

**COMARCH S.A. CAPITAL GROUP  
KRAKOW, AL. JANA PAWŁA II 39A**

**CONSOLIDATED FINANCIAL STATEMENT  
FOR 2014  
AS WELL AS  
OPINION OF AN INDEPENDANT AUDITOR  
AND  
REPORT OF AN AUDITOR**

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**CONSOLIDATED FINANCIAL STATEMENT OF THE COMARCH SA CAPITAL GROUP FOR 2014**

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**ACTIVITIES STATEMENT OF THE COMARCH SA CAPITAL GROUP IN 2014**

## **OPINION OF AN INDEPENDENT AUDITOR**

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

We have conducted an audit of the Comarch S.A. Capital Group's (hereinafter referred to as the "Capital Group") consolidated financial report, where Comarch S.A. (hereinafter referred to as the "Dominant Unit") with its registered in Krakow at Al. Jana Pawła II 39 A is a parent company, that included consolidated balance sheet as at 31<sup>st</sup> of December, 2014, consolidated income statement, total income consolidated statement, changes in consolidated equity, consolidated cash flow statement for the period from 1<sup>st</sup> of January, 2014 to 31<sup>st</sup> of December, 2014, and additional information including adopted accountancy policy and annotations.

The Management Board of the dominant unit takes responsibility for drawing up the consolidated financial report and the report regarding the activities of the Capital Group compliant with binding regulations.

The Management Board of the parent company and members of the Supervisory Board are obliged to ensure that the consolidated financial statement and report regarding the activities are compliant with the regulations of the Act on Accounting dated the 29<sup>th</sup> of September, 1994 (Journal of Laws from 2013, pos. 330 and subsequent changes), hereinafter referred to as the "Act on Accounting".

Our task was to audit this consolidated financial statement and present our opinion regarding whether this consolidated financial statement has been prepared according to the accounting principles applied by the company, and whether it presents, in all significant aspects, a true and fair view of equity and financial situation as well as financial result of the Capital Group.

The audit of the consolidated financial report was prepared and conducted according to:

- provisions of chapter seven of Act on Accounting,
- national standards for financial review, issued by the National Board of Expert Auditors in Poland ("KRBR").

The audit was planned and executed so as to provide sufficient certainty in order to allow us to present our opinion regarding this consolidated financial statement. The audit included, in particular, verification of the correctness of the accounting principles applied by the parent company and subsidiaries, as well as verification, largely on the basis of the sample, evidence and accounting records confirming the amounts and information presented in the consolidated financial statement. The audit included also the general assessment of the consolidated financial statement's presentation. We believe our audit constituted sufficient basis for expressing our opinion.

In our opinion, the audited consolidated financial statement, in all significant aspects:

- presents a true and fair view on the Capital Group's equity and financial situation as at 31<sup>st</sup> of December, 2014, and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2014,
- was prepared compliant with the International Accounting Standards, the International Financial Reporting Standards, and their interpretations have been announced in the form compliant with the regulations of the European Union; and whereas not regulated within these standards – in compliance with the regulations of Act on Accounting and regulations formed on the basis of this act,
- was prepared compliant with the law binding the dominant unit and the entities within the capital group, and which influence the content of the consolidated financial statement.

The report regarding the activities of the Capital Group in 2014 is complete in the sense of art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws from 2014, pos. 133) and included information come directly from the audited consolidated financial statement and are compliant with it.

.....  
Marek Turczyński  
Key Expert Auditor  
Registration no. 90114

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

.....  
Marek Turczyński-Vice-President of the Management Board of Deloitte Polska Sp. z o.o.,  
a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 27<sup>th</sup> of April, 2015

**THE REPORT FROM THE AUDIT OF THE CONSOLIDATED FINANCIAL  
STATEMENT  
FOR THE FINANCIAL YEAR 2014**

**I. GENERAL INFORMATION**

**1. General Characteristics of the Company**

The parent company of the Capital Group operates under the company name of Comarch S.A (hereinafter referred to as the "parent company"). The city of Krakow, Al. Jana Pawła II 39 A is the office of the company.

The parent company operates in the form of a joint stock company. Currently, the parent company is registered at no. KRS 0000057567 in the register of business entities of the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register in Krakow.

The parent company operates compliant with the provisions of the Commercial Companies Code.

