over the value of invoiced sales for contractors. Otherwise, when there is a surplus of the invoiced sales to contractors over the value of incurred costs and recognised profits due to long-term contracts, the Group presents an item in the liabilities called 'Long-term contracts liabilities'. The above surpluses are determined for each contract separately and are presented separately without balancing particular items.

e) Assets Designated for Sales

Assets Designated for Sales be recovered more as a result of sales transactions than in the result of their further usage. This condition is considered to be met only when a sale transaction is very probable to perform and an asset's item or a group for disposal are available for immediate sales in their present shape. An asset's item may be classified as designated for sales when the company's management is going to make a transaction within one year from change of classification. Assets and groups for disposal classified as designated for sales are evaluated at lower of two values: initial balance sheet value or fair value less transaction costs.

2.1.7. Equity

Equity includes:

- a) the share capital of the Parent Company presented at nominal value,
- b) other capitals established:
 - from profit-sharing,
 - from surpluses of shares sold above their nominal value (premium share),
 - from the valuation of managerial options,
- c) retained profit resulting from adjustments resulting from changes to accounting principles and from the results achieved by the entities of the Comarch Group, which were not transferred to other capitals,
- d) currency exchange differences.

2.1.8. Employee Benefits

a) Share-Based Plans

By 2014, the Parent Company had a share-based reward scheme. The fair value of employee services received in exchange for every grant of options increases costs. The total amount to be spent over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Vesting conditions were included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revised its estimates of the number of options that are expected to vest. It recognised the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received when the option is exercised, i.e. proceeds from comprising shares (less transaction costs related directly to option exercising) were credited to share capital (nominal value) and the share premium is credited to supplementary capital. Since 2015, Comarch Group entities have not implemented share-based remuneration programs.

2.1.9. Liabilities and Provisions for Liabilities

a) Trade Liabilities and Other Liabilities

Initially trade and other liabilities are recognised at their fair value and at the balance sheet date they are recognised at adjusted acquisition prices (depreciated cost). Liabilities, depending on maturity (up to or over 12 months from the balance sheet date) are recorded as current or non-current items.

b) Financial Liabilities

At the time of initial recognition, financial liabilities are valued at fair value, increased (in case of an item of liabilities not qualified as valued at fair value by the financial result) by transaction costs. After the initial

recognition, the unit appraises financial liabilities according to depreciated costs using the effective interest method, with the exception of derivative instruments, which are valued at fair value. Financial liabilities set as items being hedged are subject to appraisal pursuant to hedge accounting principles.

c) Lease liabilities

As of the 1st of January, 2019, the Comarch Group has been applying the IFRS 16 standard for lease agreements. In accordance with IFRS 16, the Comarch Group has classified lease agreements for office buildings and areas, perpetual usufruct of land, lease of means of transport and lease of computer equipment

The Comarch Group presents a lease liability established in the amount of discounted future payments due to the lease agreements, during the lease term.

Interest accrued on the lease liability is included in the finance costs instead of interest paid on current lease payments before the application of the standard.

Lease liabilities settled by the effective interest rate (the lesser interest rate of the lessee).

d) Provisions for Liabilities

Provisions for restructuring costs, guarantee repairs, legal claims and for other events (especially for leaves and rewards), which result in the Group's current obligation from past events, are recognised if:

- the Comarch Group has current legal or customary liabilities resulting from past events,
- there is a high probability that expending Group funds may be necessary to settle these liabilities, and
- their value has been reliably assessed.

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses.

If there are a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.

The provisions are appraised at the current value of costs assessed according to the best knowledge of company management. Incurring such costs is necessary in order to settle the current liability at the balance sheet date. The discount rate applied for determining current value reflects the current market assessment of the time value of money and impairments relating to a given liability.

2.1.10. Deferred Income Tax

The general principle, pursuant to IAS12, is applied. It states that due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined. Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from

activities in the special economic zone over three years (including the year for which the financial statement is prepared).

Deferred income tax liabilities are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future. Deferred income tax is established using fiscal rates (and regulations) which are legally binding at the balance sheet date, which according to expectations shall be in force at the moment of realisation of relevant deferred income tax assets or settlement of deferred income tax liability.

In accordance with the implemented policy, dividends from subsidiaries are not regularly paid, therefore it is not possible to specify the date when the temporary differences due to taxation of dividends from non-EU CIT will be reversed in EU countries. Due to the above, the Group does not create a provision for income tax due to taxed dividends.

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

2.2. Recognition of Revenue and Costs

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

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- sharing IT service solutions in the Cloud model,
- other IT and non-IT services necessary for system implementation.

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

- revenue from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenue from services specified in the previous point.

Unit managers may decide to include estimated revenue that are highly probable to be realised into the total revenue from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenue flowing from them). When integration contracts under which software is allocated for multiple sales are Comarch property, the revenue and costs related to this software and the revenue and costs related to the other part of the integration contract are recognised separately. Several integration contracts are combined and recognised as one contract, if:

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

The contracts are executed based on the concluded contracts and the benefits are usually considered to be made within the time limits defined in them, usually based on bilateral work acceptance reports.

Revenue from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenue from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms. Revenue from sales of other services, products, finished goods and property items comprise sums of fair values from due invoiced revenue taking into account discounts and rebates without commodity and services taxes.

In the case of implementation of individual IT contracts, payment dates are set individually depending on their size, duration of the implementation period, estimated cost expenditures. Depending on the specificity of the contract, the amounts of remuneration may be fixed, defined in the contract, or may include variable elements depending on the amount and course of work.

In the case of individual IT contracts, payment dates are determined individually depending on their size, duration of the implementation period, estimated cost expenditure.

In the case of the sale of reusable software, customary payment terms are usually used.

Sales costs include marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch Group. General costs consist of the costs of the Comarch Group functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the Comarch Group.

Exchange rate differences related to receivables are presented in 'Revenue from sales' and those related to liabilities are presented in 'Cost of sales.'

Subsidies

The Comarch Group receives subsidies for the financing of R&D projects within the framework of European Union aid programmes. These subsidies are systematically recognised as revenue in particular periods so as to ensure that they are adequate to incurred costs, which should be compensated by subsidies respectively to the reason of their settlement. These subsidies diminish the respective direct costs, which are presented in the cost of sales just after they are compensated with subsidies.

a) Other Operational Revenue and Costs

Other operational revenue and costs comprise revenue and costs not directly related to the regular activities of the units and mostly include: the result of the sale of property, plant and equipment and intangibles, subsidies, established provisions and the consequences of asset revaluation.

b) Financial Revenue and Costs

Financial revenue and costs mostly include: revenue and costs due to interest, those from the result achieved due to exchange rate differences in financial activities, those from disposal of financial assets and those arising as the consequences of the investment revaluation. Interest charges due to investment credit are recognised in finance costs beginning from the moment when asset finance with the credit was completed for use.

2.3. Financial Risk Management

2.3.1. Credit Risk

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

2.3.2. Risk of Change in Interest Rest

The Comarch Group is exposed to the risk of changes in interest rates due to cash and cash equivalents held and long-term credits and loans. Part of the credits and loans bear interest at a fixed interest rate, and some at a variable interest rate based on EURIBOR. For credits and loans bearing variable interest rates, the Comarch Group partially hedged the interest rate risk using IRS contracts. The Comarch Group constantly monitors the market situation in terms of changes in interest rates. The impact of changes in interest rates on the amount of interest paid on loans is partly offset by parallel changes in the interest rate received in connection with the cash held by the Comarch Group.

An analysis of the sensitivity of the Group's financial results to interest rate risk carried out in accordance with IFRS 7 principles indicates that if, on the balance sheet date, the interest rates had been 50 base points higher/lower, net profit for 2023 would have been PLN 1,976 thousand higher/lower given that the other variables remained constant. This would largely have been the result of higher/lower revenue arising from interest received on cash and cash equivalents. Conducting an analogous analysis as at the 31st of December, 2022, indicates that if interest rates had been 50 base points higher/lower net profit for 2021 would have been PLN 1,630 thousand higher/lower, given that the other variables remained constant. An analysis of the sensitivity of the Comarch Group's financial results to interest rate risk was carried out using a simplified method that assumes that the rates' increases and decreases close at the same amount.

2.3.3. Risk of Fluctuation in the Exchange Rates

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EUR/PLN, USD/PLN, GBP/PLN, JPY/PLN, THB/EUR, DKK/PLN, BRL/PLN. At the same time, part of the Comarch Group's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the Comarch Group hedges future payments with forward contracts, and it tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change in currency investment loans).

The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date. These values were presented in note [3.17](#).

An analysis of the Comarch Group's sensitivity to exchange rate fluctuation risk conducted in accordance with IFRS 7 indicated that if the actual exchange rate in relation to the balance sheet exchange rate valuation for the EUR, USD, GBP, UAH, AED, RUB, CHF, CAD and BRL had risen/fallen by 5% with all other variables remaining constant, the Comarch Group's net result for the 12 months ended 31st of December, 2023, would have been PLN 21,709 thousand higher/lower. This is made up of an increase/decrease of PLN 10,389 thousand from financial assets and liabilities expressed in EUR, an increase/decrease of PLN 4,866 thousand from financial

assets and liabilities expressed in USD, an increase/decrease of PLN 2,085 thousand from financial assets and liabilities expressed in GBP, an increase/decrease of PLN 1,855 thousand from financial assets and liabilities expressed in BRL, an increase/decrease of PLN 21 thousand from financial assets and liabilities expressed in RUB, an increase/decrease of PLN 2,022 thousand from financial assets and liabilities expressed in CHF, an increase/decrease of PLN 1 thousand from financial assets and liabilities expressed in UAH, an increase/decrease of PLN 243 thousand from financial assets and liabilities expressed in AED and an increase/decrease of PLN 239 thousand from financial assets and liabilities expressed in CAD.

If the exchange rate in relation to the balance sheet exchange date for currencies the (AED, USD, EUR, UAH, CAD, GBP, BRL, CLP, SEK, CHF, TRY, RUB ARS, COP, CNY, PEN, AUD, KRW, ZAR, JPY, MYR, MXN, SAR, THB, DKK, NZD, CZK, IDR) had risen/fallen by 10% with all other variables remaining constant, the Comarch Group's net result resulting from long-term contracts for the 12 months ended 31st of December, 2023, would have been PLN 29,869 thousand higher / PLN 29,869 thousand lower (in 2022: have been PLN 34,281 thousand higher / PLN 34,281 thousand lower). The assessment above of the effect of exchange rate risk on the financial result was calculated using a symmetrical method that assumes that the rates' increases and decreases close at the same amount.

2.3.4. Financial Liquidity Risk

The Comarch Group has a liquidity risk management system to manage its short, medium and long-term funds. The fundamental financial liquidity risk arises because the majority of costs incurred by the Comarch Group are fixed, while revenue from sales, as is typical for a services company, fluctuates. The Comarch Group manages liquidity risk by holding the appropriate amount of working capital, by holding reserve credit lines in the current account, by constantly monitoring the forecasted and actual cash flows and by analysing the maturity profiles of financial assets and liabilities. Information on dates of contractual maturity of financial liabilities is presented in note [3.16](#).

2.4. Accounting of Derivative Financial Instruments and Hedging Activities

Derivative financial instruments designated as 'hedging instruments' according to IFRS 9, qualified as fair value hedging, are recognised at fair value and changes in their valuation refer to the results of financial operations. Derivative financial instruments designated as 'hedging instruments' according to IFRS 9, qualified as cash flow hedging are recognised at fair value and change to their valuation refers to:

- capital from the revaluation of prices (in the part constituting effective hedging),
- the results of financial operations (in the part not constituting effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to IFRS 9 are valued at fair value and changes in their valuation refers to the results of financial operations.

2.5. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including anticipations of future events that are believed to be reasonable under given circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

2.5.1. Estimation of the Periods of Economic Utility of Intangible Assets and Property, Plant and Equipment in Use

a) Intangible assets

The following depreciation rates have been adopted:

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

In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

For depreciation write-offs of intangible assets purchased as a result of the acquisitions, it was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

b) Property, Plant and Equipment in Use

Assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for buildings), 30% (for machines and devices) and 20% (for furniture, equipment and other assets). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

2.5.2. Estimation of the Total Costs of the Execution of Projects Related to the Appraisal of Long-term Contracts, Pursuant to IFRS 15

Pursuant to the accounting principles adopted by the company, the company determines the degree of progress for long-term contracts by way of determining the ratio of currently incurred costs for a given project to the total estimated project costs. Due to the long-term nature of projects under way and their complex structure, as well as the possibility of unexpected difficulties related to their execution it may happen that the actual total costs for project execution differ from the estimates made for specific balance sheet dates. Changes in estimates of total project execution costs could result in the definition of project progress at the balance sheet date and consequently recognised revenue, in different amounts.

2.5.3. Estimation Related to the Determination and Recognition of Deferred Income Tax Assets, Pursuant to IAS 12

As the company operates in the Special Economic Zone and enjoys investment allowances as a result, the Parent Company determines the value of deferred income tax assets on the basis of forecasts relating to the shape of the tax-exempt income and the period, in which such income may be noted. Due to high business fluctuations in the IT industry (in which the Comarch Group is active) it is possible that the actual results and tax-exempt income may differ from the Parent Company's anticipations. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years, selected from the five-year period (including the year for which the financial statement is prepared), after rejecting two extreme values.

2.5.4. Estimation of Possible Costs Related to Current Court Proceedings Against the Company, Pursuant to IAS 37

At the balance sheet date, the Comarch Group is the plaintiff and the defendant in a number of court proceedings. Preparing the financial statement, the Comarch Group always assesses the opportunities and risks related to court proceedings and, in accordance with the results of such analyses, establishes provisions for potential losses. However, there is always a risk that the courts will pronounce verdicts different from the expectations of the companies and the established provisions will be insufficient or excessive in comparison with the actual results of the proceedings.

2.5.5. Estimation Related to Conducting the Annual Goodwill Impairment Test in Accordance with IFRS 3 and IAS 36

At the end of every fiscal year the Comarch Group carries out tests on losses in the goodwill according to accounting rules contained in note 3.6. The Comarch Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the Comarch Group. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. These calculations require to the use of estimates related to cash flow in the IT segment in the following financial year and an anticipated development of the IT market in Poland and regions where the Comarch Group is active in the following years. Due to a high fluctuation in the economic situation of the IT branch, where the Comarch Group operates, it is possible that real cash flow will differ from the one estimated by the Comarch Group.

2.6. New Standards and IFRIC Interpretations

This consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union.

Effect of new accounting standards and changes in accounting policy

The accounting principles (policy) applied for the preparation of these consolidated financial statements for the financial year ended the 31st of December, 2023, are consistent with those applied for the preparation of the annual consolidated financial statements for the financial year ended the 31st of December, 2022, except for the changes described below.

The same principles were applied for the current and comparable periods.

Interpretations to standards applied for the first time in 2019 and continued in 2020-2023:

- **IFRS 16 Leasing**

The IFRS 16 standard was published on the 13th of January, 2016, and is effective for annual periods beginning on or after the 1st of January, 2019.

The Comarch Group plans to implement the application of the IFRS 16 standard retrospectively, with the combined effect of the first application of IFRS 16 recognized as at the 1st of January, 2019, without restatement of comparative data.

During the preparatory work, the Group analysed all contracts concluded in terms of meeting the criteria for considering them as leasing agreements by IFRS 16. For lease agreements subject to IFRS 16, the Group

included rental agreements for buildings and office space, the right to perpetual usufruct of land, leasing of means of transport and leasing of computer equipment.

For contracts concluded for a definite period, the Group has adopted a lease period consistent with the lease agreement period, unless circumstances indicating the use of the option of extension or termination were known. Contracts concluded for an indefinite period with a notice period shorter than 12 months are not subject to measurement according to IFRS 16 (except for the agreement for lease of the stadium in Krakow at street Kałuży 1, which was valued according to IFRS 16 due to the strategic nature of rented property, and for which the Comarch Group accepts a 5 years lease period). The estimated value of liabilities resulting from other agreements concluded for an indefinite period for a period of 12 months amounts to approx. PLN 1,616 thousand. Contracts of lease for an indefinite period with a notice period longer than 12 months the Group has not identified.

In accordance with the IFRS 16 Leasing standard, the Group has implemented uniform accounting principles that require lessees to recognize assets and liabilities for all lease agreements, taking into account the exceptions listed in the standard. The Group recognizes the right to use the asset together with an appropriate leasing liability determined in the amount of discounted future payments during the lease term. Instead of the previously included in the costs of the basic activity of fees for the use of leased assets, depreciation calculated on the value of the asset due to the right of use was introduced. Depreciation is allocated according to production costs, overheads or selling costs. Instead of the interest paid on the current leasing instalments included in the financial costs, interest accrued on the leasing liability was introduced. Assets due to the right of use are amortized on a straight-line basis, whereas lease liabilities settled by the effective interest rate (the lesser interest rate of the lessee).

