

## **Comarch S.A. Supervisory Board Report 2023**

In 2023, there were the following members of the Supervisory Board:

From 1<sup>st</sup> January to 2<sup>nd</sup> October, 2023:

- Elżbieta Filipiak – Chairman,
- Andrzej Pach - Vice-Chairman,
- Danuta Drobniak – Member,
- Robert Jasiński - Member,
- Joanna Krasodomska – Member

From 2<sup>nd</sup> October to 31<sup>st</sup> December, 2023:

- Elżbieta Filipiak – Chairman,
- Andrzej Pach - Vice-Chairman,
- Danuta Drobniak – Member,
- Robert Jasiński - Member,
- Joanna Krasodomska – Member.

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, PhD Anna Pruska, 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 2<sup>nd</sup> of October 2023 to 2<sup>nd</sup> of November 2023. On 31<sup>st</sup> of October 2023, the Supervisory Board of Comarch S.A. decided to further delegate PhD Anna Pruska, a member of the Supervisory Board, to temporarily perform the duties of the President of the Management Board of Comarch S.A. The delegation took place for a period of two months starting from the expiry of the previous delegation period, i.e. for the period from 2<sup>nd</sup> of November 2023 to 2<sup>nd</sup> of January 2024. On 3<sup>rd</sup> of January 2024, the Extraordinary General Meeting of the Company appointed PhD Anna Pruska as the President of the Management Board of the Company.

On 3<sup>rd</sup> of January 2024, the Extraordinary General Meeting of the Company adopted a resolution 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 as a member of the Supervisory Board of Comarch S.A. until the end of the current term of office of the Supervisory Board.

The Supervisory Board sat 12 times in 2023 (23<sup>rd</sup> of January 20<sup>th</sup> of February 31<sup>st</sup> of March, 24<sup>th</sup> of April, 15<sup>th</sup> of May, 29<sup>th</sup> of May, 28<sup>th</sup> of June, 11<sup>th</sup> September, 2<sup>nd</sup> of October, 31<sup>st</sup> of October and 27<sup>th</sup> of November, 8<sup>th</sup> of December). Additionally, the Audit Committee sat on 23<sup>rd</sup> of January, 24<sup>th</sup> of April, 15<sup>th</sup> of May, and 30<sup>th</sup> of August

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

- 1) monitoring and analysis of the financial condition and organization at the company and Comarch Group,

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

The Supervisory Board's detailed scope of activities and the resolution considered in 2023 are set out in detail in the records from its sittings, which are to be found at the Company's headquarters in Krakow.

In connection with principle 4.7 arising from the fourth part of the "Best Practice for WSE Listed Companies 2021", with the resolution 10/05/2023 of the 29<sup>th</sup> of May of June, 2023 the Supervisory Board of Comarch S.A. recorded a positive verdict with respect to the draft resolutions of the Annual General Shareholders' Meeting which took place on the 28<sup>th</sup> of June, 2023.

In line with principle 1.1 arising from the first part of the "Best Practice for WSE Listed Companies 2016", Comarch S.A.'s 'Supervisory Board Report and Company's Assessment regarding 2022" was published at [www.comarch.pl](http://www.comarch.pl) (English version at [www.comarch.com](http://www.comarch.com)). It included information on the work of its committees and an assessment of the company's situation with regard to an appraisal of the internal controlling and risk management systems vital to the company, compliance systems and the internal audit function. The Supervisory Board assessed if there are relationships or circumstances, that may influence on the independence of a particular member of the Supervisory Board and the Supervisory Board decided, that at least two members of the Supervisory Board meets the independence criteria set out in the principle number 2.3. of the "Best Practice for WSE Listed Companies 2021".

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

of the entity entitled to audit and review the (consolidated) financial statements of Comarch S.A. and the Comarch Capital Group. The Supervisory Board learned of the Company's organizational structure, the internal control, risk management and compliance systems and the internal audit function and made a recommendation in relation to its improvement.