As at 31<sup>st</sup> of December, 2014, the parent company's share capital accounted for PLN 8,125,590.00 and was divided into 6,377,190 ordinary shares of nominal value of PLN 1 each and 1,748,400 registered shares of nominal value of PLN 1.00 each. Registered shares are preferential for voting so that 5 votes in the General Meeting correspond with each share.

At the date of this report, the members of the Management Board are:

- |                      |   |
|----------------------|---|
| - Janusz Filipiak    | - President of the Management Board,      |
| - Piotr Reichert     | - Vice-President of the Management Board, |
| - Paweł Prokop       | - Vice-President of the Management Board, |
| - Marcin Warwas      | - Vice-President of the Management Board, |
| - Zbigniew Rymarczyk | - Vice-President of the Management Board, |
| - Piotr Piątosza     | - Vice-President of the Management Board, |
| - Konrad Tarański    | - Vice-President of the Management Board. |

During the audited period, there were no changes in the membership of the parent company's Management Board.

Before the date of the opinion, the following changes in the membership of the parent company's Management Board appeared:

- On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015,
- On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

**2. Structure of the Comarch S.A. Capital Group**

The consolidated financial statement as at the 31<sup>st</sup> of December, 2014 comprises the following companies:

- the parent company – Comarch S.A., and
    - direct subsidiaries:
      - Comarch AG - a subsidiary in 100%,
      - Comarch S.A.S. - a subsidiary in 100%,
      - Comarch Luxembourg S.à r.l. - a subsidiary in 100%,
      - Comarch Inc. - a subsidiary in 100%,
      - Comarch Canada, Corp. - a subsidiary in 100%,
      - Comarch Middle East FZ-LLC - a subsidiary in 100%,
      - Comarch LLC - a subsidiary in 100%,
      - Comarch Software (Shanghai) Co. Ltd. - a subsidiary in 100%,
      - OOO Comarch - a subsidiary in 100%,
      - Comarch Oy - a subsidiary in 100%,
      - Comarch UK Ltd. - a subsidiary in 100%,
      - Comarch Chile SpA - a subsidiary in 100%,
      - Comarch Software Spain S.L.U. - a subsidiary in 100%,
      - Comarch Yazilim A.S. - a subsidiary in 100%,
      - Comarch s.r.o - a subsidiary in 100%,
      - Comarch Technologies Sp. z o.o. - a subsidiary in 100%,
      - CA Consulting S.A. - a subsidiary in 100%,
      - Opso Sp. z o.o. - a subsidiary in 100%,
      - Comarch Management Sp. z o.o. - a subsidiary in 100%,
      - Comarch Corporate Finance FIZ - a subsidiary in 100%,
      - MKS Cracovia SSA - a subsidiary in 66.11%.
    - the subsidiaries through Comarch S.A.S.:
      - Comarch R&D S.à r.l. - a subsidiary in 70% through Comarch SAS, in 30% through Comarch S.A.
    - the subsidiaries through Comarch AG:
      - Comarch Software und Beratung AG - a subsidiary in 100%\* through Comarch AG,
      - Comarch Sistemas LTDA - a subsidiary in 80% through Comarch AG, in 20% through Comarch Software und Beratung AG.
- (\*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group*
- the subsidiaries through Comarch Software und Beratung AG:
    - Comarch Solutions GmbH - a subsidiary in 100% through Comarch Software und Beratung AG,
  - the subsidiaries through Comarch Inc.:
    - Comarch Panama, Inc. - a subsidiary in 100% through Comarch Inc.

- the subsidiaries through Comarch Corporate Finance FIZ:
  - iMed 24 S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Comarch Polska S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - iReward24 S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Infrastruktura24 S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - CASA Management and Consulting Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - iComarch24 S.A. - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Development Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Management Sp. z o.o. SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Bonus Management Sp. z o.o. II Activia SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ
  - Bonus Development Sp. z o.o. II Koncept SKA - a subsidiary in 100% through Comarch Corporate Finance FIZ,
  - Comarch Management Sp. z o.o. SKA - a subsidiary in 21.49% through Comarch Corporate Finance FIZ, 78.51% through Comarch S.A.
- subsidiaries through CASA Management and Consulting Sp. z o.o. SKA:
  - CAMS AG - a subsidiary in 51% through CASA Management and Consulting Sp. z o.o. SKA,
  - ESAProjekt Sp. z o.o. - a subsidiary in 100% through CASA Management and Consulting Sp. z o.o. SKA,
  - Comarch Swiss AG - a subsidiary in 100% through CASA Management and Consulting Sp. z o.o. SKA,
- subsidiaries through Bonus Management Sp. z o.o. SKA:
  - Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA a subsidiary in 66.67% through Bonus Management Sp. z o.o. SKA, in 33.33% through MKS Cracovia SSA
- associates:
  - SolInteractive S.A. (16.10% votes held by Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty, 11.27% votes held by Bonus Management Sp. z o.o. II activia SKA),
  - Metrum Capital S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