The lessee's marginal interest rate for a given leasing contract was determined as the sum of the risk-free rate depending on the currency and leasing period, the credit margin adjustment and the specific adjustment for the leased asset. The level of marginal interest rates applied by the Group is between 1.3% and 10.1%.

The implementation of IFRS 16 will have an impact on financial ratios calculated on the basis of the Group's financial statements, including those that are covenants in loan agreements concluded by the Group. The Group has excluded the impact of changes resulting from the implementation of IFRS 16 on the calculation of covenants in all loan agreements. The Management Board of the Group informs that it does not see any risk of exceeding the admissible values of covenants resulting from loan agreements concluded by the Group also in a situation when the data taking into account the application of IFRS 16 were used to calculate the value of covenants.

As at the balance sheet date, the 31st of December, 2023, the value of the right to use assets in the Group amounted to PLN 85,478 thousand and the value of lease liabilities PLN 90,387 thousand. The value of depreciation from the asset due to the right of use in 2023 amounted to PLN 23,517 thousand. The value of interest on leasing liabilities in 2023 amounted to PLN 3,205 thousand.

Impact of the application of IFRS 16 on the Group's financial statements

	At 31 December 2023 – published data	At 31 December 2023 – without IFRS 16
IMPACT ON THE BALANCE SHEET		
Total assets	2,263,869	2,178,391
Fixed assets	917,217	831,739
Asset due to the right of use	85,478	
Liabilities Total	2,263,869	2,178,391
Total liabilities, including:	943,673	853,286
Long-term liabilities	222,518	154,269
Current liabilities	721,155	699,017
Lease liabilities, including:	90,387	-
Long-term liabilities	68,249	-
Current liabilities	22,138	-
Equity attributable to the Company's shareholders	1,324,759	1,384,452
IMPACT ON THE PROFIT AND LOSS ACCOUNT		
Depreciation	95,729	72,212
	23,517	-
Net profit	93,873	92,752
Net profit attributable to the company's shareholders	100,608	99,487
IMPACT ON THE CASH FLOW		
Cash flow together	48,026	48,026
Net cash flow from operating activities	212,146	185,922
Net cash flow from investing activities	(67,855)	(67,855)
Net cash flow from financing activities	(96,265)	(70,041)

Depreciation of assets under the right of use	12 months 2023	12 months 2022
Leasing of means of transport and computer equipment	852	874
Rent	22,255	20,680
Perpetual usufruct	410	392
Depreciation of assets under the right of use	23,517	21,946

The Group uses two simplifications regarding classifying the contract as a lease agreement by IFRS 16. The Group excluded from the valuation by IFRS 16 short-term contracts by IFRS 16 and agreements on low-value assets, i.e. with an initial value not exceeding USD 5,000. The use of the above simplifications by the Company obliges it to apply them throughout the standard's validity period. The applied simplifications are documented with appropriate accounting policy provisions. The cost related to contracts for short-term leasing and leasing of low-value assets in 2023 amounted to approx. PLN 387 thousand.

New standards and interpretations that have been published and are effective on the 1st of January, 2023

The following amendments to existing standards published by the International Accounting Standards Board ("IASB") and approved by the EU and entered into force in 2023:

- **IFRS 17 Insurance contracts and amendments to this standard** – first-time application of IFRS 17 and IFRS 9 – Comparative Information – as approved by the EU – applicable for annual periods beginning on or after the 1st of January, 2023;
- **Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Board Guidance on Disclosures of Accounting Policies in Practice** – materiality for accounting policies - approved by the EU - requirement to disclose material information on accounting policies - applicable for annual periods beginning on or after the 1st of January, 2023;
- **Amendments to IAS 8 „Accounting Policies, Changes in Estimates and Correction of Errors"** – the definition of estimates - approved by the EU - applicable for annual periods starting on or after the 1st of January, 2023;
- **Amendments to IAS 12 „Income Taxes"**– deferred tax on assets and liabilities arising from a single transaction and global minimum income tax - approved by the EU - applicable for annual periods beginning on or after the 1st of January, 2023.

These changes did not have a significant impact on the Comarch Group's financial statement.

New standards and interpretations that have been published but are not yet effective

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but not yet effective:

- **Amendments to IFRS 16 'Leases'** - lease obligations in sale and leaseback transactions - approved by the EU - effective for annual periods beginning on or after the 1st of January, 2024;
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Classification of liabilities as current and non-current - approved by the EU - effective for annual periods beginning on or after the 1st of January, 2024;

All amounts are presented in thousands of PLN unless otherwise indicated

- **Amendments to IAS 7 'Statement of Cash Flows' and IFRS7 'Financial Instruments - Disclosures'**- Financing arrangements with suppliers- approved by the EU - applicable to annual periods beginning on or after the 1st of January, 2024;
- **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'** -non-convertibility - approved by the EU - applicable to annual periods beginning after the 1st of January, 2025.

The dates of entry into force are the dates resulting from the content of the standards promulgated by the Council for Foreign Affairs. International Financial Reporting. The dates of application of the standards in the European Union may differ from the dates of application resulting from the content of the standards and are announced at the time of approval for use by the European Union.

The Group has not opted for the prior application of any standard, interpretation or amendment that has been published but has not yet entered into force. In the Group's view, these changes will not have a significant impact on its financial statements.

3. Notes to the Consolidated Financial Statement

3.1. Approving the Financial Statement for 2022

The consolidated financial statement for the year 2022 was approved on the 28th of June, 2023, by the General Meeting of Shareholders of Comarch S.A. On the 30th of June, 2023, in accordance with the law, it was submitted to the National Court Register.

3.2. Segment Reporting

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

- the sales of IT systems and related services, including production of software for medicine sector and the sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports activity conducted by MKS Cracovia SSA (hereinafter referred to as the "Sport segment"),
- investment activity on capital market and real estate market (hereinafter referred to as the "Investment segment"),
- activities related to medical services (hereinafter referred to as the "Medical segment").

The IT segment has a dominant share in revenue from sales, results and assets. Due to the specific nature of the business, the IT segment is presented with the spin-off of the DACH market (Germany, Austria, Switzerland), the Polish market and other markets.

Due to the geographical breakdown of activities, Comarch Group has defined the following market segments: Poland, DACH Region (Germany, Austria and Switzerland) and Other countries. Segments: Sport, Investment and Medical operate exclusively on Polish territory. Due to the fact that only the IT segment operates abroad and at the same time costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is not deliberate.

Comarch Group's sales is highly diversified and is not dependent on a single customer. In 2023, the share of none of the contractor exceeded 10% of the sales of Comarch Group. Over 2023, Comarch Group's revenue structure was as follows: 23% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 30% in the fourth quarter. In the company's opinion, over 2024, Group's structure of sales revenue will be similar to that observed in 2023.

All amounts are presented in thousands of PLN unless otherwise indicated

12 months 2022	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenue per segment - sales to external clients, including:	912,149	332,754	574,155	21,668	29,025	25,850	-	1,895,601
Sales revenue:	952,757	328,932	515,591	9,645	27,489	24,301	-	1,858,715
To customers in Telecommunication, Media, IT sector	148,189	93,438	205,199	-	-	-	-	446,826
To customers in Finance and Banking sector	169,545	39,521	52,760	-	-	-	-	261,826
To customers in Trade and services sector	67,143	27,166	162,053	-	-	-	-	256,362
To customers in Industry&Utilities	87,515	59,620	82,806	-	-	-	-	229,941
To customers in Public sector	159,974	-	5	-	-	-	-	159,979
To customers in Small and Medium Enterprises sector	294,033	109,161	-	-	-	-	-	403,194
To customers in Medicine sector	25,268	16	8,518	-	-	24,301	-	58,103
To other customers	1,090	10	4,250	9,645	27,489	-	-	42,484
Other operating revenue	(1,883)	4,344	14,975	10,234	1,950	1,505	-	31,125
Finance revenue	(38,725)	(522)	43,589	1,789	(414)	44	-	5,761
Revenue per segment - sales to other segments	562,933	24,115	48,501	9,097	8,105	-	(652,751)	-
Revenue per segment - total *	1,475,082	356,869	622,656	30,765	37,130	25,850	(652,751)	1,895,601
Costs per segment relating to sales to external clients	878,126	311,830	467,531	8,972	54,333	21,442	-	1,742,234
Costs per segment relating to sales to other segments	562,933	24,115	48,501	9,097	8,105	-	(652,751)	-
Costs per segment - total *	1,441,059	335,945	516,032	18,069	62,438	21,442	(652,751)	1,742,234
Current taxes	(21,453)	(6,166)	(17,590)	(1,315)	-	-	-	(46,524)
Assets for the tax due to investment allowances and other tax relief	(5,253)	(287)	(2,107)	(378)	(246)	-	-	(8,271)
Net result, including:	7,317	14,471	86,927	11,003	(25,554)	4,408	-	98,572
Result attributable to shareholders of the parent company	7,317	14,471	86,927	11,008	(16,283)	4,408	-	107,848
Result attributable to minority interest	-	-	-	(5)	(9,271)	-	-	(9,276)

*) items comprise revenue and costs of all types, which can be directly allocated to particular segments

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of December, 2022, as well as investment expenditures and depreciation in during 12 months of 2022:

31 December 2022 / 12 months of 2022

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	1,076,187	280,907	632,993	165,078	106,396	10,421	2,271,982
Liabilities	442,178	93,425	390,484	33,125	32,782	298	992,292
Investment expenditures	65,056	2,499	84,927	2,764	11,489	512	167,247
Depreciation	55,542	10,843	15,360	3,709	7,271	1,071	93,796

The breakdown of sales, assets and total capital expenditure by geographical segments is presented below.

All amounts are presented in thousands of PLN unless otherwise indicated

12 months 2023	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenue per segment-sales to external clients, including:	1,036,140	332,302	478,473	4,512	39,091	23,986	-	1,914,504
Sales revenue:	1,008,037	309,954	441,491	3,397	31,266	21,694	-	1,815,839
To customers in Telecommunication, Media, IT sector	115,007	69,151	129,708	-	-	-	-	313,866
To customers in Finance and Banking sector	173,873	46,253	62,045	-	-	-	-	282,171
To customers in Trade and services sector	62,434	34,272	158,044	-	-	-	-	254,750
To customers in Industry&Utilities	89,873	55,992	77,914	-	-	-	-	223,779
To customers in Public sector	154,937	63	232	-	-	-	-	155,232
To customers in Small and Medium Enterprises sector	353,380	104,117	-	-	-	-	-	457,497
To customers in Medicine sector	57,306	101	8,497	-	-	21,694	-	87,598
To other customers	1,227	5	5,051	3,397	31,266	-	-	40,946
Other operating revenue	(15,592)	32,022	19,732	53	4,332	2,064	-	42,611
Finance revenue	43,695	(9,674)	17,250	1,062	3,493	228	-	56,054
Revenue per segment - sales to other segments	514,745	11,994	39,279	10,194	8,112	-	(584,324)	-
Revenue per segment - total *	1,550,885	344,296	517,752	14,706	47,203	23,986	(584,324)	1,914,504
Costs per segment relating to sales to external clients	944,894	329,458	409,379	2,835	55,064	20,559	-	1,762,189
Costs per segment relating to sales to other segments	514,745	11,994	39,279	10,194	8,112	-	(584,324)	-
Costs per segment - total *	1,459,639	341,452	448,658	13,029	63,176	20,559	(584,324)	1,762,189
Current taxes	(22,222)	(7,349)	(19,454)	(693)	-	-	-	(49,718)
Assets for the tax due to investment allowances and other tax relief	(9,577)	(373)	219	331	676	-	-	(8,724)
Net result, including:	59,447	(4,878)	49,859	1,315	(15,297)	3,427	-	93,873
Result attributable to shareholders of the parent company	59,447	(4,878)	49,859	1,334	(8,581)	3,427	-	100,608
Result attributable to minority interest	-	-	-	(19)	(6,716)	-	-	(6,735)

*) items comprise revenue and costs of all types, which can be directly allocated to particular segments

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of December, 2023, as well as investment expenditures and depreciation in during 12 months of 2023:

31 December 2023 / 12 months of 2023

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	1,148,837	290,678	540,356	164,038	107,263	12,697	2,263,869
Liabilities	468,194	71,054	338,381	29,664	33,642	2,738	943,673
Investment expenditures	53,528	2,001	19,185	5,700	4,251	1,352	86,017
Depreciation	58,849	9,079	15,127	3,856	7,736	1,082	95,729

The breakdown of sales revenue, assets and total capital expenditure by geographical segments is presented below.

Revenue from basic sales - activities location

	12 months 2023	%	12 months 2022	%
Poland	1,064,394	58.6	1,014,192	54.6
DACH region	309,954	17.1	328,932	17.7
Other countries	441,491	24.3	515,591	27.7
Total	1,815,839	100.0	1,858,715	100.0

Assets – activities location

	31 December 2023	%	31 December 2022	%
Poland	1,432,835	63.3	1,358,088	59.8
DACH region	290,678	12.8	280,907	12.4
Other countries	540,356	23.9	632,987	27.8
Total	2,263,869	100.0	2,271,982	100.0

All amounts are presented in thousands of PLN unless otherwise indicated

Investment expenditures – activities location

	12 months 2023	%	12 months 2022	%
Poland	64,831	75.4	79,821	47.7
DACH region	2,001	2.3	2,499	1.5
Other countries	19,185	22.3	84,927	50.8
Total	86,017	100.0	167,247	100.0

3.3. Property, Plant and Equipment

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
As at 1 January 2022				
Cost or valuation (gross)	561,363	590,094	74,527	1,225,984
Remission	(111,761)	(439,133)	(63,766)	(614,660)
Net book value	449,602	150,961	10,761	611,324
Year ended 31 December 2022				
Opening net book value	449,602	150,961	10,761	611,324
Increases	86,908	67,190	2,346	156,444
Decreases	(16,596)	(18,320)	(843)	(35,759)
Depreciation	(1,110)	(43,499)	(2,758)	(47,367)
Net book value	518,804	156,332	9,506	684,642
Year ended 31 December 2023				
Cost or valuation (gross)	631,675	638,964	76,030	1,346,669
Remission	(112,871)	(482,632)	(66,524)	(662,027)
Net book value	518,804	156,332	9,506	684,642
Year ended 31 December 2023				
Opening net book value	518,804	156,332	9,506	684,642
Increases	7,423	37,343	4,497	49,263
Decreases	(41,497)	(12,004)	(931)	(54,432)
Depreciation	(65)	(40,576)	(2,589)	(43,230)
Closing net book value	484,665	141,095	10,483	636,243
As at 31 December 2023				
Cost or valuation (gross)	597,601	664,303	79,596	1,341,500
Remission	(112,936)	(523,208)	(69,113)	(705,257)
Net book value	484,665	141,095	10,483	636,243

All amounts are presented in thousands of PLN unless otherwise indicated

Property, plant and equipment comprise mostly real estates and machinery owned by Comarch Group. As at the 31st of December, 2023, the Comarch Group's property are six office buildings in the Special Economic Zone in Krakow ("SEZ") at 74,144 square metres of the total space, two office buildings in Warsaw at 2,542 square metres of the total space and office buildings in Łódź at 12,572 square metres of the total space, one office building and data centre in Lille at 2,526 square metres of the total space, an office building and data centre in Dresden at 2,144 square metres of the total space and data centre in the USA at 3,134.18 square metres of the total space. The Comarch Group also owns lands in the Special Economic Zone in Krakow at approx. 2.01 ha. Property, plant and equipment also include the MKS Cracovia SSA Training and Research Centre. As at the 31th of December, 2023, property, plant and equipment under construction comprise mostly expenditures related to modernization works of buildings incurred by Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA and Comarch SAS France in amount of PLN 7,015 thousand, the value of equipment in the amount of PLN 809 thousand which has not yet been adopted to use at Comarch Finance Connect sp. z o.o., and the value of equipment in the amount of PLN 2,606 thousand and the value of cars in the amount of PLN 393 thousand which have not yet been adopted to use at Comarch S.A.

As at the 31st of December, 2023, bank loans are secured on land and buildings for the value of PLN 338,954 thousand (ordinary mortgages, real estate mortgages in BNP Paribas Bank Polska S.A., Pekao S.A., Bank Handlowy w Warszawie S.A. and PKO BP S.A.) and other property, plant and equipment in use in the amount of PLN 56,443 thousand (registered pledges in favour of banks: Pekao S.A. and PKO Leasing S.A.). The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to PLN 201,143 thousand.