It is the opinion of the Supervisory Board that the accounting methods adopted by the Company and the Capital Group have been applied in accordance with the provisions of the law. According to Art. 382 § 3(1) par. 3) and 4) of the Code of Commercial Companies, the Supervisory Board positively evaluates the implementation by the Management Board of the obligations referred to in Art. 380(1) of the Code of Commercial Companies, as well as the method of preparing and submitting information, documents, reports or requested explanations to the Supervisory Board by the Management Board.

In 2023, UHY ECA Audyt Sp. z o.o. Sp. k. was the entity authorized to audit and review the financial statements of the company. The resolution of the Supervisory Board regarding selection of an auditor to provide auditing services for Comarch S.A.'s financial statements for 2022, 2023 and 2024 was concluded on the 16<sup>th</sup> of May, 2022. It is the opinion of the Supervisory Board that the entity authorized to audit and review the financial statements of Comarch S.A. and the Comarch Capital Group was selected within the terms of the prevailing law, and that the statutory auditors conducting them met the conditions required for expressing an unbiased and independent opinion in compliance with Polish law.

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

The Supervisory Board of Comarch S.A. assesses its work in 2023 as effective. Members of the Board fulfilled their duties with commitment, participating in most cases, at full strength in its meetings.

The Audit Committee (the equivalent of the Audit Committee within the meaning of Annex I to the Commission Recommendation of 15<sup>th</sup> of February, 2005 related to the non-executive directors (...)) operates in accordance with the Regulations of the Audit Committee of the Supervisory Board of Comarch S.A. adopted on 27<sup>th</sup> of November, 2017 with Resolution No. 2/11/2017 of the Audit Committee of Comarch S.A. and approved by the Supervisory Board. These Regulations of the Audit Committee of the Supervisory Board of Comarch S.A. were changed by a resolution of the Supervisory Board of Comarch S.A. no. 12/05/2020 of the 26<sup>th</sup> of May, 2020 and no. 1/12/2023 of the 9<sup>th</sup> December 2023. From 1<sup>st</sup> of January, 2023 to 31<sup>st</sup> of December, 2023, the Audit Committee consisted of: Joanna Krasodomska as Chairman of the Audit Committee, Danuta Drobniak as a member of the Audit Committee and Andrzej Pach as a member of the Audit Committee. According to the information held by the Company, three members of the Audit Committee meet the

statutory independence criteria (Mrs. Danuta Drobniak, Ms. Joanna Krasodomska and Mr. Andrzej Pach).

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

The knowledge of the IT industry is held by Andrzej Pach (professor of technical sciences, author of over 250 scientific publications in the field of modelling and analysis of computer networks and radio networks, participant and manager of many research projects. He is an academic teacher at the Institute of Telecommunications AGH University of Science and Technology, whose head was in the years 1998 – 2016. In the years 2016-2020 performed the function of Vice-Rector for Science of AGH University of Science and Technology. He is a member of the Electronics and Telecommunications Committee of the Polish Academy of Sciences).

In 2023, the Audit Committee held 4 meetings and in particular dealt with:

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

Due to the scope of their powers the Supervisory Board and the Audit Committee invited members of the Company's governing bodies and statutory auditors to participate in their meetings. The Supervisory Board reviewed the functioning of the Audit Committee in 2023. In the opinion of the Supervisory Board, the activities carried out by the Audit Committee were adequate to the scale of operations and the degree of complexity of the Company's accounting and financial reporting. The results of the Committee's work and recommendations were presented on an ongoing basis at meetings of the Supervisory Board and summarized in the annual activity report.

The Supervisory Board assessed that in the reporting period from 1<sup>st</sup> of January, 2023 to 31<sup>st</sup> of December, 2023, there was no need to establish committees other than the Audit Committee in the Supervisory Board. According to Art. 382 § 31 sec. 5) of the Code of Commercial Companies, the Supervisory Board informs that in 2023 it did not order any matter regarding the Company's operations or its assets to be examined at the Company's expense, or to carry out analyses or opinions by an advisor selected by the Supervisory Board.