**COMARCH S.A. CAPITAL GROUP**

The audit of the financial statement of the parent company was carried out for the financial period from the 1<sup>st</sup> of January, 2014 to the 31<sup>st</sup> of December, 2014. Our opinion dated the 27<sup>th</sup> of April, 2015 included no objections.

a) companies consolidated with the full method:

<b>Name and office of the company</b>	<b>% in the share capital</b>	<b>An auditing entity and type of the opinion</b>	<b>Balance sheet date of a company</b>
Comarch, Inc. Rosemont (USA)	100%	was not subject to audit	31 December 2014
Comarch AG, Dresden (Germany)	100%	Akanthus GmbH Wirtschaftsprüfungsgesellschaft; opinion without objections	31 December 2014
Comarch Middle East FZ-LLC, Dubai (UAE)	100%	was not subject to audit	31 December 2014
Comarch s.r.o., Bratislava (Slovakia)	100%	was not subject to audit	31 December 2014
Comarch LLC, Kiev (Ukraine)	100%	was not subject to audit	31 December 2014
Comarch Panama, Inc. Panama	100%	was not subject to audit	31 December 2014
OOO Comarch, Moscow (Russia)	100%	was not subject to audit	31 December 2014
CA Consulting S.A., Warsaw	100%	BDO, opinion without objections	31 December 2014
MKS Cracovia SSA, Krakow	66.11%	BDO, opinion without objections, drawing one's attention	31 December 2014
Comarch R&D S.à r.l. Montbonnot-Saint- Martin (France)	100%	was not subject to audit	31 December 2014
Comarch Management Sp. z o.o., Krakow	100%	was not subject to audit	31 December 2014
Comarch Management Sp. z o.o. SKA, Krakow	100%	BDO, opinion without objections	31 December 2014
Comarch Corporate Finance FIZ, Krakow	100%	BTFG Audit Sp. z o.o., opinion without objections	31 December 2014
Bonus Development Sp. z o.o. SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o.o., as at the date of this report there were no opinion	31 December 2014
iMed24 S.A., Krakow	100%	Deloitte Polska Sp. z o.o. Sp. k., opinion without objections, drawing one's attention	31 December 2014
Comarch Polska S.A.	100%	Deloitte Polska Sp. z o.o. Sp. k., opinion without objections	31 December 2014
iReward24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2014
Infrastruktura24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2014
iComarch24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2014
Bonus Management Sp. z o.o. SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2014
Comarch Technologies Sp. z o.o., Krakow	100%	was not subject to audit	31 December 2014
CASA Management &	100%	EXPANCE AUDIT&FINANCE	31 December 2014



**COMARCH S.A. CAPITAL GROUP**

Consulting Sp. z o.o. SKA, Krakow		Sp. z o. o., as at the date of this report there were no opinion	
Bonus Management Sp. z o.o. II Activia SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2014
Bonus Development Sp. z o.o. II Koncept SKA, Krakow	100%	EXPANCE AUDIT&FINANCE Sp. z o. o., as at the date of this report there were no opinion	31 December 2014
Comarch Software (Shanghai) Co. Ltd., Shanghai (China)	100%	was not subject to audit	31 December 2014
Comarch S.A.S., Lezennes (France)	100%	Mazars France, as at the date of this report there were no opinion	31 December 2014
Comarch Luxembourg S.à r.l., Luxembourg	100%	was not subject to audit	31 December 2014
Comarch Canada, Corp., New Brunswick (Canada)	100%	was not subject to audit	31 December 2014
Comarch Oy, Espoo (Finland)	100%	was not subject to audit	31 December 2014
CAMS AG (Switzerland)	51%	was not subject to audit	31 December 2014
ESA Projekt Sp. z o.o., Chorzów (Poland)	100%	was not subject to audit	31 December 2014
Comarch Swiss AG, Buchs (Luzern - Switzerland)	100%	was not subject to audit	31 December 2014
Opso Sp. z o.o., Krakow (Poland)	100%	was not subject to audit	31 December 2014
Comarch UK Ltd, London (Great Britain)	100%	was not subject to audit	31 December 2014
Comarch Software und Beratung AG Munich (Germany)	100%	Akanthus GmbH Wirtschaftsprüfungsgesellschaft, opinion without objections	31 December 2014
Comarch Solutions GmbH, Innsbruck (Austria)	100%	was not subject to audit	31 December 2014
Comarch Chile SpA	100%	was not subject to audit	31 December 2014
Comarch Sistemas LTDA (Brazil)	100%	was not subject to audit	31 December 2014
Comarch Yazilim A.S. (Turkey)	100%	was not subject to audit	31 December 2014
Comarch Software Spain S.L.U. (Spain)	100%	was not subject to audit	31 December 2014