	31 December 2023	31 December 2022
Amount of interest on credits capitalised on investments in non-current assets	-	-

Investment expenditures on property, plant and equipment under construction are recognised in the net balance sheet value of property, plant and equipment:

	31 December 2023	31 December 2022
Buildings	7,478	112,714
Equipment	5,722	9,251
Other	60	-
Total	13,260	121,965

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of PLN 29,556 thousand (PLN 32,657 thousand in 2022), costs of sales in the amount of PLN 1,863 thousand (PLN 1,878 thousand in 2022), general and administrative expenses in the amount of 2,937 thousand (PLN 3,353 thousand in 2022) and social activities expenses in the amount of PLN 8,874 thousand (PLN 9,479 thousand in 2022).

3.4. Asset due to the Right of Use

	31 December 2023	31 December 2022
Leasing of means of transport and IT equipment	1,372	1,124
Tenancy	54,990	57,937
Perpetual usufruct	29,116	26,235
Total	85,478	85,296

The depreciation value of the right-of-use asset in 2023 amounted to PLN 23,517 thousand.

Changes in the right-of-use asset

	2023	2022
OPENING BALANCE	85,296	86,501
Increases	25,061	20,741
- new contracts and modifications to existing contracts	25,061	20,478
- exchange rate differences	-	263
Decreases	24,879	21,946
- depreciation	23,517	21,946
- exchange rate differences	1,362	-
CLOSING BALANCE	85,478	85,296

3.5. Investment Real Estates

	Lands	Buildings	Total
As at 31 December 2022			
Cost or valuation (gross)	53,308	9,673	62,981
Accumulated amortisation	(24,212)	(1,456)	(25,668)
- depreciation for the year	(1,732)	-	(1,732)
Net book value	29,096	8,217	37,313
As at 31 December 2023			
Cost or valuation (gross)	49,827	14,324	64,151
Accumulated amortisation	(25,948)	(1,456)	(27,404)
- depreciation for the year	(1,736)	-	(1,736)
Net book value	23,879	12,868	36,747

Investment property refers to developed land properties used for rental purposes to entities outside the Comarch Group, as well as land located in Kraków and Zabierzów, acquired with the intention of constructing facilities for lease to entities outside the Comarch Group. As of 31st December, 2023, the investment properties mainly include an office building with a total area of 5,652 sq. m, 4 residential buildings with a total area of 1,026 sq. m, 1 service and production building with an area of 600 sq. m (all located in Kraków), 2 service and

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warehouse buildings with an area of 2,611 sq. m located in Zabierzów, and a property located in Kostrzyń with an area of 1,315 sq. m. In Q4 2023, Bonus Management sp. z o. o. SK-A acquired land in Kraków worth PLN 1,566 thousand, and Bonus Management sp. z o. o. II Activia SK-A acquired land also in Kraków with a value of PLN 3,398 thousand. As of the 31th of December, 2023, the investment property held by Comarch S.A., which includes an office building in the amount of PLN 3,602 thousand and land in the amount of PLN 313 thousand, was transferred to assets classified for sale.

The following revenue and costs related to investment real estate are included in the consolidated result of the Comarch Group:

	2023	2022
Revenue	5,899	6,214
Costs	6,630	5,191

3.6. Goodwill

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

	31 December 2023	31 December 2022
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch AG (formerly Comarch Software und Beratung AG)	29,038	29,038
Comarch Swiss AG	8,413	8,413
Comarch Healthcare S.A.S. (formerly Cabinet Conseil en Strategie Informatique S.A.S.)	5,039	5,039
Total	45,774	45,774

3.6.1. Acquisition of Subsidiaries

	Core Activities	Acquisition Date	(%) of Purchased Shares	Acquisition Cost in PLN thousand
2008				
Comarch Software und Beratung AG	IT	2008-11-18	50.15	44,685
2009				
Comarch Software und Beratung AG	IT	2009-02-09	30.74	31,901
2012				
Comarch Software und Beratung AG	IT	2012-10-19	5.00	3,777

All amounts are presented in thousands of PLN unless otherwise indicated

A-MEA Informatik AG		2012-01-30	100.00	5,717
A-MEA Informatik AG	IT	2012-02-27	-	2,578
ESAProjekt sp. z o.o.	IT	2012-04-27	100.00	12,200
2016				
Comarch Software und Beratung AG	IT	2016-12-12	2.68	6,375
2017				
Geopolis Sp. z o.o.	IT	2017-04-03	100.00	4,000
2020				
Cabinet Conseil en Strategie Informatique S.A.S.	IT	2020-04-23	100.00	9,566
2020				
Wszystko.pl sp. z o.o. (formerly „Unitec” sp. z o.o.)	IT	2020-12-02	100.00	1
2021				
Rox Star Maritime Limited	tourism	2021-11-02	100.00	30,173

3.6.2. Test for Goodwill Impairment

Due to the acquisition by Comarch S.A. of 100% of Comarch AG (formerly Comarch Software und Beratung AG) shares, goodwill was created in the amount of PLN 29,038 thousand. As at the 31st of December, 2023, the Comarch Group conducted a goodwill impairment test related to the acquisition of Comarch AG, which did not show any loss in goodwill. The recoverable amount of the cash-generating unit was determined based on its value in use, estimated using the DCF discounted cash flow method. The forecasted cash flows related to the activities of Comarch AG are based on the sales results achieved in 2023, Comarch AG budget for 2024, forecasts for 2024-2028, on the estimates of the development of the German market in subsequent years and on the assumption of a constant growth rate of 0% starting from 2029. The discount rate used to estimate the present value of the projected cash flows is based on the WACC weighted average cost of capital of 10.80%.

In connection with the acquisition by CASA Management and Consulting of 100% of Comarch Swiss AG (formerly A-MEA Informatik AG) shares, goodwill was created in the amount of PLN 8,413 thousand. As at the 31st of December, 2023, the Comarch Group conducted a test for the loss of goodwill related to the acquisition of Comarch Swiss, which did not show any loss in goodwill. The recoverable amount of the cash-generating unit was determined based on its value in use, estimated using the DCF discounted cash flow method. The forecasted cash flows related to the activities of Comarch Swiss AG are based on the sales results achieved in 2023, Comarch Swiss AG budget for 2024, forecasts for 2024-2028, on the estimates of the development of the German market in subsequent years and on the assumption of a constant growth rate of 0% starting from 2029. The discount rate used to estimate the present value of the projected cash flows is based on the WACC weighted average cost of capital of 9.47%.

Due to the acquisition by Comarch S.A. 100% of shares in 2CSI CABINET CONSEIL EN STRATEGIE INFORMATIQUE S.A.S. (currently: Comarch Healthcare S.A.S) goodwill in the amount of PLN 5,039 thousand was established. The above amount is the excess of the remuneration transferred by Comarch S.A. (PLN 9,566 thousand) over the fair value of the net assets of the acquired entity identified as part of the transaction (PLN 4,527 thousand), determined as at the 30th of April, 2020. The result for this period was included in the capitals established as at the acquisition date. The remuneration transferred included the control bonus paid in connection with the acquisition of control over 2CSI, as well as amounts related to the benefits of anticipated synergies, revenue growth, future market development, product portfolio expansion and the acquisition of highly qualified employees. These benefits have not been recognized separately from goodwill because it was not possible to reliably measure the resulting future economic benefits. As part of the described transaction, the

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Comarch Group also took over customers and relationships with 2CSI customers. These assets were not recognized separately from goodwill because it was not possible to reliably measure their value. As at the 31st of December, 2022, the Comarch Group performed a test for the loss of goodwill related to the acquisition of 2CSI by determining the recoverable amount of the cash-generating unit using the DCF discounted cash flow method. The projected cash flows related to 2CSI activities were based on sales results achieved in 2023 and budget assumptions for 2024, on the estimates of the development of the French market in the following years and forecasts based on them for 2024-2028, as well as on the assumption of a constant growth rate 0 % starting from 2029. The WACC weighted average cost of capital used in the valuation model was 9.70%.

The Comarch Group treats the IT segment that includes the Comarch Group companies before the acquisition of the Comarch AG Group (formerly: Comarch Software und Beratung) as one cash-generating unit, therefore it will not allocate goodwill in the amount of PLN 3,284 thousand resulting from the acquisition of shares in Comarch Kraków S.A., CDN Comarch S.A., Comarch Inc. and Comarch AG to individual companies of the Comarch Group. The goodwill impairment test related to this segment as at the 31st of December, 2023, did not show any impairment. The recoverable amount of the cash generating unit was determined based on its fair value. The management board of the parent company estimated the fair value of the centre by analysing the average P/E ratio for the IT sector companies listed on the Warsaw Stock Exchange and on this basis assessed the estimated market value of the IT segment in the Comarch Group as at the 31st of December, 2023. P/E ratio for the IT sector companies listed on the Warsaw Stock Exchange, conducting activities of a similar nature to Comarch S.A. and included in the WIGtech index was 23.01. It was not adjusted for the test. The above analyses did not show any impairment in relation to the goodwill.

In the fourth quarter of 2021, Comarch Corporate Finance Closed Investment Fund (CCF FIZ) acquired 100% of shares in Rox Star Maritime Ltd. based in Malta for the amount of EUR 6,540,000. The book value of Rox Star Maritime Ltd. as at the acquisition date was EUR 1,173,424. The surplus of the transferred amount over the book value of Rox Star Maritime Ltd. included the remuneration for taking over control over the fixed assets owned by the acquired company. The book value of the fixed assets at the acquisition date was EUR 698,263. In connection with the acquisition, the Comarch Group revalued the value of fixed assets by EUR 5,401,737 in order to adjust it to fair (market) value. No goodwill was created as a result of the acquisition of Rox Star Maritime Ltd. The concentration test was performed, which showed that the value relates entirely to one asset, therefore the acquisition was accounted for as an acquisition of an asset, and not as an acquisition of an enterprise in accordance with IFRS3.

3.7. Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
As at 31 December 2021					
Cost (gross)	3,259	39,022	213,072	53,446	308,799
Accumulated amortisation and impairment	(3,259)	(1,649)	(197,888)	(46,015)	(248,811)
Net book value	-	37,373	15,184	7,431	59,988
Year ended 31 December 2022					
Opening net book value	-	37,373	15,184	7,431	59,988
Additions	-	-	46,935	8,154	55,089
Disposals	-	-	(22,063)	(1,201)	(23,264)
Amortisation charge	-	(93)	(18,336)	(4,322)	(22,751)
Net book value as at 31 December 2021	-	37,280	21,720	10,062	69,062

All amounts are presented in thousands of PLN unless otherwise indicated

As at 31 December 2021					
Cost (gross)	3,259	39,022	237,944	60,399	340,624
Accumulated amortisation and impairment	(3,259)	(1,742)	(216,224)	(50,337)	(271,562)
Net book value	-	37,280	21,720	10,062	69,062
Year ended 31 December 2022					
Opening net book value	-	37,280	21,720	10,062	69,062
Additions	-	-	26,769	3,860	30,629
Disposals	-	-	(7,552)	(421)	(7,973)
Amortisation charge	-	(93)	(22,452)	(4,701)	(27,246)
Net book value as at 31 December 2022	-	37,187	18,485	8,800	64,472
As at 31 December 2022					
Cost (gross)	3,259	39,022	257,161	63,838	363,280
Accumulated amortisation and impairment	(3,259)	(1,835)	(238,676)	(55,038)	(298,808)
Net book value	-	37,187	18,485	8,800	64,472

I. Other intangibles include mainly valuation of assets related to players' cards in MKS Cracovia in the amount of PLN 8,150 thousand. All other items of the intangible assets were acquired.

Amortization charges in the income statement have been reported in the positions: the amount of PLN 26,491 thousand is included in the cost of production (PLN 22,190 thousand in 2022), the rest is presented in general and administrative costs in the amount of PLN 534 thousand (PLN 463 thousand in 2022) and selling costs in the amount of PLN 221 thousand (PLN 98 thousand in 2022).

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

In the 2023, the City supports sport activities, including MKS Cracovia SSA, by the way of, among others:

- additional financing of sport infrastructure,
- redemption of real estate tax,
- contributing fees for perpetual usufruct in non-cash contribution.

The right of perpetual usufruct of land relating to the Parent Company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

II. Impairment test for the right of perpetual usufruct as at the 31st of December, 2023.

As at the 31st of December, 2023, an analysis of changes in prices of land in Kraków in 2023 was performed. Based on the report, articles and reports of industry portals (e.g. Bankier.pl

<https://www.bankier.pl/wiadomosc/Ceny-transakcyjne-dziatek-budowlanych-IV-kw-2023-r-Raport-8709455.html>) it was found that the average offer prices of land in Kraków in 2023 increased by about 13.8% compared to 2022) and remain significantly higher than at the time of acquisition of the right of perpetual usufruct of land by Comarch Group companies. On this basis, it was established that in 2023 there was no impairment of the right of perpetual usufruct of land owned by Comarch Group companies.

3.8. Non-Current Prepayments

	12 months 2023	12 months 2022
Opening balance	5,942	1,026
Changes due to:		
- creating, settlement and transfer to non-current prepayments	(2,363)	4,916
Closing balance	3,579	5,942

3.9. Financial Assets Available for Sale

	31 December 2023	31 December 2022
Financial assets available for sale	576	27
Total	576	27

As at the 31st of December, 2022, Comarch S. A. held the so-called "white certificates" in the amount of PLN 27 thousand. As at the 31st of December, 2023, this item includes short-term bonds held by Bonus Management II Activia SKA in the amount of PLN 514 thousand and energy certificates held by Comarch SA in the amount of PLN 62 thousand.

After the balance sheet date

None present.

3.10. Derivative Financial Instruments

a) Assets

	31 December 2023	31 December 2022
Forward foreign exchange contracts – held-for-trading	33,131	7,293
Transaction on change of IRS	2,320	4,757
	35,451	12,050
<i>Current portion</i>	26,995	2,327
<i>Non-current portion</i>	8,456	9,723

b) Liabilities

	31 December 2023	31 December 2022
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All amounts are presented in thousands of PLN unless otherwise indicated

Forward foreign exchange contracts – held-for-trading	-	7,375
Transaction on change of IRS	-	-
	-	7,375
<i>Current portion</i>	-	5,199
<i>Non-current portion</i>		2,176

The Comarch Group held forward contracts entered into in order to limit the impact on the financial result of changes in cash flows related to probable planned transactions, resulting from the risk of changes in exchange rates. As at the 31st of December, 2023, the aforementioned instruments were valued at fair value determined according to market price, and changes in valuation were charged to the result on financial operations. The total net value of forward contracts open as at the 31st December, 2023, was EUR 33,200 thousand, USD 20,200 thousand, GBP 900 thousand and JPY 60,000 thousand.

On the 9th of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June, 2006 from BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29th of July, 2024. The valuation of IRS transactions as at the 31st of December, 2023, amounted PLN 28 thousand.

On the 20th of February, 2017, Comarch S.A. concluded a transaction on change of IRS for an investment credit granted in May 2016 by the Bank Handlowy with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 29th of February, 2028. The valuation of IRS transactions as at the 31st of December, 2023, amounted to PLN 1,245 thousand.

On the 27th of November, 2017, Bonus Development Sp. z o. o. SKA concluded a transaction on change of IRS for an investment credit taken on the 29th of June, 2015, from Bank Pekao S.A. with its registered office in Warsaw. As a consequence of the concluded transaction variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded till the 31st of May, 2030. The valuation of IRS transactions as at the 31st of December, 2023, amounted to: PLN 1,047 thousand.

After the balance sheet date

Between the 1st of January, 2023, and the 26th of April, 2024, Comarch Group has concluded new forward contracts for the sales of currency worth EUR 1,000 thousand and USD 1,000 thousand. The total net value of open forward contracts as of the 26th of April, 2024, amounted to EUR 29,100 thousand, USD 18,500 thousand, JPY 45,000 thousand and GBP 700 thousand. The contracts will be settled within 40 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by companies in Comarch Group, in which the remuneration or cost is set in a foreign currency. The balance sheet valuation of forward contracts as at the 31st of March, 2024 amounted to PLN 30,426 thousand, while as at the 31st December, 2023, it was PLN 33,131 thousand.

