



COMARCH Strategy

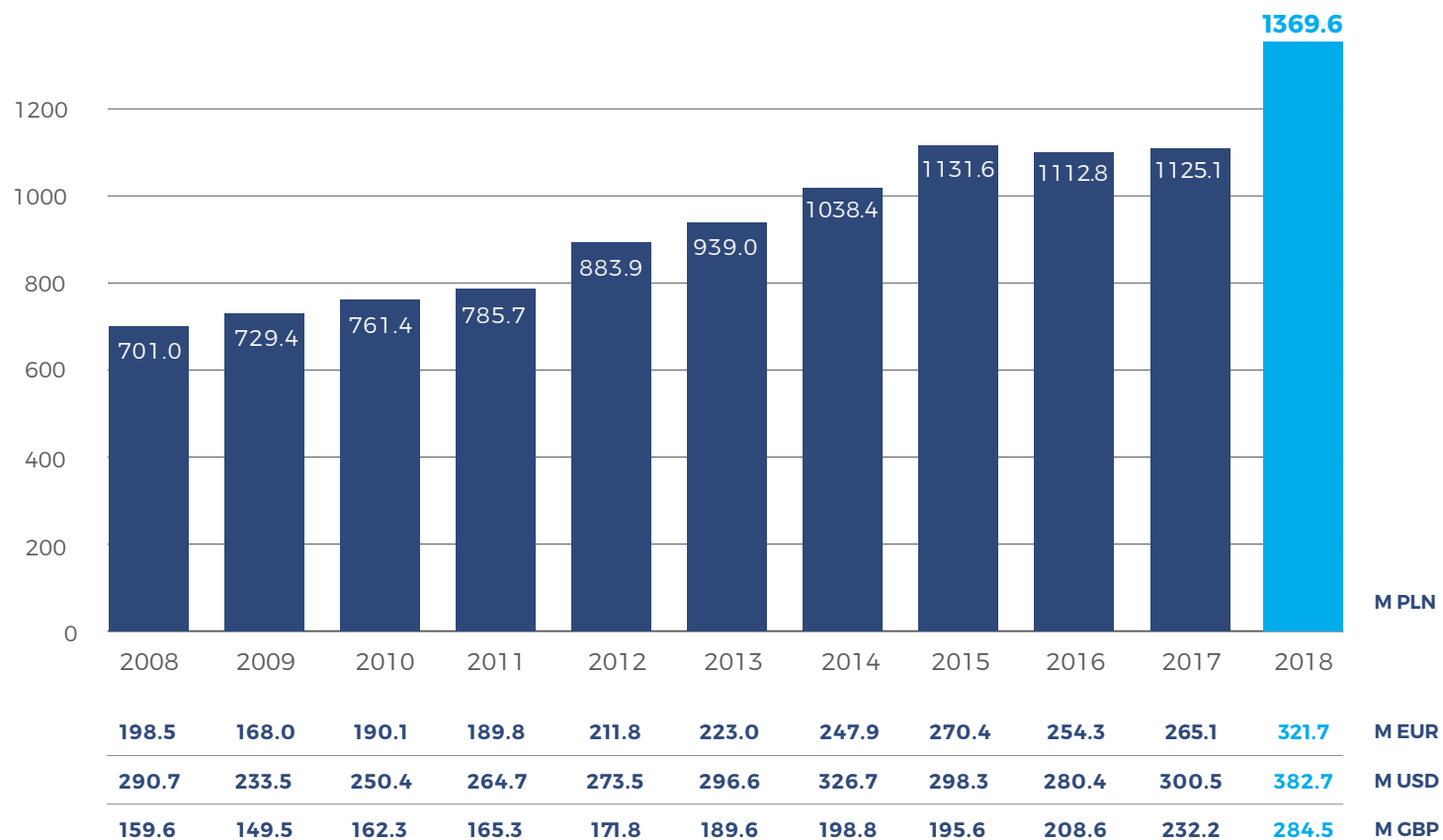
COMARCH INCEPTION

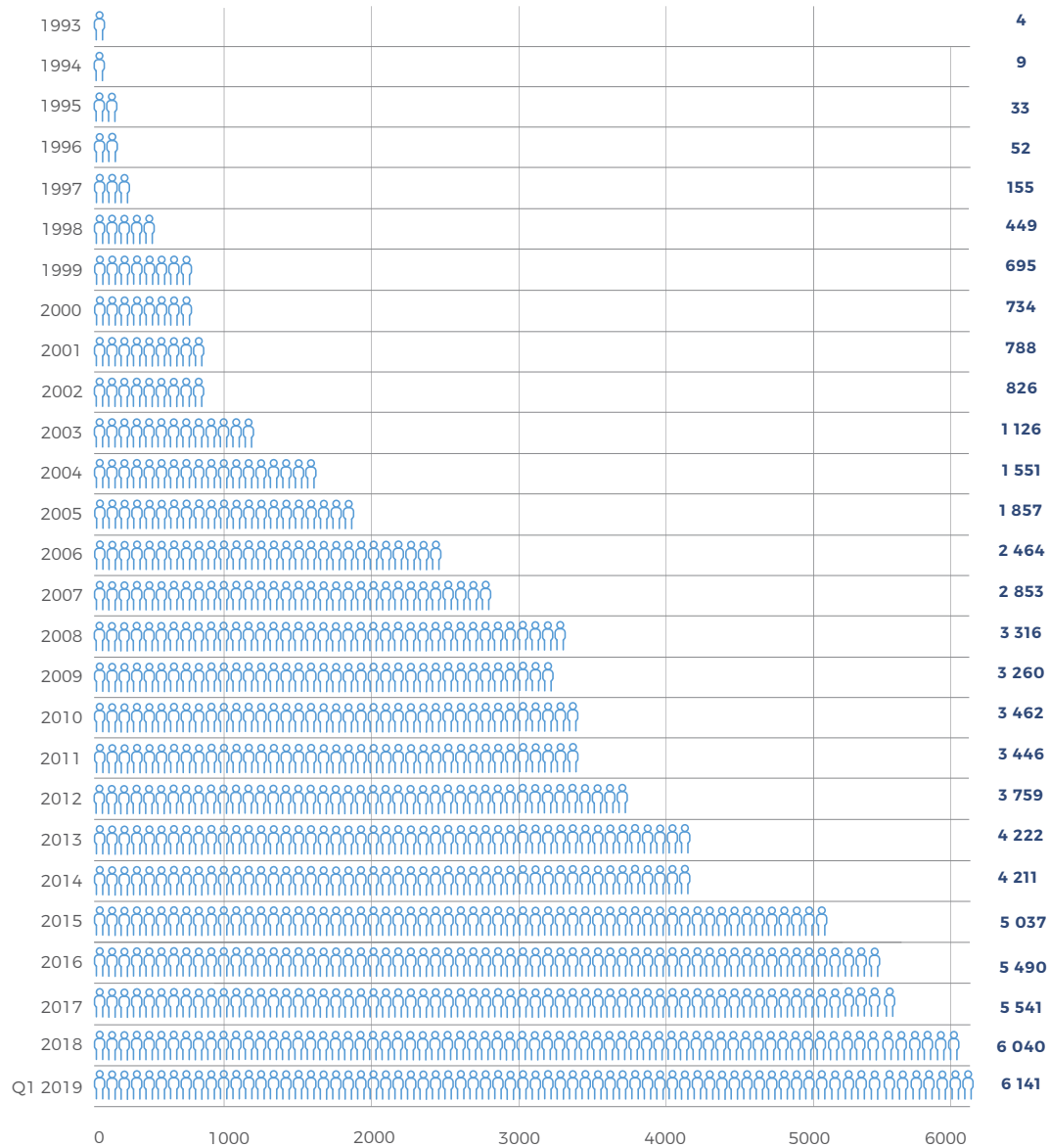
- Comarch is a global IT challenger established in **1993** by Professor Janusz Filipiak as a Cracow university spin-off
- Comarch develops application software products
- 26 years from inception Comarch now employs more than **6000** people worldwide and has revenues approaching **400 million USD**
- In this presentation we briefly present management principles and strategies which enabled that growth



COMARCH GROWTH OVER THE YEARS

REVENUES





COMARCH GROWTH OVER THE YEARS

NUMBER OF EMPLOYEES IN THE COMARCH GROUP

LONG TERM MANAGEMENT

COMARCH STRATEGY PILLARS



Principle of balanced growth: Short term profits versus long term investment



Extensive R&D and development of own software products



Lean and mean organization



Annual redefinition of strategies based on current company status and changes in business environment



Diversification of Comarch offer with respect to products, industries, and regions