b) companies consolidated with the equity method:

Name and seat of the company	% in the share capital	An auditing entity and type of the opinion	Balance sheet date of a company
SolInteractive S.A., Krakow	27.37%	was not subject to audit	31 December 2014
Metrum Capital S.A., Krakow	47.37%	was not subject to audit	31 December 2014

Over the financial year, membership of the audited Capital Group and consolidated entities, except for companies established and acquired in 2014:

- Comarch Software Spain S.L.U. (Spain) - established over the financial year,
- Comarch Yazilim A.S. (Turkey) – established over the financial year,
- Comarch Sistemas LTDA (Brazil) – acquired over the financial year.

### **3. Information regarding the Consolidated Financial Statement from the Previous Financial Year**

In 2013, the Capital Group achieved net profit in the amount of PLN 23.254 thousand. The Capital Group's consolidated financial statement for the financial year of 2013 was audited by an expert auditor. An audit was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entitled auditor. There were no reservations in the opinion of an expert auditor dated the 30<sup>th</sup> of April, 2014.

The Annual General Meeting that approved the financial statement for the financial year of 2013 was held on the 26<sup>th</sup> of June, 2014.

On the 8<sup>st</sup> of July, 2014, in compliance with the law, the consolidated financial statement for the financial year of 2013 was delivered to the National Court Register.

### **4. Data that Identifies an Entitled Entity and an Expert Auditor Carrying Out an Audit on behalf of the Entity**

On the 5<sup>th</sup> of July, 2013, according to the authorisation that is included in art. 19 sec. 2 of the parent company's articles of association, the Board of Supervisors selected the entitled auditor. The audit of the consolidated financial statement was carried out according to a contract dated the 28<sup>th</sup> of May, 2014, concluded between Comarch S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw at al. Jana Pawła II 19. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. is registered under item no. 73 in the list of entities entitled to audit financial statements (the list of National Council of Auditors). On behalf of the entity entitled to audit financial statements, the audit was carried out under the supervision of the auditor Marek Turczyński (register no. 90114) at the parent company's office from the 9<sup>th</sup> of March, to the 17<sup>th</sup> of April, 2015, as well as outside the parent company's office till the date of this opinion.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and key auditor Marek Turczyński confirm that they are entitled to audit financial statements and perform the conditions specified in art. 56 of the Act on Expert Auditors, and their Management, Entities Entitled to Audit Financial Statements and Public Supervision (Journal of Laws from 2009, No. 77, pos. 649 with subsequent changes), to provide a fair and independent opinion regarding the consolidated financial statement of the Comarch S.A. Capital Group.

### **5. Data Availability and Statements of the Entity's Management**

There were no limitations within the audit.

During the audit, all demanded documents and data were made available to the entitled entity and expert auditor, as well, comprehensive information and explanations were also granted. That was, among other things, confirmed by a written statement from the parent company's Management Board dated the 27<sup>th</sup> of April, 2015.

**II. Equity and Financial Situation of the Capital Group**

Below is the basic data from the consolidated income statement and consolidated balance sheet, as well as financial ratios describing the Capital Group's financial result, its equity and financial situation compared to parallel data for the previous year.