### **Evaluation of the Management Board's annual reports**

The Supervisory Board, in accordance with Art. 382 § 3 sec. 1) and § 31 sec. 1) of the Code of Commercial Companies and acting pursuant to Art. 19 sec. 2 points 1) and 2) of the Company's Articles of Association, by resolution No. 02/04/2024 and No. 03/04/2024 of 24<sup>th</sup> of April 2024, made a positive assessment in terms of compliance with the accounting books, documents and facts:

- 1) reports on the activities of Comarch S.A. and financial statements for 2023,
- 2) the report on the activities of the Comarch Capital Group and the consolidated financial statement for 2023.

### **Evaluation of the Management Board's proposal regarding the distribution of profit**

According to Art. 382 § 3 sec. 2) and § 31 sec. 1) of the Code of Commercial Companies and acting pursuant to Art. 19 sec. 2 point 2) of the Company's Articles of Association, by resolution No. 09/05/2023 of 29<sup>th</sup> of May 2023, the Supervisory Board issued a positive opinion on the motion of the Management Board of the Company to net profit in the amount of PLN 67,405,747.85 was divided as follows:

- 1) part of the net profit in the amount of PLN 32,533,396 will be allocated to the payment of dividend. The dividend will amount to PLN 4.00 per share,
- 2) the remaining part of the net profit in the amount of PLN 34,872,351.85 will be transferred to supplementary capital.

Until the date of this report, the Management Board did not request the Supervisory Board to distribute the profit for 2023.

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

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

Comarch S.A., a company listed on the Warsaw Stock Exchange, was in the period from 1<sup>st</sup> of January, 2023, to the 31<sup>st</sup> of December, 2023, a subject to the corporate governance principles set out in the document "Best Practices of WSE Listed Companies 2021" (Annex to the Resolution of the Stock Exchange Council No. 13/1834/2021 from 29<sup>th</sup> of March, 2021, hereinafter "DPSN 2021").

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

Additionally, on the 29<sup>th</sup> of April, the Management Board of Comarch S.A. provided an update of information of the Company's compliance the principles contained in the "Best Practices of WSE Listed Companies 2021", which is available on the Company's corporate website. The reason to update the information on the application of DPSN 2021 by Comarch S.A. was the appointment of an internal auditor managing the internal audit function, therefore the principles 3.3., 3.4., 3.6., and 3.7., of DPNS 2021 began to be applied by the Company.

On 3<sup>rd</sup> of January, 2024, in connection with the appointment of new members of the Management Board and the Supervisory Board by the General Meeting of Comarch S.A., the Management Board of Comarch S.A. provided updated information on the status of the Company's application of the principles contained in the set of "Good Practices of WSE Listed Companies 2021". Comments on Rule 2.1 and 2.2 have been updated.

The Supervisory Board monitored the compliance by the Company with the corporate governance rules and the manner of compliance with the disclosure obligations defined in the Stock Exchange and the regulations on current and periodic reports published by issuers of securities. Corporate governance issues were discussed with the Audit Committee, and relevant documents and reports on the implementation of corporate governance principles were submitted by the Company's employees directly to the Audit Committee. The Supervisory Board got acquainted with the Report of Comarch S.A.'s Management Board Regarding the Acceptance of Corporate Governance Principles in 2023 of the Company and the Comarch Group. In the opinion of the Supervisory Board, the information provided by the Company complies with the requirements and fairly presents the state of application of the corporate governance.

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

In the opinion of the Supervisory Board, the Company in 2023 correctly fulfilled the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities.