3.11. Deferred Income Tax

	31 December 2023	31 December 2022
Deferred income tax assets		
Beginning of year:	30,452	35,964
<i>charged to financial result</i>	<i>30,452</i>	<i>35,964</i>
Movement on deferred income tax account charged to financial result		
recognition of an asset due to tax loss in other foreign companies	-	94
dissolution of an asset due to tax loss in other foreign companies	(355)	(721)
recognition of an asset due to tax loss in Polish companies	-	3,535
dissolution of an asset due to tax loss in Polish companies	(98)	(3,515)
recognition of an asset due to tax relief of the Parent Company due to activities in Special Economic Zone	6,691	8,415
dissolution of an asset due to tax relief of the Parent Company due to activities in Special Economic Zone	(8,415)	(8,415)
recognition of an asset due to temporary differences related to costs (depreciation, costs of research works)	5,883	4,660
dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	(5,156)	(9,565)
End of year	29,002	30,452
<i>charged to financial result</i>	<i>2,9002</i>	<i>30,452</i>

Deferred tax assets

	Tax loss asset	Provisions for costs, revaluating write-offs	Asset due to tax relief related to income tax (SEZ)	Total
As at 1 January 2022	5,578	21,971	8,415	35,964
(Charged)/ credited to the result for 2021	(607)	(4,905)	-	(5,512)
As at 31 December 2022	4,971	17,066	8,415	30,452
<i>charged to financial result</i>	<i>4,971</i>	<i>17,066</i>	<i>8,415</i>	<i>30,452</i>
As at 1 January 2023	4,971	17,066	8,415	30,452
(Charged)/ credited to the result for 2022	(453)	727	(1,724)	(1,450)
As at 31 December 2023	4,518	17,793	6,691	29,002
<i>charged to financial result</i>	<i>4,518</i>	<i>17,793</i>	<i>6,691</i>	<i>29,002</i>

The tax loss asset was created in amounts recoverable in accordance with applicable tax regulations.

Deferred income tax provision	31 December 2023	31 December 2022

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Deferred income tax provision

Beginning of period:	52,720	49,960
<i>charged to equity</i>	5,430	5,430
<i>charged to financial result</i>	47,290	44,530
Movement on deferred tax liabilities charged to financial result		
recognition of a provision due to valuation of deposits of CCF FIZ	2,799	256
recognition of a provision due to temporary differences related to depreciation, currency differences and interest	9,945	4,746
dissolution of a provision due to temporary differences related to depreciation, currency differences and interest	(5,470)	(2,242)
End of the period	59,994	52,720
<i>charged to equity</i>	5,430	5,430
<i>charged to financial result</i>	54,564	47,290

Deferred tax provision

	Provision due to valuation of CCF FIZ's assets	Depreciation	Provisions (exchange differences, interest)	Provisions due to fair value valuation of MKS Cracovia SSA's assets	Total
As at 1 January 2022	26,314	-	18,216	5,430	49,960
<i>charged to financial result</i>	26,314	-	18,216	-	44,530
<i>charged to equity</i>	-	-	-	5,430	5,430
(Charged)/ credited to the result for 2022	256	-	2,504	-	2,760
As at 31 December 2022	26,570	-	20,720	5,430	52,720
<i>charged to financial result</i>	26,570	-	20,720	-	47,290
<i>charged to equity</i>	-	-	-	5,430	5,430
(Charged)/ credited to the result for 2023	2,799	-	4,475	-	7,274
As at 31 December 2023	29,369	-	25,195	5,430	59,994
<i>charged to financial result</i>	29,369	-	25,195	-	54,564
<i>charged to equity</i>	-	-	-	5,430	5,430

Comarch S.A. has three unused permits to operate in the Special Economic Zone in Kraków:

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- obtained in 2013, its validity term has not been specified;
- obtained in February 2016, its validity term has not been specified;
- obtained in March 2016, its validity term has not been specified.

At the same time, the Company notes that on the 13th of July, 2013. The Council of Ministers adopted regulations extending the term of special economic zones in Poland until 2026.

Pursuant to IAS 12, unused tax relief as at the 31st of December, 2023, constitutes a deferred income tax asset. The company, while operating in the SEZ, originally had five permits. An investment relief due to the permit obtained in 1999 was fully utilized (its period of validity was the 31st of December, 2017). The investment tax relief under the permit obtained in 2007 was fully utilized. Limit of the unused investment tax relief under the permit obtained in 2013, regarding investment in the office building SSE6, amounted to approx. PLN 16,674 thousand as at the 31st of December, 2023 (after discounting at the permit date). Limit of the unused investment tax relief under the permit obtained in March 2016, regarding investment in the office building SSE7 in Kraków, amounted to approx. PLN 22,809 thousand as at the 31st of December, 2023 (after discounting at the permit date). The company has no intention to use the permit obtained in February 2016 due to the fact of receiving (after obtaining it), co-financing of investment outlays to be incurred in this permit - to eliminate the risk of using two forms of public aid related to one investment.

Within 12 months of 2023, the Comarch Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2022, and worth PLN 5,156 thousand, and created an asset due to temporary differences worth PLN 5,883 thousand, as well as dissolved an asset due to tax loss in the worth PLN 453 thousand. The total effect of the above-mentioned operations on the net result of the reporting period was plus PLN 274 thousand.

Deferred income tax assets are determined in the amount anticipated to be deducted from income tax in the future, due to negative temporary differences and income tax relief in connection with conducting business activity in SEZ, which will cause in the future a reduction in the basis for calculating income tax and a tax loss deductible, determined taking into account the precautionary principle. Due to the above principle, assets from operations in SEZ are set only in the annual time horizon, taking as base to determine the average income from zonal activity from the period of 3 years, selected from the five-year period (including the year for which the report is drawn up), after rejecting two extreme values. The asset according to this methodology was determined as at 31st of December, 2023.

Within 12 months of 2023, the Comarch Group dissolved an asset for the zone operations in the value of PLN 8,415 thousand which was created as at the 31st of December, 2022, and an asset was created in the amount of PLN 6,691 as at the 31st of December, 2023. We would like to point out that the recognition of Assets does not affect cash flows in the parent company or in the Comarch Group (both the recognition of Assets, as well as its implementation). Therefore, this operation is purely accrual and results from the application by the Comarch Group of International Financial Reporting Standards for the preparation of the consolidated financial statements of the Comarch Group. The total impact of changes in Assets on the result of the Comarch Group in the period of 12 months of 2023 amounted to minus PLN 1,450 thousand.

Due to valuation of net assets of CCF FIZ in the period of 12 months of 2023, a deferred tax provision was increased by PLN 2,799 thousand. At the same time, a deferred tax provision due to temporary differences was created in the value of PLN 9,945 thousand and dissolved in the value of PLN 5,470 thousand. The total effect

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of the above-mentioned operations on the net result in the period of 12 months of 2023 was minus PLN 7,274 thousand.

Total changes in the deferred income tax resulted in a decrease in result of PLN 8,724 thousand.

In relation to Comarch Healthcare S.A., a deferred tax asset was not created due to the lack of possibility to make the reliable estimates of the income tax allowing the use of existing tax loss from previous years. If the asset were created, the amount of the asset would be PLN 4,762 thousand.

3.12. Inventories

	31 December 2023	31 December 2022
Raw materials	2,858	4,821
Work in progress	80,204	72,317
Goods	23,246	7,694
Finished goods	466	350
Advances due to goods	668	765
Total	107,442	85,947

The cost of inventories included in 'Costs of products, goods and materials sold' amounted to PLN 537,324 thousand (12 months ended the 31st of December, 2023), PLN 472,879 thousand (12 months ended the 31st of December, 2022).

In 2023, Comarch Group created write-offs of the value of goods and materials in the amount of PLN 325 thousand and created write-offs of the finished goods and raw materials in the amount of PLN 1,802 thousand. Comarch Group resolved write-offs of the value of goods and materials in the amount of PLN 167 thousand and resolved write-offs of the value of finished goods in the amount of PLN 3 thousand, which were created in previous years.

3.13. Assets Held for Sale

	31 December 2023	31 December 2022
Assets qualified for sale	23,745	-
Total	23,745	-

As at the 31st of December, 2023, a decision was made to qualify for the sale of a property located in Kraków, comprising an office building with a car park with a balance sheet value of PLN 3,915 thousand (previously recognised in investment property) and a means of transport (aircraft) with a balance sheet value of PLN 19,830 thousand. The transaction for the sale of the means of transport was finalised in Q1 2024. The real estate sale transaction is planned to be finalised within one year from the balance sheet date.

3.14. Trade and Other Receivables

	31 December 2023	31 December 2022
Trade receivables – net	442,761	485,290
Trade receivables- gross	488,791	564,496
Write-off revaluating receivables	(46,030)	(79,206)
Other receivables	51,217	25,907
Short-term prepayments	16,573	24,108
Other prepayments	-	-
Loans	96	3
Receivables from related parties	1	1
Receivables from related parties- gross	1	1
Write-off revaluating receivables	-	-
	510,648	535,309
<i>Current portion</i>	<i>510,648</i>	<i>535,309</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of customers. In 2023, the Comarch Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 11,486 thousand and resolved previously created write-offs in the amount of PLN 33,841 thousand due to the settlement of debts. These operations were included respectively in other operating income and expenses in the profit and loss account.

3.15. Long-Term Contracts

	12 months of 2023	12 months of 2022
Revenue from completed contracts recognised in the reporting period	141,690	154,235
Revenue from not completed contracts recognised in the reporting period	488,300	539,939
Revenue from not completed contracts recognised in the reporting period - an effect of settlement pursuant to IFRS 15	(18,279)	18,672
Revenue due to long-term contracts recognised in the reporting period	611,711	712,846

	31 December 2023	31 December 2022
The total amount of future revenue resulting from the provision of services under the signed contracts covered by the valuation	1,210,493	1,485,025

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognised results

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corresponds to revenue. At the end of the reporting period, long-term contracts were evaluated in accordance with the degree of work progress.

Changes in settlements due to long-term contracts recognised in assets and liabilities between the 31st of December, 2022, and the 31st of December, 2023, are presented below:

	31 December 2023	31 December 2022
Long-term contracts revenue included to the balance sheet date - determined according to the progress of work	2,493,789	2,502,022
Issued invoices	(2,491,257)	(2,481,210)
Total	2,532	20,812

	Long-term contracts receivables	Long-term contracts liabilities	Net
Value at 1 January 2022	144,041	(141,902)	2,139
Correction of the current period due to the application of IFRS 15	-	130	130
Correction of the current period	22,770	(4,227)	18,543
Value at 31 December 2022	166,811	(145,999)	20,812
Change	22,770	(4,097)	18,673
Value at 1 January 2023	166,811	(145,999)	20,812
Correction of the current period due to the application of IFRS 15	-	(8)	(8)
Correction of the current period	(26,647)	8,375	(18,272)
Value at 31 December 2023	140,164	(137,632)	2,532
Change	(26,647)	8,367	(18,280)

3.16. Categories and Classes of Financial Instruments

Assets and financial liabilities are presented by categories (according to IFRS 9) as follows:

	31 December 2023	31 December 2022
Financial assets		
At fair value through the income statement (3.10)	35,451	12,050
Available-for-sale financial assets (note 3.9)	576	27
Own receivables, as well as cash and cash equivalents	1,054,371	1,047,417
Right-of-use assets (3.4)	85,478	,85,296
Total	1,175,876	1,144,790

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Financial liabilities		
At fair value through the income statement (3.10)	-	7,375
Other financial liabilities (3.22)	-	-
Financial liabilities	410,542	450,375
Lease liabilities (3.21)	90,387	91,326
Total	500,929	549,076

The following classes of financial instruments are presented within particular categories of instruments:

	31 December 2023	31 December 2022
Own receivables, as well as cash and cash equivalents		
Receivables from related parties (note 3.14)	1	1
Receivables from other entities - current (note 3.14 + receivables due to tax income)	523,845	542,100
Receivables from other entities - non-current	6,641	7,018
Cash and cash equivalents (note 3.17)	523,884	498,298
Available-for-sale financial assets (note 3.9)	576	27
At fair value through the income statement (note 3.10)	35,451	12,050
Right-of-use assets (3.4)	85,478	85,296
Total	1,175,876	1,144,790

Financial liabilities		
Liabilities due to credits (note 3.20)	128,758	172,207
Liabilities to related parties (note 3.24)	355	355
Liabilities to other entities - current (note 3.24)	280,624	277,377
Liabilities to other entities – non-current	805	436
At fair value through the income statement (note 3.10)	-	7,375
Lease liabilities (3.21)	90,387	91,326
Other financial liabilities (3.22)	-	-
Total	500,929	549,076

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Currency structure of financial liabilities and assets are presented as follows:

	Financial assets		Financial liabilities	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Currency - PLN	412,840	293,187	211,335	186,702
Currency - EUR	469,355	399,635	261,558	306,262
Currency - USD	102,379	197,698	5,056	22,956
Currency - GBP	45,641	96,625	3,941	18,411
Currency - UAH	283	340	270	351
Currency - AED	5,277	4,133	425	808
Currency - RUB	-	4,849	429	1,433
Currency - CHF	41,259	34,948	815	71
Currency - CAD	6,583	5,278	1,808	72
Currency - BRL	46,379	38,728	8,668	7,140
Currencies - other	45,880	69,369	6,624	4,870
Total	1,175,876	1,144,790	500,929	549,076

As at the 31st of December, 2022, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Receivables from related parties (3.14)	1	-	-	-	1
Receivables from other parties - current	541,394	661	20	25	542,100
Receivables from other parties – non-current	74	2,658	4,286	-	7,018
Cash and cash equivalent (note 3.17)	498,298	-	-	-	498,298
Available-for-sale financial assets (note 3.9)	27	-	-	-	27
At fair value through the income statement (note 3.10)	2,847	2,303	1,960	4,940	12,050
Right-of-use assets (3.4)	3,078	1,437	34,312	46,469	85,296
Total	1,045,719	7,059	40,578	51,434	1,144,790

All amounts are presented in thousands of PLN unless otherwise indicated

As at the 31st of December, 2023, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Receivables from related parties (3.14)	1	-	-	-	1
Receivables from other parties - current (3.14)	523,125	694	1	25	523,845
Receivables from related parties – non-current	1,608	4,292	741	-	6,641
Cash and cash equivalent (note 3.17)	523,884	-	-	-	523,884
Available-for-sale financial assets (note 3.9)	576	-	-	-	576
At fair value through the income statement (note 3.10)	26,995	4,901	2,508	1,047	35,451
Right-of-use asset (3.4)	1,345	12,829	24,856	46,448	85,478
Total	1,077,534	22,716	28,106	47,520	1,175,876

As at the 31st of December, 2022, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.20)	44,732	30,886	87,780	8,809	172,207
Liabilities to related parties (3.24)	319	36	-	-	355
Liabilities to other entities - current	277,074	95	208	-	277,377
Liabilities to other entities – non-current	108	-	-	328	436
Derivative financial instruments (3.10)	4,506	1,612	30	1,227	7,375
Lease liabilities (3.21)	21,099	17,191	20,214	32,822	91,326
Other financial liabilities (3.22)	-	-	-	-	-
Total	347,838	49,820	108,232	43,186	549,076

All amounts are presented in thousands of PLN unless otherwise indicated

As at the 31st of December, 2023, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.20)	39,137	25,582	60,078	3,961	128,758
Liabilities to related parties (3.24)	340	15	-	-	355
Liabilities to other entities - current	279,804	83	636	101	280,624
Liabilities to other entities – non-current	29	448	-	328	805
Derivative financial instruments (3.10)	-	-	-	-	-
Lease liabilities (3.21)	22,056	13,726	18,675	35,930	90,387
Other financial liabilities (3.22)	-	-	-	-	-
Total	341,366	39,854	79,389	40,320	500,929

The Comarch Group has adopted the following methods of valuation for particular classes of financial instruments:

Own receivables	Valuation method	Fair value level
Receivables from related parties (note 3.14)	according to the adjusted acquisition price	n/a
Receivables from other entities – current (note 3.14)	according to the adjusted acquisition price	n/a
Receivables from other entities – non-current	according to the adjusted acquisition price	n/a
Cash and cash equivalents (note 3.17)	at fair value through profit or loss	level 1
Receivables from related parties (note 3.14)	according to the adjusted acquisition price	n/a
Receivables from other entities – current (note 3.14)	according to the adjusted acquisition price	n/a
Derivative instruments (note 3.10)	at fair value through profit or loss	level 1
Right-of-use assets (note 3.9)	at fair value through profit or loss	level 1

Financial liabilities	Valuation method	Fair value level
Liabilities due to credits (note 3.20)	according to the adjusted acquisition price	n/a
Liabilities to related parties (note 3.24)	according to the adjusted acquisition price	n/a

All amounts are presented in thousands of PLN unless otherwise indicated

Liabilities to other entities - current (note 3.24)	according to the adjusted acquisition price	n/a
Liabilities to other entities – non-current	according to the adjusted acquisition price	n/a
Lease liabilities (note 3.21)	according to the adjusted acquisition price	n/a
Liabilities due to credits (note 3.20)	according to the adjusted acquisition price	n/a
Derivative instruments (note 3.10)	at fair value through profit or loss	level 1

3.17. Cash and Cash Equivalents

	31 December 2023	31 December 2022
Cash in hand, cash at bank accounts	307,047	405,061
Current bank deposit	216,540	93,126
Total cash	523,587	498,187
Due interest on bank deposit	297	111
Total cash and cash equivalents	523,884	498,298

In 2023, effective interest rate for short-term bank deposits was 5.44% for PLN, 3.35% for USD, 2.82% for EUR, 4.68% for GBP, 4.09% for AED, 1.14% for CHF, 1.3% for THB and 11.06% for BRL. The average maturity period for these deposits was 18 days for PLN, 46 days for USD, 35 days for EUR, 21 days for GBP, 17 days for AED, 38 days for CHF, 12 days for THB and 328 days for BRL. For the needs of the cash flow, cash and cash equivalents include cash in hand and deposits. Credit in the current account is included in financial operations.