<u>Basic data from income statement (in thousands of PLN)</u>	<u>2014</u>	<u>2013</u>
Revenues from sales	1,038,351	938,976
Costs from operating activities	917,878	900,118
Operating profit (loss)	98,530	34,446
Net profit (loss)	68,896	23,254

<u>Basic data from balance sheet (in thousands of PLN)</u>	<u>2014</u>	<u>2013</u>
Inventories	47,919	53,687
Receivables due to deliveries and services	287,284	321,866
Current assets	665,082	626,012
Total assets	1,216,555	1,142,301
Equity	700,694	637,711
Current liabilities (including: Provisions for liabilities and accruals)	354,345	352,694
Current liabilities due to deliveries and services	63,260	122,291
Liabilities and provisions for liabilities	515,861	504,589

<u>Profitability and efficiency ratios</u>	<u>2014</u>	<u>2013</u>
- Return on sales	9%	4%
- return on equity	11%	4%
- assets turnover ratio	0.85	0.82
- receivables turnover ratio (days)	107	133
- liabilities turnover ratio (days)	37	58
- inventories turnover ratio (days)	20	24

Liquidity/net working capital

- debt rate	42%	44%
- degree of covering assets with equity	58%	56%
- net working capital (in thousands of PLN)	310,737	273,317
- liquidity ratio	1.88	1.77
- cash to current liabilities ratio	1.74	1.62

An analysis of the above amounts and ratios indicates the following tendencies in 2014:

- increases in return on sales and return on equity,
- increase in assets turnover ratio,
- decreases in receivables turnover ratio, liabilities turnover ratio and inventories turnover ratio,
- decrease in debt rate,
- increase in net working capital,
- increases in liquidity ratio and cash to current liabilities ratio.

### **III. DETAILED INFORMATION**

#### **1. Information on Audited Consolidated Financial Statement**

The audited consolidated financial statement was prepared as at the 31<sup>st</sup> of December, 2014 and includes:

- consolidated balance sheet as at the 31<sup>st</sup> of December, 2014, with total assets, total equity and liabilities amounting to PLN 1,216,555 thousand;
- consolidated income statement for the period from the 1<sup>st</sup> of January, 2014 to the 31<sup>st</sup> of December, 2014, with the net profit for the year amounting to PLN 68,896 thousand;
- total consolidated income statement for the period from the 1<sup>st</sup> of January, 2014 to the 31<sup>st</sup> of December, 2014, with the total income for the year amounting to PLN 73,158 thousand;
- changes in consolidated equity for the period from the 1<sup>st</sup> of January, 2014 to the 31<sup>st</sup> of December, 2014 showing an increase in the value of equity in the amount of PLN 62,982 thousand;
- consolidated cash flow statement for the period from the 1<sup>st</sup> of January, 2014 to the 31<sup>st</sup> of December, 2014 showing an increase in cash and cash equivalents in the amount of PLN 65,172 thousand;
- additional information and annotations including information on applied accounting standards.

The audit covered the period from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December, 2014 and consisted mostly of:

- auditing the correctness and reliability of the consolidated financial statement prepared by the Management Board of the parent company,
- auditing the consolidating documentation,
- assessing the correctness of the methods and procedures applied during consolidation,
- reviewing the opinions and reports from the audit of the consolidated subsidiaries and associates prepared by other expert auditors.

#### **2. Consolidating Documentation**

The parent company presented the following consolidating documentation:

- financial statements of the consolidated entities;
- financial statements of the subordinated entities prepared according to mandatory accounting regulations;
- financial statements of the subordinated entities after conversion to Polish currency;
- all corrections and eliminations made in order to consolidate, that are necessary to prepare the consolidated financial statement;
- calculation of the fair value of net assets in the subordinated entities;
- calculation of the goodwill and gain on a bargain purchase, as well as write-offs in goodwill due to loss in its value;
- calculation of the minority interests not entitled to control;
- calculation of the currency differences resulting from the conversion of financial statements of related parties expressed in foreign currencies.

Consolidation of the Capital Group's financial statement in relation to the subsidiaries was conducted using the full method by summing all the appropriate items from the parent company and the consolidated subsidiaries.

In relation to the associates the equity method was applied. The value of the share of the parent company in the associate was adjusted in the interest of the parent company by the increase or decrease in the associate's equity occurring within the consolidating period. It was also adjusted by decrease from due the associate's dividends.

When preparing the consolidated financial statement, the parent company did not apply any significant simplification or exclusions from the applied principles for consolidation in relations to the consolidated entities.