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

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

- cooperation with schools, colleges and other educational institutions, including: AGH University of Science and Technology, Wrocław University of Science and

Technology, Silesian University of Technology, Jagiellonian University, Lodz University of Technology and Kraków University of Economics,

- financial and substantive support for the organization of the Consult IT competition and the HAcK na Zdrowie training and project event,
- career days in Poland, France and Germany,
- employee initiatives involving devoting time to students at dedicated courses or industry meetings and with scientific clubs, sharing knowledge by Comarch specialists by creating expert articles and original podcasts,
- strategic partnership with the AGH University of Science and Technology in Krakow in the implementation of postgraduate studies "Financial analysis and controlling of industrial processes",
- internal knowledge exchange activities, including: meetups or series of texts in the field of cybersecurity, created by specialists from the Internal Security Department,
- popularization of knowledge about ERP systems among universities and vocational schools with economic profiles,
- providing of the Comarch Innovation Zone, a space in which Comarch's technological achievements in the field of IT systems, telecommunications, the Internet of Things or artificial intelligence are presented,
- getting involved in promoting sport among young people and the inhabitants of the Małopolskie Voivodeship, mainly through sponsorship of the MKS Cracovia SSA sports club. Since 2002, the company has been the titular sponsor of the oldest existing football club in Poland, and the five-time Polish Champion - Cracovia, including the hockey section, multiple Polish Champion,
- supporting sports clubs in the countries where it conducts business activities. In 2023, Comarch extended the sponsorship agreement with the Royale Union Saint Gilloise club for the next football season (2023/2024). Comarch is also a sponsor of the EVZ Sport AG (Zug) and EVZ Nachwuchs AG hockey clubs,
- donating a large amount of computer equipment to various institutions, including schools, foundations, orphanages and public benefit organizations.

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

Comarch S.A. has a diversity policy applicable also for the Management Board and the Supervisory Board. The diversity policy covers the companies of the Comarch Capital Group and has been approved by the Management Board of Comarch S.A. Comarch's diversity policy does not pose any barriers due to gender, views, sexual orientation, racial or ethnic origin in terms of employment and HR policy, it does not contribute to direct or indirect discrimination due to sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion or sexual orientation. However, Comarch's diversity policy does not provide for the participation of minorities in a given body at a level not lower than 30%. Nevertheless, Comarch S.A. partially meets the requirement of ensuring a 30% differentiation in relation to women and men, because in the composition of the six-person Supervisory Board of Comarch S.A. there are four women, which accounts for 67% of total members. One person represents the age range of 30-50, other persons are over the age of 50. The members of the Board are diverse in terms of gender, age and education. They all have knowledge and skills supported by

many years of professional experience. President of the Management Board of Comarch S.A. is a woman, while the remaining ten members of the Management Board are men. The predominant share of men on the Company's Management Board is primarily related to the nature of Comarch's business and the specific nature of the IT industry, in which men constitute the vast majority. It should also be emphasized that the current members of the Management Board of Comarch S.A. are people associated with Comarch for many years, with extensive knowledge of technological issues in the IT area and qualifications necessary for their positions. Six members of the Management Board have a technical education related to the IT industry, five members of the Management Board have an economic education or financial Eight members of the Management Board are in the 30-50 age group and three is over 50.

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



**Annex no. 2 to Resolution no 07/05/2024  
of Comarch S.A. Supervisory Board**

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

The Supervisory Board positively assesses the financial results achieved by the Company in 2023, as well as its current financial standing. Sales revenue amounted to PLN 1,312.3 million, operating profit reached PLN 10.3 million, while net profit reached PLN 92.2 million. Net profitability in 2023 was 7%.

The Supervisory Board positively assesses the Company's continuation in 2023 of investments in new and improving existing IT products. Expenditures on research work accounted for 30.5% of sales revenue, they were financed mainly from own funds. The Company has intensively developed, among others new generations of a loyalty system and ERP systems, systems for telecommunications operators, e-commerce, telemedicine and financial services solutions, based, among others, on artificial intelligence. In 2023, the dominant model for delivering IT solutions was the services model - Comarch is invariably one of the market leaders in this area. The Supervisory Board notes that investments in human capital is the key element for the further development of the company.