	31 December 2023	31 December 2022
Cash with limited disposal rights		
security deposits set by companies in the Comarch Group in relation to concluded rental contracts and bank guarantees	-	-
funds received for implementation of projects co-financed with a subsidy	-	-
cash in a separate bank account of the Social Services and Residential Fund	1,931	1,459
cash to secure credit lines	1,987	1,982
cash on VAT accounts	10,244	4,734
Total	14,162	8,175

3.18. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	Total
As at 1 January 2022	8,133,349	8,133,349	-	8,133,349
As at 31 December 2022	8,133,349	8,133,349	-	8,133,349
As at 31 December 2023	8,133,349	8,133,349	-	8,133,349

The nominal value of one share is PLN 1.

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

- 864,800 series A registered preference shares,
- 75,200 series A ordinary shares,
- 883,600 series B registered preference shares,
- 56,400 series B ordinary shares,
- 3,008,000 series C ordinary shares,
- 1,200,000 series D ordinary shares,
- 638,600 series E ordinary shares,
- 125,787 series G ordinary shares,
- 102,708 series G3 ordinary shares,
- 563,675 series H ordinary shares,
- 441,826 series I2 ordinary shares,
- 91,041 series J2 ordinary shares,
- 73,953 series K3 ordinary shares,
- 7,759 series L1 ordinary shares.

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

- a) disposal for the benefit of persons who were shareholders of the company on 18 March 1998,
 - b) disposal for the benefit of descendants of a disposer,
 - c) conveying property of a registered share as a result of succession.
- d) disposal for the benefit of a legal person or non-corporate organizational unit of Polish or foreign law, including in particular, for the benefit of quasi-corporate unit of Polish or foreign law ("Structure") controlled, within the meaning of art. 8 sec 5 of the company's articles of association, only by a shareholder who contributes (disposes) registered preference shares to the Structure ("Contributing Shareholder") or (jointly) controlled only by the Contributing Shareholder's relatives in the ascending and descending line, siblings or spouse, or (jointly) controlled by some or all of the persons mentioned above ("Related Person or Related Persons") and the Contributing Shareholder jointly ("Controlled Structure") and disposal by the one Controlled Structure of the registered preference shares for the benefit of the other Controlled Structure.

The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in Comarch S.A.'s statute. Every ordinary share entitles its holder to one vote at the AGM. The conversion of ordinary shares into registered shares is not permitted.

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

As at the date of the report's preparation:

- Janusz Filipiak* held 1,997,027 shares (24.55% of the company's share capital), which gave him 5,569,027 votes at the AGM and constituted 36.82% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.40% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.96% of all votes at the AGM;
- Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open Pension Fund) and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) managed by Nationale-Nederlanden PTE S.A. held including 846,571 shares Comarch S.A. (10.41% of the company's share capital), which gave 846,571 votes at the AGM (5.60%), included Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) managed by Nationale-Nederlanden PTE S.A. held 843,071 shares Comarch S.A. (10.37 % of the company's share capital), which gave 843,071 votes at the AGM (5.57%);
- Funds Generali OFE, managed by Generali PTE S.A. held including 829,183 votes at the AGM, and constituted 10.19% of the company's share capital and 829,183 votes at the AGM, and constituted 5.48% of all votes at the AGM.

*) On 17th of December, 2023, the Management Board of Comarch S.A. - through current report No. [RB-19-2023](#) (ENG: [RB-19-2023](#)) - announced the death of the President of the Management Board of Comarch S.A., Professor Janusz Filipiak. As a result, Professor Janusz Filipiak's term on the Management Board of Comarch S.A. expired on the 17th of December, 2023.

3.18.2. Changes in Share Capital in 2023

Receiving a notification about exceeding the threshold of 5% in the share capital and the total number of votes at the General Meeting of Shareholders of Comarch S.A.

On the 3rd of February, 2023, the Management Board of Comarch S.A. informed in the current report no. [RB-2-2023](#) (ENG: [RB-2-2023](#)) about receiving a notification from Generali Powszechne Towarzystwo Emerytalne S.A. (hereinafter referred to as the "Fund") managing Generali Otwarty Fundusz Emerytalny (hereinafter referred to as the "Generali OFE") and Generali Dobrowolny Fundusz Emerytalny (hereinafter referred to as the "Generali DFE"), that as a result of taking over the management of NNLife Otwarty Fundusz Emerytalny (hereinafter referred to as the "NNLife OFE") and NNLife Dobrowolny Fundusz Emerytalny (hereinafter referred to as the "NNLife DFE"), on the 1st of February, 2023, share in the share capital and in the total number of votes at the General Meeting of Shareholders of Comarch S.A. on the accounts of Generali OFE, Generali DFE, NNLife OFE and NNLife DFE funds, exceeded the 5% threshold.

According to the information available to the Company, the funds of Generali OFE, Generali DFE, NNLife OFE and NNLife DFE hold a total of 829,183 shares, which constitutes 10.19% of the share capital of the Company, and 829,183 votes at the General Meeting of Shareholders of the Company, which constitutes 5.48 % share in the total number of votes; of which NNLife OFE holds 771,954 shares representing 9.49% of the share capital of

the Company and 771,954 votes at the General Meeting of Shareholders of the Company, representing 5.10% of the total number of votes.

Receiving a notification about exceeding the threshold of 5% in the share capital and the total number of votes at the General Meeting of Shareholders of Comarch S.A.

On the 25th of July, 2023, the Management Board of Comarch S. A. informed – in the current report no. [RB-12-2023](#) (ENG version: [RB-12-2023](#))- about receiving a notification from Generali Powszechnie Towarzystwo Emerytalne S.A. (hereinafter referred to as "Society") managing Generali Otwarty Fundusz Emerytalny (open pension fund, hereinafter referred to as "Generali OFE") that as a result of the completion of the liquidation of NNLife Otwarty Fundusz Emerytalny (hereinafter referred to as: "NNLife OFE") on the 21st of July, 2023, the assets of NNLife OFE were transferred to Generali OFE, and therefore the share of Generali OFE in the share capital and in the total number of votes at the General Meeting of Shareholders of Comarch S.A. exceeded the 5% threshold.

According to the information available to the Company, the Generali OFE hold a total of 829,183 shares representing 10.19% of the Company's share capital and 829,183 votes at the Company's General Meeting of Shareholders, representing 5.48% of the total number of votes.

Information about the Death of Professor Mr Janusz Filipiak President of the Management Board of Comarch SA

On the 17th of December, 2023, the Management Board of Comarch S.A - the current report no [RB-19-2023](#) (ENG: [RB-19-2023](#)) - informed of the death of the Professor, President of the Management Board of Comarch S.A., Mr Janusz Filipiak. In connection with the above, as of the 17th of December, 2023, the mandate of Mr Janusz Filipiak in the Management Board of Comarch S.A. expires.

3.18.3. Changes in Share Capital after the Balance Sheet Date

Information on Transactions on Comarch S.A. Shares

The Management Board of Comarch S.A. announced that on the 19th of March, 2024, they received from a person acting as a managing person notifications of transactions referred to in Article 19 par. 8 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. The notifications concerned the purchase transaction of 1,310 ordinary bearer shares between the 8th of March, 2024 and the 19th of March, 2024. The Company announced the details in current report no. [RB-7-2024](#) (ENG: [RB-7-2024](#)) of the 19th of March, 2024.

3.19. Other Capitals

3.19.1. Parent Company Shareholders' Capitals

	Capital from change in ownership structure	Capital from valuation of the managerial option	Investment capital and capital for covering the budget commitments	Supplementary capital from sales over nominal value	Other capitals	Total
1 January 2022	(5,185)	25,140	745	84,446	37,895	143,041
Change in Ownership Structure	-	-	-	-	-	-
31 December 2022	(5,185)	25,140	745	84,446	37,895	143,041
1 January 2023	(5,185)	25,140	745	84,446	37,895	143,041
Change in Ownership Structure	-	-	-	-	-	-
31 December 2023	(5,185)	25,140	745	84,446	37,895	143,041

On the 29th of May, 2023, the Supervisory Board of Comarch S.A., by resolution No. 9/05/2023 of the 29th of May, 2023, gave a positive opinion on the recommendation of the Management Board of the 29th of May, 2023, so that the net profit generated by the Company in the financial year from the 1st of January, 2022, to the 31st of December, 2022, in the amount of PLN 67,405,747.85 (in words: sixty-seven million four hundred and five thousand seven hundred and forty-seven zlotys 85/100) was divided as follows:

1. part of the net profit in the amount of PLN 32,533,396.00 (in words: thirty-two million five hundred and thirty-three thousand three hundred and ninety-six zlotys 00/100) will be allocated to the payment of dividend. The dividend in the amount of PLN 4.00 (in words: four zlotys 00/100) per share will be paid to persons who are shareholders of the Company on the 10th of July, 2023 (dividend day), and the dividend will be paid on the 19th of July, 2023;
2. the remaining part of the net profit in the amount of PLN 34,872,351.85 (in words: thirty-four million eight hundred and seventy-two thousand three hundred and fifty-one zlotys 85/100) will be transferred to supplementary capital.

The dividend was paid on time.

Management Board of Comarch S.A. by the date of publication of this report, has not made a decision regarding the proposed profit distribution for 2023.

3.19.2. Capitals Attributable to Interests not Entitled to Control

1 January 2022	11,450
Results of subsidiaries for general partners outside the Group	-
MKS Cracovia SSA share in profit	(9,271)
CAMS AG share in profit	(5)
Currency exchange differences	(3)
31 December 2022	2,171
1 January 2023	2,171
Results of subsidiaries for general partners outside the Group	-
MKS Cracovia SSA share in profit	(6,716)
CAMS AG share in profit	(19)
Currency exchange differences	1
31 December 2023	(4,563)

We present data of subsidiary MKS Cracovia SSA. In the other subsidiaries, interests not entitled to control are insignificant.

Name of company: MKS Cracovia SSA,

Main country of company's activities and country of registration: Poland,

Proportion of shares held by interests not entitled to control: 33.89%,

Proportion of votes held by interests not entitled to control, if differs from the proportion of held Shares: 33.89%,

Financial result attributable to subsidiary's minority interest, during the reporting period: PLN (6,735) thousand.

Total subsidiary's minority interest as at the end of the reporting period: PLN (4,563) thousand.

Condensed financial information about subsidiary Cracovia SSA

The following tables present a summary of financial data of a significant subsidiary, which holds interests not entitling to control. The below mentioned amounts constitute amounts from financial statements prepared pursuant to the IFRS (adjusted by the Group):

MKS Cracovia SSA	31 December 2023	31 December 2022
Current assets	11,304	8,615
Non-current assets	89,959	92,479
Current liabilities	21,883	20,313
Non-current liabilities	92,638	74,221

MKS Cracovia SSA	2023	2022
Revenue	39,377	35,594
Profit (loss) from continued activities	(19,817)	(27,356)
Profit (loss) from discontinued activities (after tax)	-	-
Net profit (loss) for the period	(19,817)	(27,356)
Other total income for the period	-	-
Total income for the period	-	-

AFTER THE BALANCE SHEET DATE

On the 1st of February, 2024, the Municipal Municipality of Krakow was deleted in the Register of Shareholders of Miejski Klub Sportowy 'Cracovia' S.A. as the shareholder entitled to 73,480 registered non-privileged shares, including 68,480 series A shares numbered from 1 to 68,480 and 5,000 series B shares numbered from 1 to 5,000, and at the same time Comarch S.A. was entered as the shareholder with the above shares. Consequently, 99.75 % of the shares of Miejski Klub Sportowy 'Cracovia' S.A. are now held by Comarch S.A. As a result of this operation, in 2024, 99.75% of Cracovia's result will be attributable to the Parent Company.

3.20. Credits and Loans

	31 December 2023	31 December 2022
Non-current	89,621	127,475
Non-revolving credits	89,621	127,475
Revolving credits	-	-
Loans	-	-
Current	39,137	44,732
Non-revolving credits	28,985	41,062
Revolving credits	-	-
Loans	10,152	3,670
Total credits and loans	128,758	172,207

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

Within the 12 months of 2023, the value of repaid capital on non-revolving credits, loans and other financial obligations from entities outside the Comarch Group amounted to PLN 53,714 thousand. Over 2023, the Comarch Group launched bank loans and credits from entity outside the Comarch Group in the amount of PLN 20,754 thousand. As at the balance sheet date, the Comarch Group did not use the overdraft facility.

Within reporting period, there were no overdue payments nor interest payments on credits and loans. Comarch did not breach of any provisions of the credit or loan agreements that could entitle the creditor to claim earlier repayment of the credit or loan.

All amounts are presented in thousands of PLN unless otherwise indicated

The exposure of Group's bank credits to interest rate risk arises from credits at variable interest rates. The Comarch Group optimizes interest costs by constantly monitoring the interest rate structure and adjusting the base loan interest rate or using IRS hedging transactions.