### **3. Completeness and Correctness in the Preparation of the Additional Information and Commentary and the Report Regarding the Activities of the Capital Group**

The parent company confirmed that it had been appropriate to use a principle of business continuation when preparing the financial statement. Significant methods of assets, liabilities and equity valuation, the establishment of financial result and the method of consolidated financial statement preparation were described in additional information and commentary in the consolidated financial statement.

The parent company prepared additional information and commentary in tabular notes related to the particular items of the balance sheet, income statement, total income statement and descriptions compliant with the IFRS regulations.

The Management Board prepared and attached the report regarding the activities of the Capital Group in 2014 to the financial statement. This report contains information that is required by art. 49 sec. 2 of the Accounting Act and the regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws from 2014, pos. 133). We've audited this report concerning the presented information that has a direct source in the audited financial statement.

#### **IV. Final Information and Arrangements**

##### The Management Board's declarations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and a key expert auditor received a written statement from the parent company's Management Board, which states that the Capital Group complies with the law.

.....  
Marek Turczyński  
Key Expert Auditor  
Registration no. 90114

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

.....  
Marek Turczyński-Vice-President of the Management Board of Deloitte Polska Sp. z o.o., a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 27<sup>th</sup> of April, 2015

Prezes Zarządu: Prof. Janusz Filipiak  
Wiceprezysi Zarządu: Piotr Piątosza, Paweł Prokop, Piotr Reichert,  
Zbigniew Rymarczyk, Konrad Tarański, Marcin Warwas



Krakow, 27<sup>th</sup> of April, 2015

Dear Shareholders,

On behalf of the Management Board of Comarch S.A. I am happy to present a report of the activities of the Comarch Group. Comarch Group achieved the best financial results in its history as well as objectives assumed for 2014. Revenue reached PLN 1,038 million and was higher by 10.6% compared to the previous year. Operating profit amounted to PLN 98.5 million and net profit was PLN 68.9 million. Net margin amounted to 9.5%.

In the previous year, the Group successfully continued its long-term growth strategy based on proprietary products and development of foreign activity. The Comarch brand is renowned both domestically and internationally thanks to the wide range of technologically advanced IT systems and high quality services. In the previous year the Group successfully expanded the cooperation with global customers in new markets. In relation to the dynamic development of the Group's activity on the markets of Southern Europe, North and South America and some countries in Asia, in 2014 Comarch S.A. founded new subsidiaries: Comarch Software Spain S.L.U. in Madrid in Spain, Comarch Yazilim in Istanbul in Turkey and Comarch Sistemas LTDA in Sao Paolo in Brasil. In 2015, others subsidiaries were founded: Comarch S.R.L in Milan in Italy and Comarch Malaysia SDN.BHD. in Kuala Lumpur in Malaysia. On the domestic market the Comarch Group is one of the largest IT enterprises and pursues a large number of projects in all sectors of the economy.

In order to ensure capability for long-term growth, the company continues the stable development and improvement of existing IT products. Expenditure on research and development has now exceeded 11% of sales revenue, which has been financed from both the company's own resources and by proactively seeking out European funds. In 2014, research and development works related to innovative hardware solutions and services based on them were particularly important. Within its structure, The Group separated a business sector operating in this area. The Comarch Group continues R&D works within medicine (Teleradiology, Telemedicine, IT systems for managing medical documentation), which include software development, manufacturing medical devices and providing services. I believe that in the not too distant future, Comarch Group will be one of the leaders in the marketplace of IT solutions for medicine; making business models and providing the most innovative solutions. Last year, demand for IT solutions within cloud computing was still growing rapidly – Comarch is one of market leaders in the field of solutions based on "cloud". The company not only invests in the latest technologies, but also in human resources. Recruiting high quality employees is still a key factor in executing an increasing number of complex contracts.

As part of the development of infrastructure needed for the comprehensive delivery of IT solutions, Comarch Group continued the construction of a new production and office building (SSE6) in the Krakow Special Economic Zone. The purpose of the investment is the creation of convenient work space for new employees, development of the Comarch Data Center area and producing the laboratory and the production facilities necessary for the development of the activities in the scope of *Internet of Things*.

The Comarch S.A. Management Board shall make every effort to ensure consistent growth of the Comarch Group's operations and the ability to generate innovation, whilst simultaneously keeping the safe diversification and rewarding profitability. I have no doubt that in the near future, Comarch will bring further successes in strengthening their market position as the global provider of IT solutions.