During the year, Comarch S.A. adjusted the employment level to the current level of revenues and at the end of 2023 it employed 5,118 people. As every year, the summer student internship program was very popular, thanks to which Comarch is perceived as the employer of the first choice on the job market in the IT industry.

The Supervisory Board considers it appropriate for the Company to continue implementing its growth strategy based on the diversification of operations between various industry segments, development of its own products and sales on the global market. Over 95% of the Group's revenue came from the sales of proprietary IT services, solutions and finished products, and over half of the sales were generated outside Poland. Last year, business on the Polish market developed very quickly (an increase of 23.8%). The lower dynamics of foreign sales was related to the decline in sales to the telecommunications sector, which is of a temporary nature.

Thanks to a wide and comprehensive offer of modern IT solutions and high-quality services, the Comarch Group strengthened as a leading Polish software producer and one of the leading IT suppliers in Europe and around the world. Thanks to the global sales network that has been developed for many years, Comarch S.A. was able to effectively develop the sales of its solutions on existing and new markets, despite the many challenges that 2023 was full of. Last year, two members of the Company's Management Board died, i.e. Professor Janusz Filipiak, a long-time President of the Company, one of its founders and main shareholder, and Paweł Prokop, a long-time Vice-President of the Company, one of its first employees and a significant shareholder. Other challenges included the tense international situation (in particular the war in Ukraine), high energy prices, high inflation and rising operating costs.

The Supervisory Board, through the Audit Committee, monitors the effectiveness of internal control systems, risk management, compliance and the internal audit function. At Comarch S.A there is a separate unit responsible, i.a., for ensuring compliance with the law, the area of internal control and internal audit. Once a year, the person responsible for the internal audit in the Company prepared and presented to the Audit Committee and the Supervisory Board a report on the functioning of the internal control system, risk management and compliance, as well as the internal audit function at Comarch S.A. along with an assessment of their effectiveness. The report for 2023 includes, i.a., the following information:

- a) description of the elements of the internal control system and risk management, including information on organizational units that play a significant role in internal control and the manner of supervising them,
- b) information on the risk identification, analysis and response to identified risks carried out in 2023,
- c) the results of the audits carried out in 2023,
- d) issues in the compliance area, including information on implemented procedures, description of the mechanism for reporting violations, reports made and violations found,
- e) description of activities undertaken in 2023, currently implemented and planned for 2024 in the scope covered by the report.

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

In 2023, the Supervisory Board also carried out a constant analysis of risk areas related to the Company's operations and an analysis of how these risks were managed by the Management Board.

The most important operational risks in 2023 were:

- a) risk related to R&D work (production of own software products),
- b) risk related to the implementation of long-term contracts,
- c) risk related to failure to comply with the terms of contracts and the use by contractors of the performance guarantees granted to them or contractual penalties they are entitled to,
- d) risk of the foreign economic, legal and political environment related to the implementation of export contracts,
- e) credit risk related to sales with deferred payment and often long contract execution periods,
- f) risk of staff turnover, risk of inability to employ an appropriate number of qualified employees, risk of increase in labor costs,
- g) the risk of changes in exchange rates, interest rates and inflation,
- h) the risk related to international terrorism, making it difficult to delegate employees on business trips to certain regions of the world,
- i) the risk of a sharp increase in the cost of energy carriers,
- j) cyber risk,
- k) the risk related to the ongoing war in Ukraine and the political, economic and social consequences of this conflict,
- l) risk related to the possible escalation of conflicts in the Middle East and the political, economic and social consequences of this conflict.