Exposure to Comarch Group loans and borrowings with the interest rate risk	1 year or less	1-5 years	Over 5 years	Total
As at 31 December 2022				
Credits and loans	44,732	118,666	8,809	172,207
As at 31 December 2023				
Credits and loans	39,137	85,660	3,961	128,758

The maturity of non-current bank credits, loans and financial liabilities	31 December 2023	31 December 2022
Between 1 and 2 years	25,582	30,886
Between 2 and 5 years	60,078	87,780
Over 5 years	3,961	8,809
	89,621	127,475

Currency structure of the balance sheet values of credits, loans and financial liabilities	31 December 2023	31 December 2022
In Polish currency	10,152	3,670
In EUR (equivalence in PLN)	118,606	168,537
	128,758	172,207

The effective interest rates at the balance sheet date	31 December 2023	31 December 2022
Bank credits and loans	4.43%	2.58%

All amounts are presented in thousands of PLN unless otherwise indicated

3.20.1. Non-Revolving Credits and Loans

Debtor	Financial institution	Total value of credit/loan according to the agreement		Value to be paid as at the balance sheet date				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A. Office buildings SSE4 in Krakow	BNP Paribas Bank Polska S.A.	44,000	PLN	466 (1,084 as at the 31 st of December, 2022)	EUR	2,027 (5,083 as at the 31 st of December, 2022)	PLN	EURIBOR1M + bank margin IRS till the 29 th of July, 2024	the 29 th of July, 2024	mortgage on the SSE4 building, assignment of rights from the building's insurance policy, blank promissory note, declaration on submission to enforcement
Comarch S.A. office buildings SSE7 in Krakow	Bank Handlowy w Warszawie S.A.	13,333	EUR	6,599 (8,179 as at the 31 st of December, 2022)	EUR	28,692 (38,358 as at the 31 st of December, 2022)	PLN	EURIBOR1M + bank margin IRS till the 29 th of February, 2028	the 29 th of February, 2028	mortgage on the SSE7 building, assignment of rights from the building insurance policy, declaration on submission to enforcement
Bonus Development sp. z o.o. SK-A office buildings in Lodz	Bank Polska Kasa Opieki S.A.	9,262	EUR	4,193 (4,769 as at the 31 st of December, 2022)	EUR	18,230 (22,367 as at the 31 st of December, 2022)	PLN	EURIBOR1M + bank margin IRS till the 31 st of May, 2030	the 31 st of May, 2030	mortgage on an office building in Łódź, a statement by Bonus Development Sp. z o.o. SK-A on submission to enforcement, assignment of rights from the insurance policy of an office building in Łódź, assignment of rights from the guarantee of due performance and warranty guarantee, assignment of rights under the lease of the financed property concluded with Comarch SA, surety from Comarch SA, declaration on submission to enforcement Comarch SA.
Comarch S.A. Corporate purposes	CaixaBank S.A. Branch in Poland	2,300	EUR	914 (1,490 as at the 31 st of December, 2022)	EUR	3,972 (6,990 as at the 31 st of December, 2022)	PLN	EURIBOR1M + bank margin	the 29 th of June, 2025	Declaration of submission to enforcement
Comarch S.A. Corporate purposes	CaixaBank S.A. Branch in Poland	14,500	EUR	12,164 (14,513 na as at the 31 st of December, 2022)	EUR	52,890 (68,064 as at the 31 st of December, 2022)	PLN	EURIBOR1M + bank margin	the 31 st of December, 2026	Declaration of submission to enforcement
Comarch Polska S.A. IT equipment	IBM Global Financing Polska sp. z o.o.	2,395	PLN			535 (0 as at the 31 st of December, 2022)	PLN	fixed	the 1 st of March, 2024	surety of Comarch S.A.
Comarch S.A. IT equipment	IBM Global Financing Polska sp. z o.o.	2,669	PLN			893 (0 as at the 31 st of December, 2022)	PLN	fixed	the 1 st of April, 2024	-
Comarch Polska S.A. IT equipment	IBM Global Financing Polska sp. z o.o.	15,689	PLN			8,724 (0 as at the 31 st of December, 2022)	PLN	fixed	the 1 st of June, 2024	surety of Comarch S.A.
Comarch S.A. Property, plant and equipment in use	PKO Leasing S.A.	5,000	EUR	2,943 (3,671 as at the 31 st of December, 2022)	EUR	12,795 (17 218 as at the 31 st of December, 2022)	PLN	fixed	the 29 th of February, 2028	a blank promissory note, registered pledge on the Subject of Financing, transfer of ownership to secure

All amounts are presented in thousands of PLN unless otherwise indicated

										the Subject of Financing
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3.20.2. Revolving Bank Credits

The Comarch Group has the following revolving overdraft limits:

Debtor	Financial institution	Total value of credit/loan according to the agreement		Liability as at the balance sheet date				Interest conditions	Repayment date	Securities
		Value	Currency	Value	Currency	Value	Currency			
Comarch S.A.	BNP Paribas Bank Polska S.A	30,000	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	the 30 th of April, 2024	a blank promissory note
Comarch S.A.	Bank Polska Kasa Opieki S.A.	33,123	PLN	0	PLN	0	PLN	WIBOR1M + bank margin	the 30 th of June, 2024	declaration of submission to enforcement

	31 December 2023	31 December 2022
Credit lines in the current account and revolving credits, including:	63,123	87,835
Used at the balance sheet date	-	-
Available at the balance sheet date	63,123	87,835

3.20.3. Changes to Credit and Lease Liabilities

	Opening Balance 2022	Decreases	Increases	Effect of Exchange Rate Differences	Closing Balance 2022
Loans and credits	145,007	58,603	81,915	3,888	172,207
Lease liabilities	92,438	24,831	23,871	(152)	91,326
Total	237,445	83,434	105,786	3,736	263,533

All amounts are presented in thousands of PLN unless otherwise indicated

	Opening Balance 2023	Decreases	Increases	Effect of Exchange Rate Differences	Closing Balance 2023
Loans and credits	172,207	53,714	20,754	(10,488)	128,759
Lease liabilities	91,326	26,224	28,266	(2,981)	90,387
Total	263,533	79,938	49,020	(13,469)	219,146

3.21. Lease Liabilities

	31 December 2023	31 December 2022
Leasing of means of transport and IT equipment	1,333	1,156
Tenancy	57,899	62,261
Perpetual usufruct	31,155	27,909
Current portion	22,138	21,099
Non-current portion	68,249	70,227
Total	90,387	91,326

Structure of lease liabilities due to the period of use

	1 year or less	2-5 years	Over 5 years	Total
Leasing of means of transport and IT equipment	614	719	-	1,333
Tenancy	21,440	31,213	5,246	57,899
Perpetual usufruct	84	387	30,684	31,155
Total	22,138	32,319	35,930	90,387

Changes in lease liabilities

	2023	2022
OPENING BALANCE	91,326	92,438
Increases	28,266	23,871
- new contracts and modifications to those existing ones	25,061	20,478
- exchange rates differences	3,205	3,393
- effective interest	-	-
Decreases	29,205	24,983
- realized flows	26,224	24,831
Increases	2,981	152
CLOSING BALANCE	90,387	91,326

3.22. Other Financial Liabilities

	31 December 2023	31 December 2022
Liabilities due to dividend	-	-
Current portion	-	-
Non-current portion	-	-
Liabilities due to promissory notes	-	-
Current portion	-	-
Non-current portion	-	-
Total	-	-

As at the 31st of December, 2023, other financial liabilities did not present.

3.23. Provisions for Other Liabilities and Charges

	Costs related to the current period, which will be incurred in future	Provisions for contracts costs	Provisions for contractual penalties	Provisions for leaves	Provisions for cash rewards	Provisions for pension and similar	Total
As at 1 January 2022	5,029	10,598	12,597	48,853	104,405	2,405	183,887
Change:	(106)	(1,486)	(411)	6,415	27,870	844	33,126
-Provisions created	14,590	7,776	4,168	30,228	129,661	1,252	187,675
-Provisions used and dissolved	(14,696)	(9,262)	(4,579)	(23,813)	(101,791)	(408)	(154,549)
As at 31 December 2022	4,923	9,112	12,186	55,268	132,275	3,249	217,013
Current	4,923	9,112	12,186	55,268	132,275	-	213,764
Non-current	-	-	-	-	-	3,249	3,249
As at 1 January 2023	4,923	9,112	12,186	55,268	132,275	3,249	217,013
Change:	70	1,849	(5,024)	-	2,411	600	(94)
-Provisions created	28,219	16,561	12,679	31,997	147,989	1,027	238,472
-Provisions used and dissolved	(28,149)	(14,712)	(17,703)	(31,997)	(145,578)	(427)	(238,566)

All amounts are presented in thousands of PLN unless otherwise indicated

As at 31 December 2023	4,993	10,961	7,162	55,268	134,686	3,849	216,919
Current	4,993	10,961	7,162	55,268	134,686	-	213,070
Non-current	-	-	-	-	-	3,849	3,849

All provisions were calculated based on credible estimate as of the balance sheet date. Costs of the current period refer to provisions established for costs on account of audits of financial statements, archive and other administrative costs, as well as credit cards' settlements. Provisions for costs of contracts refer to recognition of the forecast losses in contracts.

Analysis of total provisions:

	31 December 2023	31 December 2022
Non-current	3,849	3,249
Current	213,070	213,764

3.24. Trade and Other Payables

	31 December 2023	31 December 2022
Trade payables	78,885	75,861
Advances received due to services and deliveries	2,059	5,361
Trade and other payables to related parties	355	355
Liabilities due to social insurance and other tax charges	109,505	98,083
Investments liabilities	3,046	3,730
Proceeds from future periods	35,714	42,291
Other payables	5,775	6,548
Special funds (Social Services Fund and Residential Fund)	2,399	1,655
Liabilities due to remuneration	43,241	43,848
Total	280,979	277,732

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

3.25. Contingent Liabilities

On the 31st of December, 2023, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 65,328 thousand, whereas it was PLN 62,409 thousand on the 31st of December, 2022.

On the 31st of December, 2023, the value of bank guarantees issued by banks on order from the former Comarch Software und Beratung Group Comarch Software und Beratung was EUR 473 thousand (i.e. PLN 2,056 thousand), whereas it was EUR 439 thousand (i.e. PLN 2,057 thousand) on the 31st of December, 2022.

Comarch S.A. declared a possibility to grant a financial support ("letters of comfort") for its subsidiaries: Comarch R&D S.A.S. (an indefinite period), Comarch Argentina S.A. *en liquidación* (an indefinite period),

All amounts are presented in thousands of PLN unless otherwise indicated

Comarch Malaysia SDN. BHD. (an indefinite period), Comarch Healthcare S.A. (an indefinite period), Comarch Middle East FZ-LLC (an indefinite period), Comarch Japan KK (an indefinite period) and Comarch SAS (an indefinite period), MKS Cracovia SSA to the 30th of June, 2025.

Granted credit lines for financing of current activities (guarantees, letters of credit, credit lines in current account)	31 December 2023	31 December 2022
Credit lines*	182,113	192,280
Total	182,113	192,280

(*) they comprise credit lines at current account that are described in point 3.20.

The Comarch Group is the defendant in legal proceedings, in which the potential total value of third-party claims is PLN 29,383 thousand. Provisions for part of these claims were presented in the balance sheet as at the 31st of December, 2023, and are worth PLN 1,683 thousand. Over 2023, the Comarch Group created provisions for claims covered by legal proceedings worth PLN 2,376 thousand and resolved provisions in this respect worth PLN 1,162 thousand.

The Comarch Group is the party to the matters in disputes, but not legal proceedings in which the potential total value of third-party claims is PLN 7,244 thousand. Provisions for part of these claims presented in the balance sheet as at the 31st of December, 2023, and are worth PLN 5,727 thousand. Over 2023, the Comarch Group created provisions for matters in disputes, but not legal proceedings worth PLN 2,451 thousand and resolved provisions in this respect worth PLN 745 thousand.

According to the Management Boards of the Comarch Group companies, based on the opinions of legal advisors, there are no circumstances indicating the need to create provisions for other claims currently subject to court proceedings and disputes, not covered by court proceedings.

Due to the matters in disputes, over 2023 the Comarch Group did not create write-offs that revalue receivables.

3.26. Sales Revenue

Sales revenue disclosed in this note is presented differently by market location than in note 3.2, where it is presented by location of operations.

3.26.1. Sales Revenue - Geographical Structure

	2023	%	2022	%	2021	%
Domestic (Poland)	878,426	48.4	780,805	42.0	686,900	42.2
DACH (Germany, Austria, Switzerland)	274,751	15.1	303,555	16.3	275,808	17.0
Other countries	662,662	36.5	774,355	41.7	664,441	40.8
Total	1,815,839	100.0	1,858,715	100.0	1,627,149	100.0

3.26.2. Sales Revenue by Customers

	2023	%	2022	%	2021	%
Telecommunication, Media, IT	313,866	17.3	446,826	24.0	406,082	25.0
Finance and Banking	282,171	15.5	261,826	14.1	226,343	13.9
Trade and Services	254,750	14.0	256,362	13.8	245,813	15.1
Industry & Utilities	223,779	12.3	229,941	12.4	181,558	11.2
Public Sector	155,232	8.6	159,979	8.6	133,821	8.2
MSP – Poland	353,380	19.5	294,033	15.8	239,459	14.7
MSP – DACH	104,117	5.7	109,161	5.9	104,034	6.4
Medicine	87,598	4.8	58,103	3.1	62,488	3.8
Others	40,946	2.3	42,484	2.3	27,551	1.7
Total	1,815,839	100.0	1,858,715	100.0	1,627,149	100.0

3.26.3. Sales Revenue by Products

	2023	%	2022	%	2021	%
IT services	1,388,896	76.5	1,429,735	76.9	1,247,887	76.7
Proprietary software	300,093	16.5	308,971	16.6	264,588	16.3
Third-party software	21,872	1.2	13,367	0.7	15,705	1.0
Finished goods	30,245	1.7	21,160	1.1	14,997	0.9
Computer hardware	8,107	0.4	12,927	0.7	22,050	1.3
Medical services	21,694	1.2	24,301	1.3	31,650	2.0
Others	44,932	2.5	48,254	2.7	30,272	1.8
Total	1,815,839	100.0	1,858,715	100.0	1,627,149	100.0

3.27. Costs of Products, Services, Goods and Materials Sold

I/1 Costs by types	12 months of 2023	12 months of 2022
Depreciation of property, plant and equipment in use and intangible assets	95,729	93,796
Costs of social benefits	1,133,068	1,099,475
Change in products and work in progress	5,793	63,327
Consumption of raw materials and auxiliary materials	68,915	43,459
Third party services	251,413	239,080
Taxes and charges	16,299	17,091
Other costs	69,353	68,956
Costs of products sold, services, marketing and distribution as well as administrative costs, including:	1,640,570	1,625,184
- manufacturing costs	1,295,468	1,274,622
- costs of sales	202,396	193,296
- general costs	142,077	143,044
- exchange differences on liabilities	629	14,222

All amounts are presented in thousands of PLN unless otherwise indicated

I/2 Costs of goods and materials sold	91,049	80,075
I/3 Costs of work execution within the framework of union projects	63	640
I/4 Total costs of products sold, services, marketing, administrative, goods, materials and work execution within the framework of union projects	1,731,682	1,705,899
II. Costs of social benefits	12 months of 2023	12 months of 2022
Remuneration	953,018	926,012
Social insurance	160,523	154,461
Social Services Fund	3,023	2,941
Training	2,906	3,038
Health and Safety at Work	2,050	1,967
Other	11,548	11,056
Total	1,133,068	1,099,475

3.28. Other Operating Revenue

Other operating revenue and profits	12 months of 2023	12 months of 2022
Recovered communication damages	396	266
Outdated liabilities	1,026	262
Dissolving write-offs revaluating receivables	33,841	13,140
Received contractual penalties	10	-
Earnings on disposal on non-financial non-current assets	3,296	12,234
Refund of VAT	12	110
Subsidies	1,410	2,007
Remission of liabilities	225	115
Other	2,395	2,991
Total	42,611	31,125

3.29. Other Operating Costs

Other operating costs and losses	12 months of 2023	12 months of 2022
Write-off that revaluates assets (impairment)	408	621
Membership fees	871	943
Donations	348	906
Loss on non-current assets disposal and decommissioning	1,867	209
Write-off that revaluates receivables	11,486	31,557
Compensation	30	196
Write-offs recognised from entities outside the Group	14,772	-
Other	725	1,903
Total	30,507	36,335

3.30. Finance Costs – Net

Finance costs - net	12 months of 2023	12 months of 2022
Interest expense, including:	(8,041)	(5,275)
- Interest on borrowings	(4,330)	(2,196)
- Interest on lease liabilities	(3,204)	(3,393)
- Other	(507)	314
Gains on bank deposits	16,540	5,713
Gains/(losses) on disposal of financial assets	10,181	(10,559)
Gains on disposal of securities	-	(1,117)
Gains/(losses) net exchange rate differences (note 3.32)	6,519	(1,058)
Fair value valuation of financial instruments and investment	30,778	18,523
Other, including:	77	(466)
- other	77	(466)
Total	56,054	5,761

3.31. Income Tax

	12 months of 2023	12 months of 2022
Current tax	49,718	46,524
Deferred tax	8,724	8,271
Total	58,442	54,795

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	12 months of 2023	12 months of 2022
Consolidated gross profit before tax	152,315	153,367
Differences between gross profit and basis of taxation:		
- Consolidation adjustments	73,511	133,566
- Exclusions of losses in consolidated companies	73,276	75,676
Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the basis of taxation)	299,102	362,609
Tax calculated with the nominal rate on gross profit	48,867	70,946
Nominal tax rate	16.34%	19.57%
Permanent and temporary differences between gross profit and the actual basis of taxation, including:	(70,495)	(141,411)
- Utilisation of previously recognised tax losses	(7,970)	(49,596)

All amounts are presented in thousands of PLN unless otherwise indicated

- Differences between basis of taxation and gross profit`	(9,518)	15,099
- Income not subject to tax (due to activities in SEZ)	(17,721)	(17,586)
- Income of non-taxable entities	(27,870)	(24,437)
- Tax-exempt dividends	(7,416)	(64,891)
Taxable base from income tax	228,607	221,198
Tax calculated at tax rate for the Group	49,718	46,524
Effective tax rate	16.62%	12.83%

Tax authorities of the Parent Company country of origin can run inspections for books of account and tax settlements within 5 years since the end of the year, in which tax returns were filed and can charge additional tax on the Group along with penalties and interest. In the opinion of the Management Board of the Parent Company, there are no circumstances indicating possibility of arising significant liabilities on this account.