Efficient delivery of products and projects



Sustained investment in human resources



Conservative finance management

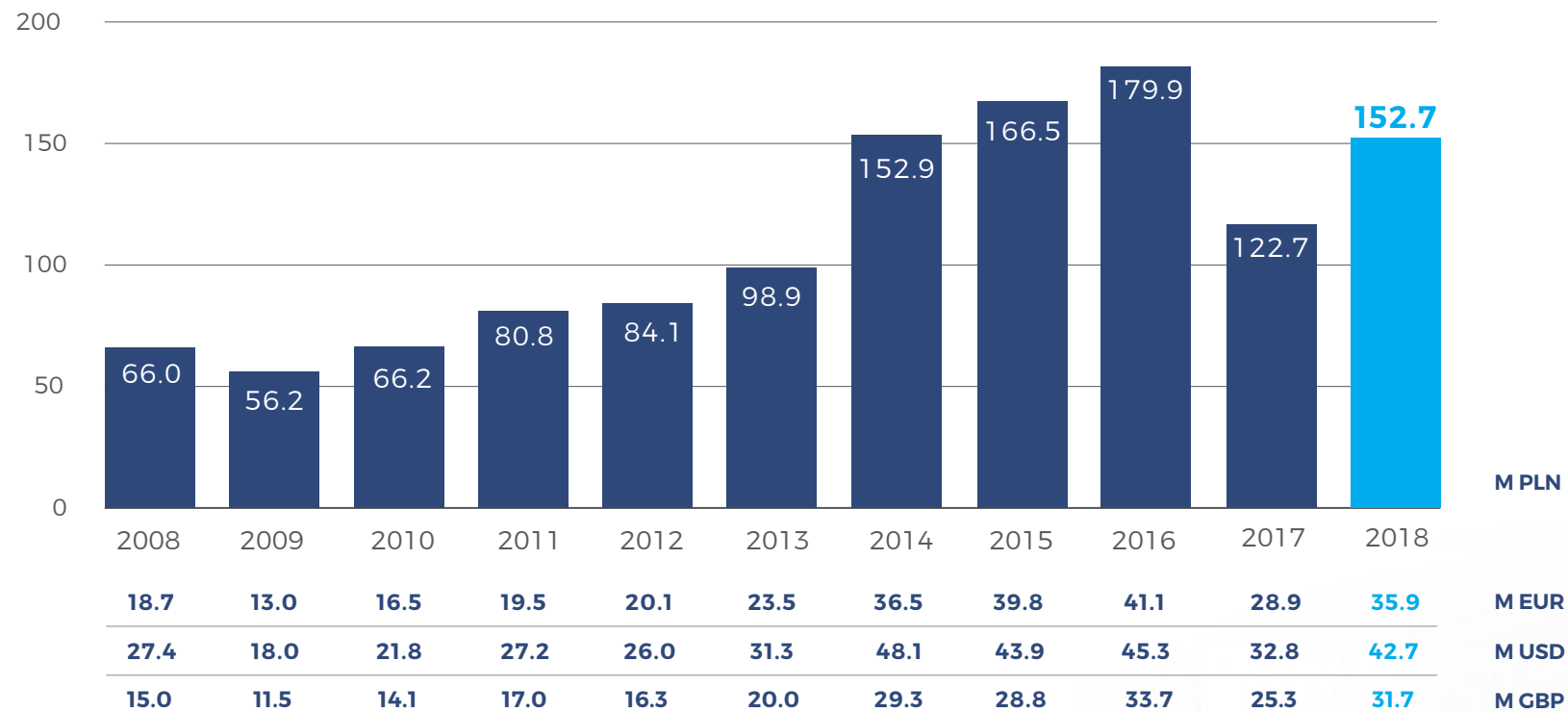


BALANCED GROWTH

- The very basic objective of Comarch is defined as a **balanced growth**
- Growth is mainly achieved by sustained organic development of company assets, people, products, technology, and market reach
- Organic growth is supported with minor acquisitions to obtain new innovative products, increase market scope, and develop new business models
- Annual budgets assume a predefined level of EBITDA
- If during a year a financial surplus is obtained, it is used to increase R&D investment and expand the reach of Comarch offer.