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

- a) credit risk of Comarch contractors,
- b) the risk of termination of loan agreements in the event of failure to maintain financial ratios or violation of sanction clauses,
- c) exchange rate fluctuations, in particular EUR / PLN, USD / PLN, GBP / PLN, , JPY/PLN, and THB/PLN affecting the profitability of foreign sales;
- d) risk of financial liquidity and increased expectations of clients in the area of financing IT projects by IT suppliers, related to the spread of sales of IT products and services in the services model ("cloud computing").

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

The Supervisory Board emphasizes that in 2023 the Company achieved very good financial results, despite numerous challenges it had to face. The Supervisory Board positively assesses the activities undertaken by the Company in the past year aimed at increasing the level of IT security and the investment efforts undertaken, thanks to which in 2023 a modern server room in Phoenix in the United States was put into operation by a subsidiary of Comarch, Inc. This server room with similar facilities in Kraków, Dresden and Lille ensures a very high degree of diversification of Comarch's ICT infrastructure, and additionally will allow you to benefit from lower electricity prices than in Europe. Comarch S.A. it also continued to invest in its own renewable energy sources and other solutions supporting sustainable development.

The Supervisory Board also draws attention to the fact that in addition to the business activities of Comarch S.A. implements a policy of corporate social responsibility and sustainable development. Comarch S.A. conducts pro-social activities, supports non-governmental organizations and charity campaigns, is a patron of culture, art and sport. In 2023, investments in photovoltaic installations on the Comarch campus in Krakow were continued, as a result of which the Company independently produces some of the energy used for its own needs.

**Annex no. 3 to Resolution no 07/05/2024  
of Comarch S.A. Supervisory Board**

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

The Supervisory Board positively assesses the Group's achievement of development and financial goals set for 2023. The year 2023 was another period of successful development and very good financial results for the Comarch Group, despite unfavourable business conditions. Consolidated sales reached PLN 1.82 billion, operating profit was PLN 96.3 million, and the net profit attributable to the Comarch S.A.'s shareholders was PLN 100.6 million. EBIT margin in 2023 was 5.3%, and net margin was 5.5%.

The Supervisory Board positively assesses the investments made in 2023 by the Comarch Group in new and improving existing IT products. Expenditures for research works reached 22.7% of sales revenue, they were financed mainly from own funds. Comarch has intensively developed, among others, new generations of a loyalty systems, and ERP systems, systems for telecommunications operators, e-commerce, telemedicine and financial services solutions based, among others, on artificial intelligence. In 2023, the dominant model for delivering IT solutions was the services model - Comarch is one of the market leaders in this area. The Supervisory Board notes that investments in human capital are invariably of key importance for the further development of the company. During the year, the Comarch Group adjusted the employment level to the current level of revenues and at the end of 2023 it employed 6,479 people. As every year, the student internship program has had very positive effects, thanks to which the Comarch Group is perceived as one of the first choice employers on the labour market in the IT industry.

The Supervisory Board considers it appropriate for the Company to continue implementing its growth strategy based on the diversification of operations between various industry segments, development of its own products and sales on the global market. Over 94% of the Group's revenue came from the sales of its own IT services and solutions and finished products, and 51.6% of sales revenues were generated outside Poland.

Last year, sales on the Polish market increased (an increase of 12.5%), mainly as a result of increased sales of ERP systems in Poland and increased sales to the medical sector. The lower dynamics of foreign sales was related to the decline in sales to the telecommunications sector, which is of a temporary nature. Thanks to a wide and comprehensive offer of modern IT solutions and high-quality services, the Comarch Group has strengthened its position as a leading Polish software producer and one of the leading IT suppliers in Europe and in the world. Thanks to the global sales network that has been developed for many years, the Comarch Group was able to effectively develop the sales of its solutions on existing and new markets, despite the many challenges that 2023 was full of. Last year, two members of the Management Board of the Parent Entity died, i.e. Professor Janusz Filipiak, a long-time President of the Company, one of its founders and main shareholder, and Paweł Prokop, a long-time Vice-President of the Company, one of its first employees and a significant shareholder. Other challenges included the tense

international situation (in particular the war in Ukraine), high energy prices, high inflation and rising operating costs.