3.32. Net Foreign Exchange (Losses) /Gains

The exchange differences (charged)/credited to the income statement are included as follows:

	12 months of 2023	12 months of 2022
Sales Revenue	(40,444)	13,945
Costs of products, goods and materials sold	(629)	(14,221)
Finance costs-net	6,519	(1,058)
Total	(34,554)	(1,334)

3.33. Earnings per Share

	12 months of 2023	12 months of 2022
Net profit for the period attributable to equity holders of the Company	100,608	107,848
Weighted average number of shares in issue (thousands)	8,133,349	8133,349
Basic earnings per share (PLN)	12.37	13.26
Diluted number of shares (thousands)	8,133,349	8133,349
Diluted earnings per share (PLN)	12.37	13.26

Basic earnings per share in the column "12 months of 2023" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2023, to the 31st of December, 2023, by the weighted average number of shares in issue between the 1st of January, 2023, to the 31st of December, 2023, where the number of days is the weight. Basic earnings per share in the column "12 months of 2022" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2022, to the 31st of December, 2022, by the weighted average number of shares in issue between the 1st of January, 2022, to the 31st of December, 2022, where the number of days is the weight.

Diluted earnings per share in the column "12 months of 2023" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2023, to the 31st of December,

All amounts are presented in thousands of PLN unless otherwise indicated

2023, by the sum of the weighted average number of shares in issue between the 1st of January, 2023, to the 31st of December, 2023, where the number of days is the weight. Diluted earnings per share in the column "12 months of 2022" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from the 1st of January, 2022, to the 31st of December, 2022, by the sum of the weighted average number of shares in issue between the 1st of January, 2022, to the 31st of December, 2022, where the number of days is the weight.

3.34. Related-Party Transactions

3.34.1. Sales Revenue of Goods and Services

	12 months of 2023	12 months of 2022
Revenue from sales of goods	-	-
SolInteractive S.A.	-	-
Revenue from sales of services	10	15
SolInteractive S.A.	10	15
Total	10	15

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

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

3.34.2. Purchases of Goods and Services

	12 months of 2023	12 months of 2022
Purchases of goods	-	-
SolInteractive S.A.	-	-
Purchases of services	-	4
SolInteractive S.A.	-	4
Included in generation costs	-	4
Included in other costs	-	-
Total	-	4

Price for services and goods is usually negotiated with related entities using one of the above methods. In the reporting period, there were no significant transactions with related entities other than those listed above.

3.34.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sales/Purchase of Goods /Services

	31 December 2023	31 December 2022
Receivables from related parties	1	1
SolInteractive S.A.	1	1

Payables to related parties	5	5
SolInteractive S.A.	5	5

3.34.4. Transactions with Associates and Personally Related Entities

	12 months of 2023	12 months of 2022
Purchases from personally related entities	5,816	6,533
Sales to personally related entities	2,096	1,798
Sale of real estate to personally related entities (acquired as a commodity)	-	6,200
Loans and interest on loans paid by personally related entities	-	528
Loans and interest on loans granted to personally related entities	-	-
Purchases from associates	-	4
Sales to associates	10	15
Loans and interest on loans paid by associates	-	-
Loans and interest on loans granted to associates	-	-
Loans and other payments received from personally related entities	-	1,612*
Loans and other disbursements and interest thereon to personally related entities	-	5,712**

*) Remaining after compensation, the surcharge for the real estate sale transaction made by the person supervising Comarch S.A.

**) The item includes the payment for bills of exchange with interest made by Bonus Management sp. z o.o. SK-A in the amount of PLN 4,588 thousand to the supervisor of Comarch S.A. and payment for promissory notes by Bonus Management sp. z o.o. II Activia SK-A to the supervisor of Comarch S.A. in the amount of PLN 1,124 thousand.

3.35. Value of Remuneration of the Managing and Supervising Persons in 2023 and 2022

Remuneration of members of the Management Board of Comarch S.A. in 2023 were PLN 24,184,514.85 in total. Remuneration of members of the Management Board of Comarch S.A. in 2023 paid by subsidiaries and associates were PLN 12,263,510.71 in total. Remuneration of members of the Management Board of Comarch S.A. in 2022 were PLN 9,353,704.62 in total. Remuneration of members of the Management Board of Comarch S.A. in 2022 paid by subsidiaries and associates were PLN 11,389,758.38 in total.

Remunerations presented in this note include remunerations actually paid in 2023 (including bonuses for the previous periods covered by provisions as at the 31st of December, 2022). Remunerations do not include unpaid bonuses for the year 2023 (covered by provisions as at the 31st of December, 2023).

In 2023 and 2022, there were no incentive or bonus programs based on Comarch S.A.'s capital.

All amounts are presented in thousands of PLN unless otherwise indicated

2022 (in PLN)

No.	Comarch S.A.'s Supervisory Board	Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	270,000.00	1,871,048.57	2,141,048.57
2	Andrzej Pach	66,000.00	0.00	66,000.00
3	Danuta Drobnia	66,000.00	0.00	66,000.00
4	Robert Jasiński	36,180.00	0.00	36,180.00
5	Łukasz Kalinowski	35,000.00	0.00	35,000.00
6	Joanna Krasodomska	67,485.90	0.00	67,485.90
7	Anna Pruska	66,320.00	507,331.06	573,651.06
Total		606,985.90	2,378,379.63	2,985,365.53

No.	Comarch S.A.'s Management Board	Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	1,120,425.36	9,975,422.60	11,095,847.96
2	Paweł Prokop	257,724.36	403,305.18	661,029.54
3	Andrzej Przewięźlikowski	1,122,491.36	170,417.97	1,292,909.33
4	Zbigniew Rymarczyk	3,688,380.16	319,227.42	4,007,607.58
5	Konrad Tarański	537,922.69	364,580.71	902,503.40
6	Marcin Warwas	2,626,760.69	156,804.50	2,783,565.19
Total		9,353,704.62	11,389,758.38	20,743,463.00

No.	Comarch S.A.'s Management Board.	Paid from the Comarch S.A.'s net profit as a dividend
1	Janusz Filipiak	7,988,108.00
2	Paweł Prokop	90,600.00
3	Andrzej Przewięźlikowski	0.00
4	Zbigniew Rymarczyk	138,644.00
5	Konrad Tarański	42,432.00
6	Marcin Warwas	42,432.00
Total		8,302,216.00

2023 (in PLN)

No.	Comarch S.A.'s Supervisory Board	Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	300,000.00	1,821,137.65	2,121,137.65
2	Andrzej Pach	120,000.00	0.00	120,000.00
3	Danuta Drobnia	120,000.00	0.00	120,000.00
4	Robert Jasiński	73,080.00	0.00	73,080.00
5	Joanna Krasodomska	128,380.44	0.00	128,380.44
6	Anna Pruska	54,537.91	380,011.11	434,549.02

All amounts are presented in thousands of PLN unless otherwise indicated

Total	795,998.35	2,201,148.76	2,997,147.11
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No.	Comarch S.A.'s Management Board	Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	14,455,332.40	7,840,471.70	22,295,804.10
2	Anna Pruska	206,631.20	153,230.86	359,862.06
3	Janusz Jeremiasz Filipiak	241,337.40	1,004,350.91	1,245,688.31
4	Michał Pruski	51,796.00	777,691.79	829,487.79
5	Konrad Tarański	881,928.73	359,291.70	1,241,220.43
6	Wojciech Pawluś	41,578.00	637,235.27	678,813.27
7	Arkadiusz Iłgowski	41,578.00	461,844.77	503,422.77
8	Tomasz Matysik	224,797.84	14,587.20	239,385.04
9	Paweł Prokop	66,633.65	42,910.32	109,543.97
10	Andrzej Przewięźlikowski	1,659,251.33	479,312.20	2,138,563.53
11	Marcin Romanowski	211,557.01	89,812.20	301,369.21
12	Zbigniew Rymarczyk	3,874,257.12	201,145.80	4,075,402.92
13	Marcin Warwas	2,227,836.17	201,626.00	2,429,462.17
Total	24,184,514.85	12,263,510.72	36,448,025.57	

No.	Comarch S.A.'s Management Board	Paid from the Comarch S.A.'s net profit as a dividend
1	Janusz Filipiak	7,988,108.00
2	Anna Pruska	0.00
3	Janusz Jeremiasz Filipiak	0.00
4	Michał Pruski	0.00
5	Konrad Tarański	42,432.00
6	Wojciech Pawluś	0.00
7	Arkadiusz Iłgowski	0.00
8	Tomasz Matysik	0.00
9	Paweł Prokop	bd
10	Andrzej Przewięźlikowski	0.00
11	Marcin Romanowski	0.00
12	Zbigniew Rymarczyk	138,644.00
13	Marcin Warwas	42,432.00
Total		8,211,616.00

Changes in 2022

Management Board of Comarch S.A. informed in the current report no. [RB-8-2022](#) (ENG: [RB-8-2022](#)) that on the 28th of June, 2022, the Ordinary General Meeting of the Company adopted Resolutions No. 30, 31, 32, 33, 34 and 35 on the election of the Management Board of the Company. Mr. Janusz Filipiak, Paweł Prokop, Andrzej Przewięźlikowski, Zbigniew Rymarczyk, Konrad Tarański and Marcin Warwas were appointed as members of the Management Board of Comarch S.A. for another term.

All amounts are presented in thousands of PLN unless otherwise indicated

Management Board of Comarch S.A. informed in the current report no. [RB-9-2022](#) (ENG: [RB-9-2022](#)) that on the 28th of June, 2022, the Ordinary General Meeting of the Company adopted Resolutions No. 24, 25, 26, 27, 28 and 29 on the election of the Supervisory Board of the Company. Ms. Elżbieta Filipiak, Mr. Andrzej Pach, Ms. Danuta Drobniak, Ms. Joanna Krasodomaska and Ms. Anna Pruska were appointed as members of the Supervisory Board of Comarch S.A. for another term. Mr. Robert Jasiński was appointed as a member of the Supervisory Board of Comarch S.A. for the first time. The term of office of Mr. Łukasz Kalinowski expired on the 28th of June, 2022.

Changes in 2023

On the 10th of March, 2023 the Management Board of Comarch S.A. - in the current report no. [RB-3-2023](#) (ENG: [RB-3-2023](#)) informed of the death of a Member of the Management Board of Comarch S.A., Mr. Paweł Prokop. In connection with the above, as of the 10th of March, 2023, the mandate of Mr. Paweł Prokop as Vice-President of the Management Board of Comarch S.A. had expired. Paweł Prokop was a member of the Management Board of Comarch S.A. since 1996.

On the 29th of May, 2023, the Supervisory Board of Comarch S.A., by resolution No. 9/05/2023 of the 29th of May, 2023, gave a positive opinion on the recommendation of the Management Board of the 29th of May, 2023, so that the net profit generated by the Company in the financial year from the 1st of January, 2022, to the 31st of December, 2022, in the amount of PLN 67,405,747.85 (in words: sixty-seven million four hundred and five thousand seven hundred and forty-seven zlotys 85/100) was divided as follows:

1. part of the net profit in the amount of PLN 32,533,396.00 (in words: thirty-two million five hundred and thirty-three thousand three hundred and ninety-six zlotys 00/100) will be allocated to the payment of dividend. The dividend in the amount of PLN 4.00 (in words: four zlotys 00/100) per share will be paid to persons who are shareholders of the Company on the 10th of July, 2023 (dividend day), and the dividend will be paid on the 19th of July, 2023;
2. the remaining part of the net profit in the amount of PLN 34,872,351.85 (in words: thirty-four million eight hundred and seventy-two thousand three hundred and fifty-one zlotys 85/100) will be transferred to supplementary capital.

Justification of the Management Board for the proposed distribution of funds: when deciding on the recommendation of the method of profit distribution, the Management Board of Comarch S.A. took into account, in particular, the current and planned investments by the Company, the current and anticipated situation on the IT market and the labour market, as well as the current economic and geopolitical situation in Poland and in the world. The Company announced the details in current report no [RB-4-2023](#) (ENG: [RB-4-2023](#))

The Management Board of Comarch S.A. informed in the current report no. [RB-8-2023](#) (ENG: [RB-8-2023](#)), that on the 28th of June, 2023, the Ordinary General Meeting of the Company adopted resolutions no. 24, 25, 26, 27, 28 and 29 on the election of members of the Company's Management Board. They were appointed:

1. Mr. Janusz Jeremiasz Filipiak for the position of Vice-President of the Management Board,
2. Mr. Arkadiusz Iłgowski for the position of Vice-President of the Management Board,
3. Mr. Tomasz Matysik for the position of Vice-President of the Management Board,
4. Mr. Wojciech Pawluś for the position of Vice-President of the Management Board,
5. Mr. Michał Pruski for the position of Vice-President of the Management Board,
6. Mr. Marcin Romanowski for the position of Vice-President of the Management Board.

Mr. Janusz Jeremiasz Filipiak, Mr. Arkadiusz Iłgowski, Mr. Tomasz Matysik, Mr. Wojciech Pawluś, Mr. Michał Pruski and Mr. Marcin Romanowski were appointed as members of the Management Board of Comarch S.A. until the end of the current term of office of the board, and the resolutions on their appointment have legal effect upon registration of changes to the Company's Articles of Association adopted by the General Meeting of Shareholders on the 28th of June, 2023. On the 11th of July, 2023, the Management Board of Comarch S.A. received a decision of the District Court for Kraków-Śródmieście in Kraków, 11th Commercial Division of the National Court Register of the 10th of July, 2023 regarding the registration of changes to the Company's statute adopted by the General Meeting of Shareholders on the 28th of June, 2023.

On the 25th of August, 2023, Mr. Marcin Warwas, head of the Services sector, resigned from the position of Vice-President of the Management Board of Comarch SA, effective as of the 30th of November, 2023. Mr. Marcin Warwas did not provide reasons for his resignation. The Company informed about the details in the current report no. [RB-13-2023](#) (ENG: [RB-13-2023](#)).

Due to the long-term indisposition of the President of the Management Board of Comarch S.A. Mr Professor Janusz Filipiak, Supervisory Board of Comarch S.A. delegated a member of the Supervisory Board Anna Pruska, PhD, to temporarily perform the duties of the President of the Management Board of Comarch S.A. The delegation took place for a period of one month from the 2nd of October, 2023 to the 2nd of November, 2023. On the 31st of October, 2023 r. the Supervisory Board of Comarch S.A. decided to further delegate Anna Pruska, PhD, a member of the Supervisory Board, to temporarily perform the duties of the President of the Management Board of Comarch S.A. The delegation is for a period of two months starting from the expiration of the previous posting period, i.e., for the period from the 3rd of November, 2023, to the 2nd of January, 2024. The Company informed about the details in the current report no [RB-14-2023](#) (ENG: [RB-14-2023](#)) and [RB-15-2023](#) ([RB-15-2023](#)).

On the 5th November, 2023, Mr Janusz Jeremiasz Filipiak resigned from his position as Vice Chairman of the Management Board of Comarch S.A. Mr Janusz Jeremiasz Filipiak did not provide reasons for his resignation. The Company informed about the details in the current report no. [RB-16-2023](#) (ENG: [RB-16-2023](#)).

On the 17th of December, 2023, the Management Board of Comarch S.A - the current report no [RB-19-2023](#) (ENG: [RB-19-2023](#)) - informed of the death of the Professor, President of the Management Board of Comarch S.A., Mr Janusz Filipiak. In connection with the above, as of the 17th of December, 2023, the mandate of Mr Janusz Filipiak in the Management Board of Comarch S.A. expires.

3.36. Information About Shareholders and Shares Held by Members of the Management Board and the Board of Supervisors

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

As at the date of the report's preparation:

- Janusz Filipiak* held 1,997,027 shares (24.55% of the company's share capital), which gave him 5,569,027 votes at the AGM and constituted 36.82% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.40% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.96% of all votes at the AGM;
- Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open Pension Fund) and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) managed by Nationale-Nederlanden PTE S.A. held including 846,571 shares Comarch S.A. (10.41% of the company's share capital), which gave 846,571 votes at the AGM (5.60%), included Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) managed by Nationale-Nederlanden PTE S.A. held 843,071 shares Comarch S.A. (10.37 % of the company's share capital), which gave 843,071 votes at the AGM (5.57%);
- Funds Generali OFE, managed by Generali PTE S.A. held including 829,183 votes at the AGM, and constituted 10.19% of the company's share capital and 829,183 votes at the AGM, and constituted 5.48% of all votes at the AGM.

*) On 17th of December, 2023, the Management Board of Comarch S.A. - through current report No. [RB-19-2023](#) (ENG: [RB-19-2023](#)) - announced the death of the President of the Management Board of Comarch S.A., Professor Janusz Filipiak. As a result, Professor Janusz Filipiak's term on the Management Board of Comarch S.A. expired on the 17th of December, 2023.