The company is not oriented toward quarterly or annual profit maximization

EBITDA



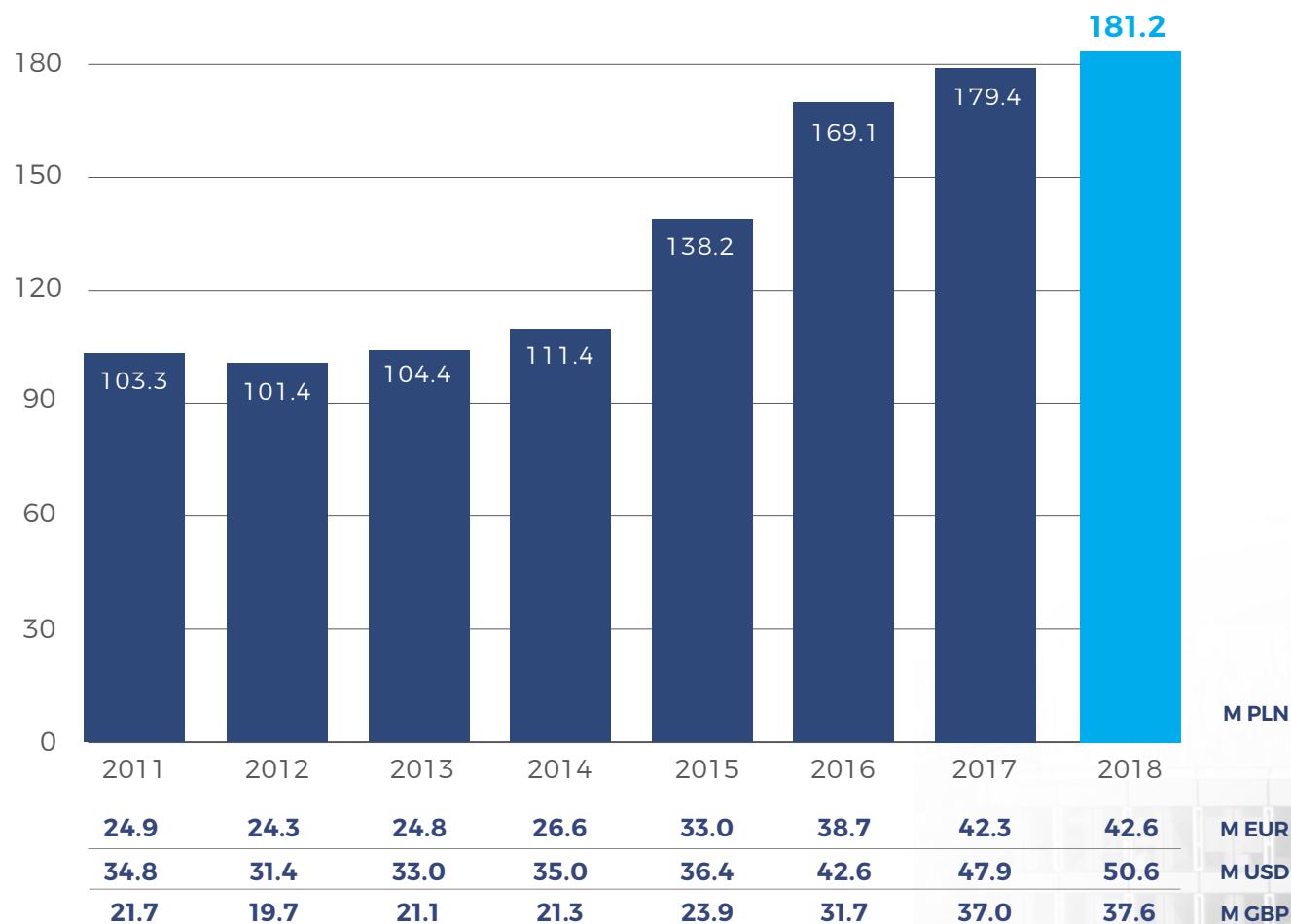
EXTENSIVE R&D AND DEVELOPMENT OF OWN SOFTWARE PRODUCT

- Since inception, Comarch has always been based on strong R&D and the development of its own products
- At the moment, the company's product portfolio comprises more dozens of product lines for a spectrum of industries
- Many of those products have been covered in the Gartner, Forrester, Frost&Sullivan and other analytical reports



EXTENSIVE R&D AND DEVELOPMENT OF OWN SOFTWARE PRODUCT

REVENUES FROM SALES OF PROPRIETARY SOFTWARE AND HARDWARE



TRULY LEAN AND MEAN ORGANIZATION

- **Reporting hierarchies** are very simple and they do not overlap
- Responsibility and trust are **fully delegated** to heads of organizational units management processes are clearly defined
- Bonuses are based strictly on individual, **measurable performance**
- **All management** procedures are kept very simple