The Supervisory Board, through the Audit Committee, monitors the effectiveness of internal control systems, risk management, compliance and the internal audit function. In the parent company Comarch S.A. there is a separate unit responsible, among others, for ensuring compliance with the law, the area of internal control and internal audit. Once a year, the person responsible for the internal audit in the Company prepares and presents to the Audit Committee and the Supervisory Board a description of the functioning of the internal control system and an assessment of its effectiveness, a report on the functioning of the internal control system, risk management and compliance, as well as the internal audit function in Comarch Group together with the assessment of their effectiveness.

The report for 2023 includes, i.a., the following information:

- a) description of the elements of the internal control system and risk management, including information on organizational units that play a significant role in internal control and the manner of supervising them,
- b) information on the risk identification, analysis and response to identified risks carried out in 2023,
- c) the results of the audits carried out in 2023,
- d) issues in the compliance area, including information on implemented procedures, description of the mechanism for reporting violations, reports made and violations found,
- e) description of activities undertaken in 2023, currently implemented and planned for 2024 in the scope covered by the report.

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

In 2023, the Supervisory Board also carried out a constant analysis of risk areas related to the Group's operations and an analysis of how these risks were managed by the Management Board.

The most important operational risks in 2023 were:

- a) risk related to R&D work (production of own software products),
- b) risk related to the implementation of long-term contracts,
- c) risk related to failure to comply with the terms of contracts and the use by contractors of the performance guarantees granted to them or contractual penalties they are entitled to,
- d) risk of the foreign economic, legal and political environment related to the implementation of export contracts,
- e) credit risk related to sales with deferred payment and often long contract execution periods,
- f) risk of staff turnover, risk of inability to employ an appropriate number of qualified employees, risk of increase in labor costs,
- g) the risk of changes in exchange rates and interest rates,
- h) risk related to international terrorism, making it difficult to delegate employees on business trips to certain regions of the world,
- i) the risk of a sharp increase in the cost of energy carriers,
- j) cyber risk,

- k) the risk related to the ongoing war in Ukraine and the political, economic and social consequences of this conflict,
- l) risk related to the possible escalation of conflicts in the Middle East and the political, economic and social consequences of this conflict.

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

- a) credit risk of Comarch contractors,
- b) the risk of termination of loan agreements in the event of failure to maintain financial ratios or breach of sanction clauses,
- c) exchange rate fluctuations, in particular EUR / PLN, USD / PLN, GBP / PLN, JPY / PLN, THB / PLN, , and THB/PLN affecting the profitability of foreign sales;
- d) risk of financial liquidity and increased expectations of clients in the area of financing IT projects by IT suppliers, related to the spread of sales of IT products and services in the services model ("cloud computing").

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

The Supervisory Board emphasizes that the Comarch Group achieved very good financial results in 2023, despite the numerous challenges it had to face. The Supervisory Board positively assesses the activities undertaken by the Group in the past year aimed at increasing the level of IT security and the investment efforts undertaken, thanks to which in the second quarter of 2023 a modern server room in Phoenix in the United States was put into operation, which together with similar facilities in Kraków, Dresden and Lille ensures a very high degree of diversification of the Comarch Group's ICT infrastructure, and additionally allows you to benefit from lower electricity prices than in Europe. The Comarch Group also continued to invest in its own renewable energy sources and other solutions supporting sustainable development.

The Supervisory Board also draws attention to the fact that in addition to the business activities of Comarch Group implements a policy of corporate social responsibility and sustainable development. Comarch Group conducts pro-social activities, supports non-governmental organizations and charity campaigns, is a patron of culture, art and sport. In 2023, investments in photovoltaic installations on the Comarch campus in Krakow were continued, as a result of which the Company independently produces some of the energy used for its own needs.