3.36.2. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between the 29th of February, 2024, and the 26th of April, 2024

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the quarterly consolidated report for the four quarters of 2023, i.e. the 29st of March, 2024, and on the 26th of April, 2024, pursuant to the information possessed by the company.

At as on the 26 th of April, 2024				At as on the 29 th of February, 2024			
Supervising persons	Position	Shares	Share of votes at the AGM (%)	Supervising persons	Position	Shares	Share of votes at the AGM (%)
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96	Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.96
Managing persons	Position	Shares	Share of votes at the AGM (%)	Managing persons	Position	Shares	Share of votes at the AGM (%)
Anna Pruska	President of the Management Board of the Comarch S.A.	-	-	Anna Pruska	President of the Management Board of the Comarch S.A.	-	-
Michał Pruski*	Vice-President of the Management Board	1,600	0.01	Michał Pruski	Vice-President of the Management Board	250	0.00
Konrad Tarański	Vice-President of the Management Board	10,608	0.07	Konrad Tarański	Vice-President of the Management Board	10,608	0.07

All amounts are presented in thousands of PLN unless otherwise indicated

Wojciech Pawluś	Vice-President of the Management Board	-	-	Wojciech Pawluś	Vice-President of the Management Board	-	-
Arkadiusz Iłgowski	Vice-President of the Management Board	-	-	Arkadiusz Iłgowski	Vice-President of the Management Board	-	-
Marcin Kaleta	Vice-President of the Management Board	-	-	Marcin Kaleta	Vice-President of the Management Board	-	-
Tomasz Matysik	Vice-President of the Management Board	-	-	Tomasz Matysik	Vice-President of the Management Board	-	-
Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-	Andrzej Przewięźlikowski	Vice-President of the Management Board	-	-
Marcin Romanowski	Vice-President of the Management Board	-	-	Marcin Romanowski	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	34,661	0.23	Zbigniew Rymarczyk	Vice-President of the Management Board	34,661	0.23
Marcin Warwas	Vice-President of the Management Board	10,608	0.07	Marcin Warwas	Vice-President of the Management Board	10,608	0.07

*)The Management Board of Comarch S.A. announced that on the 19th of March, 2024, they received from a person acting as a managing person notifications of transactions referred to in Article 19 par. 8 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. The notifications concerned the purchase transaction of 1,310 ordinary bearer shares between the 8th of March, 2024 and the 19th of March, 2024. The Company announced the details in current report no. [RB-7-2024](#) (ENG: [RB-7-2024](#)) of the 19th of March, 2024.

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

During the 2023, the Comarch Group settled in part a deferred tax asset related to temporary differences that was established on the 31st of December, 2022, and worth PLN 5,156 thousand, as well as an asset due to temporary differences was created in the amount of PLN 5,883 thousand. An asset due to tax loss was recognised in the amount of PLN 453 thousand.

During the 2023, the Comarch Group settled an asset created for the zone operations in the amount of PLN 8,415 thousand which were created as at 31st of December, 2022 and as at 31st of December, 2023, was created in the amount of PLN 6,691 thousand.

During the 2023, total changes in asset resulted in an increase in result of minus PLN 1,450 thousand.

Due to valuation of net assets of CCF FIZ in 2023, a deferred tax provision was increased by PLN 2,799 thousand. At the same time, a deferred tax provision due to temporary differences was created in the amount of PLN 9,945 thousand and dissolved in the amount of PLN 5,470 thousand. The total effect of the above-mentioned operations on the net result of 2023 was minus PLN 7,274 thousand.

Total changes in the deferred income tax resulted in an decrease in result of PLN 8,724 thousand.

3.37.1. Exchange Rate Differences and Financial Instruments based on Exchange Rates

Realized foreign exchange rate differences and balance sheet valuation of exchange rates on receivables and liabilities as at the 31st of December, 2023, decreased revenue and operating profit of Comarch Group in 2023 by PLN 40,444 thousand (while in the corresponding period of 2022 increased them by PLN 13,945 thousand). Negative exchange rate differences on the balance sheet valuation of trade payables, related to the weakening of the PLN exchange rate against foreign currencies in 2023, decreased the result of Comarch Group by PLN 629 thousand (while in the corresponding period of 2022 decreased it by PLN 14,221 thousand). Exchange rate

differences from other activities increased the result of Comarch Group by PLN 6,519 thousand (while in the corresponding period of 2022 decreased it by PLN 1,058 thousand). The valuation of financial instruments and closed transactions (mostly forward contracts and IRS contracts) and provision for deferred income tax in reference to the valuation of the financial instruments increased the Comarch Group's net result by PLN 34,937 thousand (while in the corresponding period of 2022 increased it by PLN 6,332 thousand).

The total effect of exchange rate differences and valuation of derivative financial instruments on the net result of the Comarch Group in 2023 amounted to PLN 383 thousand (PLN 4,998 thousand in 2022).

3.37.2. Creation of Write-Offs for Bad Debts

In the period of 12 months of 2023, the Comarch Group created impairment losses on trade receivables in the amount of PLN 11,486 thousand and dissolved previously created write-offs in the amount of PLN 33,840 thousand in connection with the payment of receivables. These operations were recognized in other operating costs and revenue in the profit and loss account, respectively. Details were described in point 3.14.

3.38. Events after the Balance Sheet Date

3.38.1. Content of Resolutions Adopted by the EGM of Comarch S.A. on the 3rd of January, 2024

On the 3rd of January, 2023, the Management Board of Comarch S.A. announced-via current report no. [RB-1-2024](#) - the content of the resolutions adopted by the Extraordinary General Meeting of Shareholders on the 3rd of January, 2024. The content of the documents voted on by the Extraordinary General Meeting of Shareholders was made available on the Company's website at: <https://www.comarch.pl/relacje-inwestorskie/walnezgromadzenie-akcjonariuszy/3-stycznia-2024/dokumentacja/> (ENG: documentation)

3.38.2. Dismissal of a Member of the Supervisory Board of Comarch S.A. on the 3rd of January, 2024

On the 3rd of January 3, 2024, the Management Board of Comarch S.A. informed - the current report no. [RB-2-2024](#) (ENG: [EB-2-2024](#)) - that on the 3rd of January, 2024, the Extraordinary General Meeting of the Company adopted resolution No. 5 regarding the dismissal of Anna Pruska, PhD, from the position of member of the Supervisory Board of the Company as of the 3rd of January, 2024, in connection with her planned appointment as the President of the Management Board of Comarch S.A.

3.38.3. Appointment of a Member of the Supervisory Board of Comarch S.A. on the 3rd of January, 2024

On the 3rd of January 2024, the Management Board of Comarch S.A. announced-via current report no. [RB-3-2024](#) (ENG: [RB-3-2024](#)) that on the 3rd of January, 2024, the Extraordinary General Meeting of the Company passed Resolution No. 6 on the election of a member of the Company's Supervisory Board, Professor Maria Jolanta Flis was appointed to the Supervisory Board.

Professor Maria Jolanta Flis was appointed to serve on the Supervisory Board of Comarch S.A. until the end of the current term of the Supervisory Board.

The Management Board of Comarch S.A. has provided, as part of the current report, the [resume](#) (ENG: [resume](#)) of a member of the Supervisory Board elected by the Extraordinary General Meeting of Shareholders on the 3rd of January, 2024.

3.38.4. Appointment of Managing Persons in Comarch S.A. on the 3rd of January, 2024

The Management Board of Comarch S.A. informs that on the 3rd of January, 2024, the Extraordinary General Meeting of the Company adopted resolutions No. 7, 8 and 9 on the election of members of the Company's Management Board. The following were appointed:

1. [Anna Pruska \(ENG\)](#), PhD, for the position of President of the Management Board,
2. [Marcin Warwas \(ENG\)](#) for the position of Vice-President of the Management Board,
3. [Marcin Kaleta \(ENG\)](#) for the position of Vice-President of the Management Board.

Mrs Anna Pruska, PhD, Mr Marcin Warwas and Mr Marcin Kaleta were appointed to serve as members of the Management Board of Comarch S.A. until the end of the current term of office of the Management Board.

Management Board of Comarch S.A. enclosed, as part of current report no [RB-4-2024](#) (ENG: [RB-4-2024](#)), the biographies of the Management Board members elected by the Extraordinary General Meeting of Shareholders on the 3rd of January, 2024.

3.38.5. List of Shareholders Holding at Least 5% of Votes at the AGM of Comarch S.A.

On the 3rd of January, 2024, the Management Board of Comarch S.A. informed-via current report no [RB-5-2024](#) (ENG: [RB-5-2024](#)) that according to the list of shareholders attending the Extraordinary General Meeting of Shareholders of Comarch S.A. on the 3rd of January 3, 2024, the following shareholders: Elżbieta Filipiak, Nationale Nederlanden Otwarty Fundusz Emerytalny managed by Nationale-Nederlanden PTE S.A., Generali Otwarty Fundusz Emerytalny managed by Generali PTE S.A. and Otwarty Fundusz Emerytalny PZU "Złota Jesień" held at least 5% of the total number of votes at the meeting, as detailed below:

1. Elzbieta Filipiak - 846,000 shares, which carried 4,230,000 votes at the AGM and represented 61.39% of votes at the AGM; share in the total number of votes of the Company:
2. Nationale Nederlanden Otwarty Fundusz Emerytalny managed by Nationale-Nederlanden PTE S.A. - 843,071 shares in Comarch S.A., which carried 843,071 votes at the Company's AGM and accounted for 12.24% of the votes at the AGM; share in the total number of votes of the Company: 5.57%.
3. Generali Otwarty Fundusz Emerytalny managed by Generali PTE S.A. - 829,183 shares in Comarch S.A., which carried 829,183 votes at the Company's AGM and accounted for 12.03% of the votes at the AGM; share in the total number of votes of the Company: 5.48%.
4. Otwarty Fundusz Emerytalny PZU "Złota Jesień" managed by Powszechne Towarzystwo Emerytalne PZU S.A. - 439,219 shares of Comarch S.A., which carried 439,219 votes at the Company's AGM and represented 6.37% of the votes at the AGM; share in the total number of votes of the Company: 2.90%.

Całkowita liczba głosów wynikająca z wszystkich wyemitowanych akcji Comarch S.A. wynosi 15 126 949 głosów. Na NWZA w dniu 3 stycznia 2024 roku brali udział akcjonariusze posiadający 6 890 126 głosów, co stanowi 45,55% w ogólnej liczbie głosów Spółki.

3.38.6. Update on the Status of the Company's Application of the Principles Contained in the Code of Best Practice for WSE 2021 Listed Companies

On the 3rd of January, 2024, the Company, in a current report no. [EBI-1-2024](#) (ENG: [EBI-1-2024](#)) - has updated the commentary to Rule 2.1. and 2.2. The full content of the Information on the status of the company's application

of the rules contained in the Set of Best Practices for Companies Listed on the WSE 2021 can be found on the Company's [website](#).

3.38.7. Dates of Periodical Reports in 2024

On the 9th of January, 2024, the Management Board of Comarch S.A. - via current report no. [RB-6-2024](#) (ENG: [RB-6-2024](#))- has set the following fixed dates for periodic reports in 2024:

- Q4 2023 on the 29th of February, 2024,
- Q1 2024 on the 24th of May, 2024,
- Q3 2024 on the 22nd of November, 2024,
- Consolidated semi-annual report including condensed consolidated financial statements and condensed separate financial statements for the first half of 2024 on the 30th of August, 2024,
- Annual report for 2023 on the 26th of April, 2024,
- Consolidated annual report for 2023 on the 26th of April, 2024.

3.38.8. Information on Transactions on Comarch S.A. Shares

The Management Board of Comarch S.A. announced that on the 19th of March, 2024, they received from a person acting as a managing person notifications of transactions referred to in Article 19 par. 8 of the Regulation of the European Parliament and the EU Council No. 596/2014 dated the 16th of April, 2014, on market abuse. The notifications concerned the purchase transaction of 1,310 ordinary bearer shares between the 8th of March, 2024 and the 19th of March, 2024. The Company announced the details in current report no. [RB-7-2024](#) (ENG: [RB-7-2024](#)) of the 19th of March, 2024.

3.38.9. Influence of the Political and Economic Situation in the World on the Activities and Financial Results of the Comarch Group

In reference to the recommendations of the Polish Financial Supervision Authority dated the 25th of February, 2022 the Management Board of Comarch S.A. informs that they monitor the impact of the political and economic situation in Ukraine and Russia on the Comarch Group's operations on an ongoing basis. The Management Board of the Company informs that as at the date of publication of this report, the operating activities of the Comarch Group are conducted without disruptions on the territory of Ukraine, and in Russia, operational activities are not conducted by the Comarch Group. The effects of the Russian invasion of Ukraine do not have a significant negative impact on the economic situation of Comarch Group.

Management Board of Comarch S.A. monitors the impact of the political and economic situation in the Middle East on the operations of the Comarch Group on an ongoing basis. The Company's Management Board informs that as of the date of publication of this report, the operational activities of the Comarch Group in the Middle East are conducted without disruptions. In the countries of the region directly involved in armed conflicts, operational activities are not conducted by the Comarch Group.

Activity of Comarch is very well diversified geographically and in terms of products, Comarch Group conducts projects in 70 countries on 6 continents.

3.38.10. Forward Contracts Concluded after the Balance Sheet Date

Comarch S.A. in the period from the 1st of January, 2024 to the 26th of April, 2024, concluded new forward contracts for the sales of EUR 1,000 thousand, USD 1,000 thousand. The net value of forward contracts unsettled as at the 26th of April, 2024, amounted to EUR 29,100 thousand, USD 18,500 thousand, JPY 45,000 thousand

and GBP 700 thousand. Forward contracts are due within 40 months from the balance sheet date. All forward contracts were concluded in order to limit the impact of currency exchange rate changes on the financial result related to commercial contracts implemented by the companies of the Comarch Group, where the remuneration or costs are determined in foreign currencies. The balance sheet valuation of forward contracts as at the 31st of March, 2024, amounted to PLN 30,426 thousand while as at the 31st of December, 2023, it was PLN 33,131 thousand.

3.38.11. Transaction on Change of IRS

None present.

3.38.12. Repayment of the leasing loan

On the 19th of January, the Parent Company repaid the entire leasing loan taken out from PKO Leasing for the purchase of a means of transport (airplane) in connection with its planned sale. The value of the repaid loan capital was EUR 2,917 thousand.

3.38.13. Disposal of non-financial fixed assets

In the first quarter of 2024, the Parent Company disposed of a non-financial non-current asset (aircraft) classified as assets held for sale as at the 31st of December, 2023. As a result of this transaction, in the first quarter of 2024, a result on other operating activities in the amount of PLN 3,394 thousand will be recognised.

3.39. Significant Legal, Arbitration or Administrative Proceedings

Significant proceedings didn't occur.

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third-party claims is PLN 29,383 thousand.

The Comarch Group remains in disputable matters not covered by court proceedings, in which the potential total amount of claims of third parties is PLN 7,244 thousand.

3.40. Equity Management

The main goal in the Group's equity management is maintenance of a secure debt structure and keeping debt ratios compliant with credit agreements concluded by the Group. The Group is able to manage its equity structure depending on changes of economic conditions through taking or repayment of loans, new shares issue or payment of dividend. In 2023, the Group did not change its goals or equity management politics.

The Group monitors its equity balance quarterly, mostly by analysis of solvency ratio, which is calculated by dividing equity by total assets.

	31 December 2023	31 December 2022
Equity	1,320,196	1,279,690
Total assets	2,263,869	2,271,982
Solvency ratio	58.0%	56.3%

Over 2023, solvency ratio remained at a similar level compared to that in the previous year. It remained at a very secure level which ensures the potential possibility of increasing debt significantly (by acquiring external financing) if needed.

Over 2023, all companies in the Group adhered to the credit agreements' conditions. The Management Board of the Parent Company finds no risk of their violation.

the 26th of April, 2024**SIGNATURES OF MANAGEMENT BOARD MEMBERS**

Name and surname	Position/Function	Signature
Anna Pruska	President of the Management Board	
Michał Pruski	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Wojciech Pawluś	Vice-president of the Management Board	
Arkadiusz Iłgowski	Vice-president of the Management Board	

Name and surname	Position/Function	Signature
Marcin Kaleta	Vice-president of the Management Board	
Tomasz Matysik	Vice-president of the Management Board	
Andrzej Przewięźlikowski	Vice-president of the Management Board	
Marcin Romanowski	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	

Name and surname	Position/Function	Signature
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Marcin Warwas	Vice-president of the Management Board	
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SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

Name and surname	Position/Function	Signature
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Maria Smolińska	Head Accountant	
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