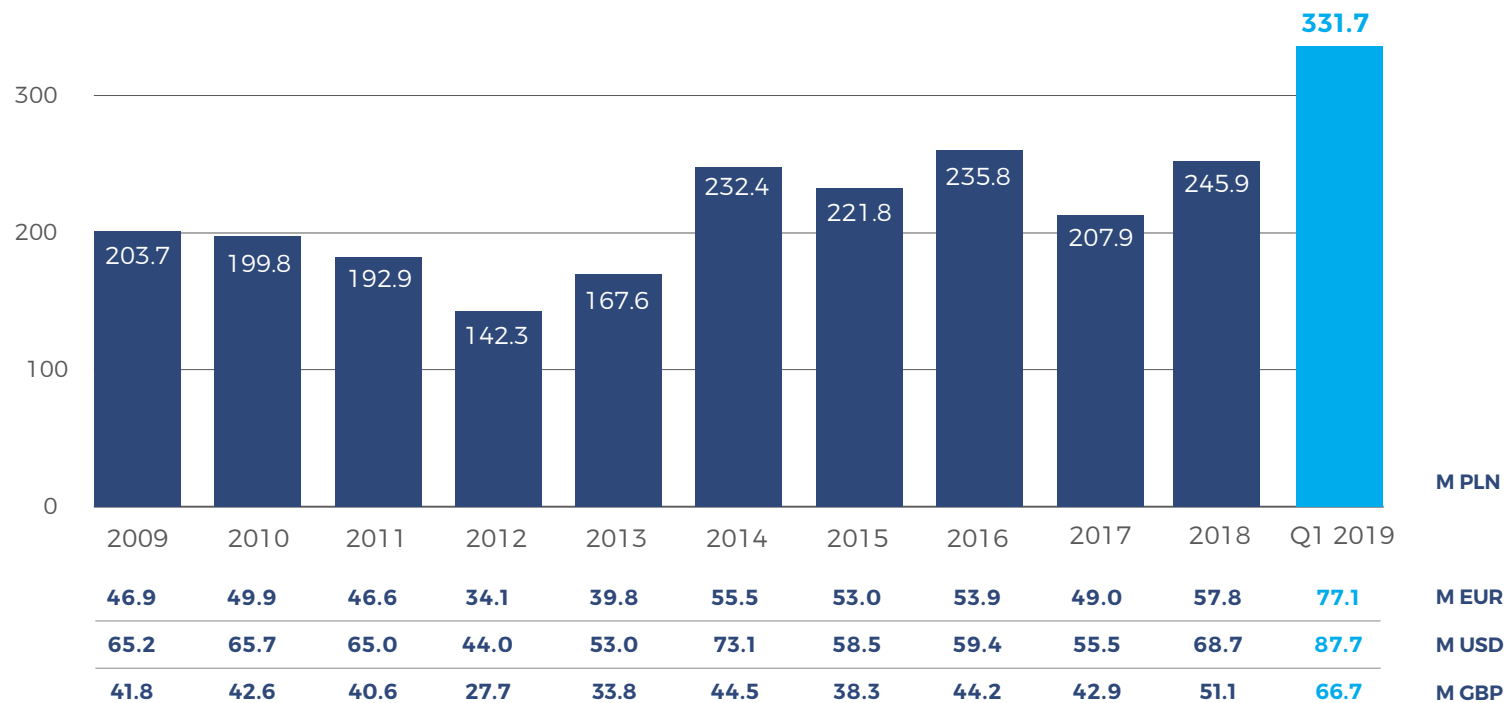


CONSERVATIVE FINANCE MANAGEMENT

- Comarch has always had a **surplus of cash**
- **Loans** were never taken to finance working capital
- Mortgages are taken to finance the development of office space and data center infrastructure
- But even with those mortgages taken into account, Comarch has significantly **more cash than debt**

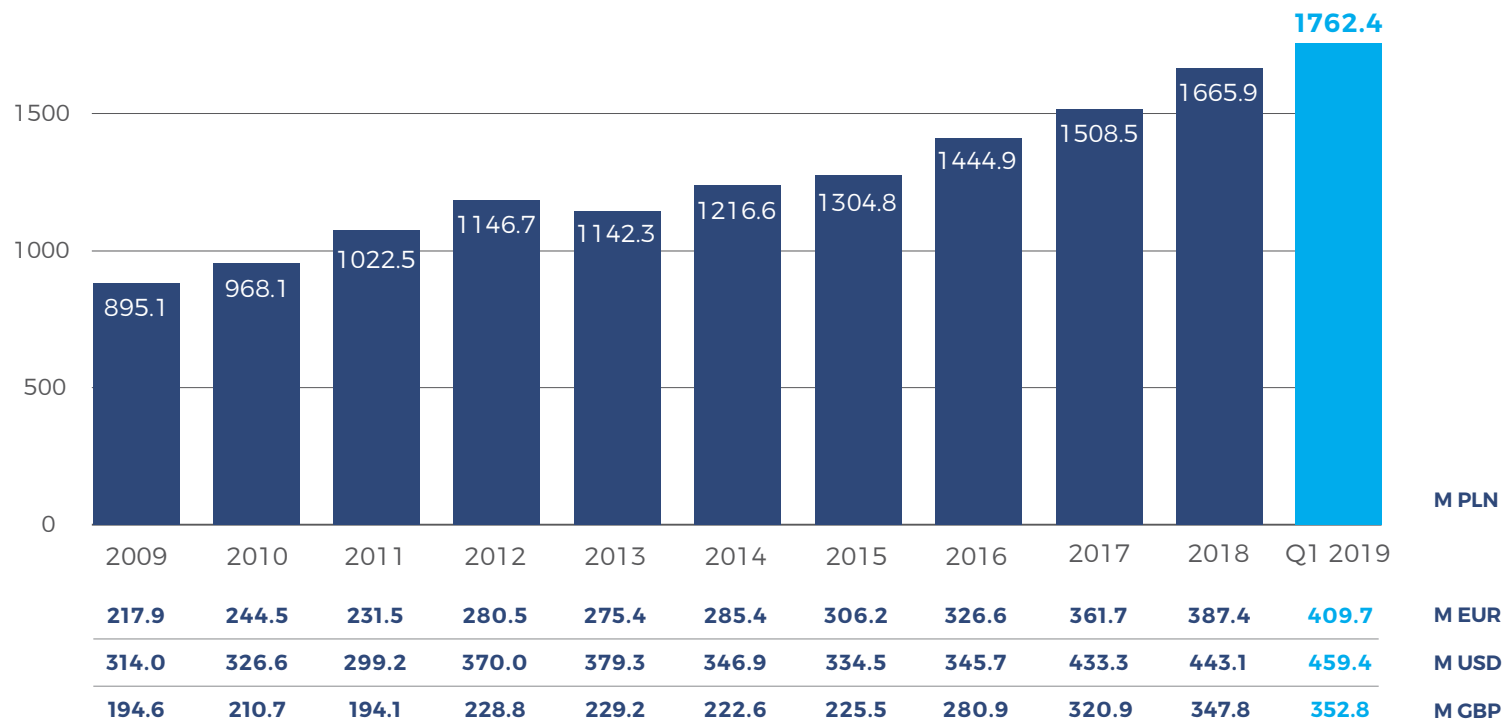
CONSERVATIVE FINANCE MANAGEMENT

CASH BY END OF THE YEAR



CONSERVATIVE FINANCE MANAGEMENT

TOTAL ASSETS



COMARCH ASSETS:

CAMPUS IN CRACOW



GEOGRAPHICAL DIVERSIFICATION OF COMARCH OFFER

55
SUBSIDIARIES

94
OFFICES

IN
65
CITIES

IN
33
COUNTRIES

ON
6
CONTINENTS

EUROPE

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

ASIA

- 17** China
Beijing, Shanghai
- 18** Japan
Tokyo
- 19** Malaysia
Kuala Lumpur
- 20** Singapore
Singapore
- 21** South Korea
Seoul
- 22** Thailand
Bangkok

MIDDLE EAST

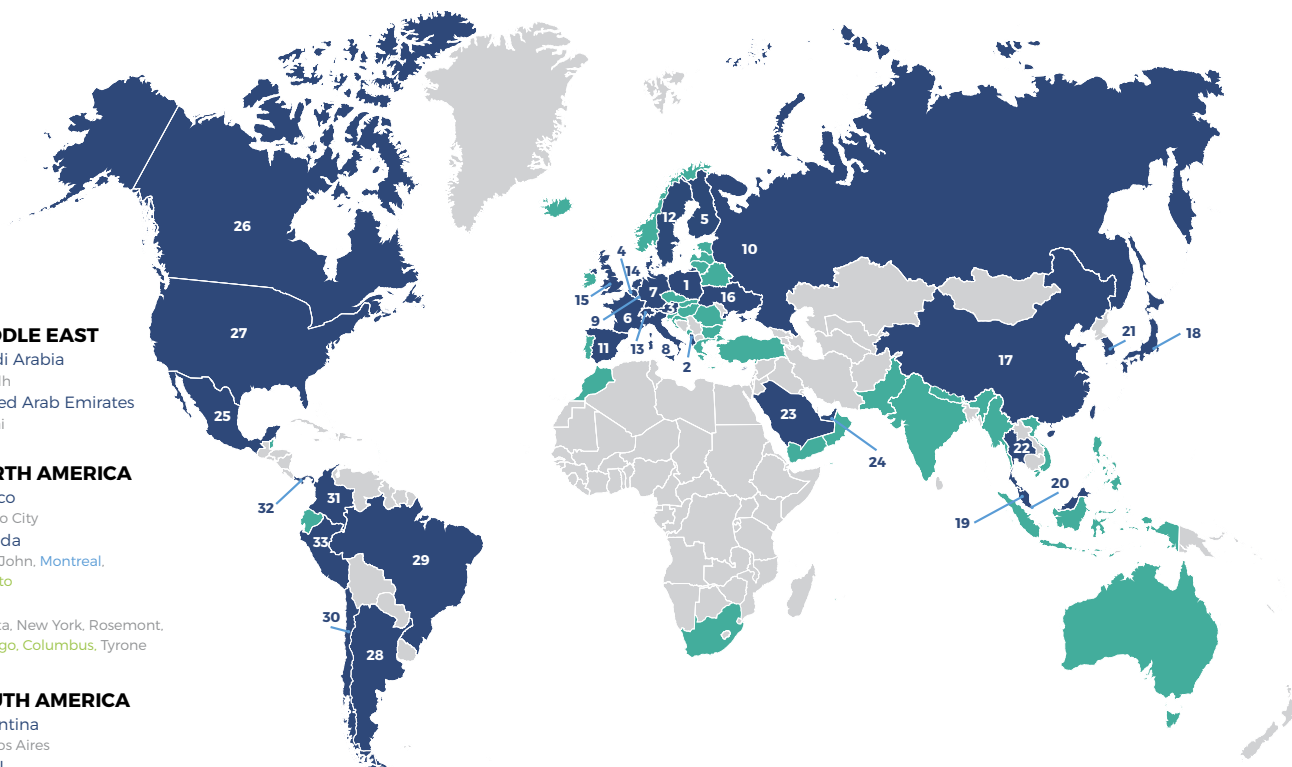
- 23** Saudi Arabia
Riyadh
- 24** United Arab Emirates
Dubai

NORTH AMERICA

- 25** Mexico
Mexico City
- 26** Canada
Saint John, Montreal, Toronto
- 27** USA
Atlanta, New York, Rosemont, Chicago, Columbus, Tyrone

SOUTH AMERICA

- 28** Argentina
Buenos Aires
- 29** Brazil
Sao Paulo
- 30** Chile
Santiago
- 31** Colombia
Bogota
- 32** Panama
Panamá City
- 33** Peru
Lima



● Worldwide Subsidiaries, Customers, Projects
 ● Customers and Projects
 ● data center only

RECENT ACHIEVEMENTS

At present, Comarch delivers IT projects to customers in one hundred countries on six continents

We are very proud of having a solid customer base in the USA

Comarch always attempts to be at frontiers of technology development as it is demonstrated by two recent most innovative projects:

- 5G network management system developed for Telco operator LGU+ in Korea
- Deployment of the first IoT network in Japan (for Sumitomo corporation)

RESILIENCE

- Most of presented management principles may be found in other companies but, uniquely, Comarch has executed them strictly over the past **26 years**
- More precisely, strategies have been executed by a unique selection of Comarch managers
- **They exhibit persistence and strong psyche when coping with repeatable adversities**



CONCLUDING REMARK

- Data shown in this presentation refer to the past
- They were given to illustrate values of adopted management principles and strategies
- We are going to apply them now and in the future to further develop Comarch offer

COMARCH