*Professor Janusz Filipiak*

*President of the Management Board  
Comarch S.A.*

Comarch SA                      [www.comarch.pl](http://www.comarch.pl) [www.comarch.de](http://www.comarch.de) [www.comarch.ru](http://www.comarch.ru) [comarch.com](http://comarch.com)  
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Comarch Spółka Akcyjna z siedzibą w Krakowie, Aleja Jana Pawła II 39a, zarejestrowana w Krajowym Rejestrze Sądowym prowadzonym przez Sąd Rejonowy dla Krakowa-Śródmieścia w Krakowie XI Wydział Gospodarczy Krajowego Rejestru Sądowego pod numerem KRS 0000057567. Wysokość kapitału zakładowego Spółki wynosi 8.125.590,00 zł. Kapitał zakładowy wpłacony w całości. NIP: 677-00-65-406

## FINANCIAL SUPERVISION AUTHORITY

## CONSOLIDATED ANNUAL REPORT RS 2014

year

(pursuant to §2 sec.2 of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of January, 2009 - Journal of Laws no. 33, pos. 259 and subsequent changes)

for issuers of securities managing production, construction, trade and services activities

for financial year 2014 from 2014-01-01 to 2014-12-31  
including consolidated annual financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
date of publication 2015-04-30

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>Information Technology (IT)</b>
(abbreviated name of issuer)	(sector according to WSE classification)
<b>31-864</b>	<b>Kraków</b>
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(NIP)	(REGON)

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.  
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2014	2013	2014	2013
I. Net revenues from sales of products, goods and materials	1,038,351	938,976	247,858	222,983
II. Profit (loss) on operating activities	98,529	34,446	23,519	8,180
III. Gross profit (loss)	92,577	36,724	22,098	8,721
IV. Net profit (loss)	67,894	25,077	16,207	5,955
V. Cash flows from operating activities	157,387	104,448	36,526	24,804
VI. Cash flows from investing activities	-79,037	-63,472	-18,866	-15,073
VII. Cash flows from financing activities	-13,178	-13,938	-3,145	-3,310
VIII. Total net cash flows	65,172	27,038	15,557	6,421
IX. Total assets	1,216,555	1,142,301	285,422	275,439
X. Liabilities and provisions for liabilities	515,862	504,590	121,029	121,670
XI. Non-current liabilities	161,516	151,895	37,894	36,626
XII. Current liabilities	354,346	352,695	83,135	85,044
XIII. Equity	700,693	637,711	164,393	153,769
XIV. Share capital	8,125	8,051	1,906	1,941
XV. Number of shares	8,125,590	8,051,637	8,051,637	8,051,637
XVI. Earnings (losses) per single share (PLN/EURO)	8.37	3.11	2.00	0.74
XVII. Diluted earnings (losses) per single share (PLN/EURO)	8.37	3.09	2.00	0.73
XVIII. Book value per single share (PLN/EURO)	86.42	79.20	20.28	19.10
XIX. Diluted book value per single share (PLN/EURO)	86.34	78.48	20.26	18.92



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 01.01.2014 to 31.12.2014: 4.1893;  
 - arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2012 to 31.12.2013: 4.2110;  
 The balance sheet items were presented based on NBP average exchange rates as of the end of the period:  
 - 31.12.2014: 4.2623;  
 - 31.12.2013: 4.1472.

**ANNUAL REPORT INCLUDES:**

File	Description
RS_Opinion.pdf	Opinion of an Auditor entitled to Audit Financial Statements – attachment no. 1
RS_Report.pdf	Report of an Auditor entitled to Audit Financial Statements- attachment no. 2
Letter of the President of The Management Board.pdf	Letter of the President of The Management Board- attachment no. 3
Consolidated Financial Statement.pdf	Consolidated Financial Statement attachment no. 4
Report of the Management Board.pdf	Report of the Management Board- attachment no. 5
The Management Board's statement regarding the independent auditor.pdf	The Management Board's statement regarding the independent auditor- attachment no. 6
The Management Board's statement regarding the reliability of the financial statement.pdf	The Management Board's statement regarding the reliability of the financial statement- attachment no. 7
Report regarding Corporate Governance Principles.pdf	Report regarding Corporate Governance Principles- attachment no.8

**SIGNATURES OF ALL MEMBERS OF THE BOARD**

Date	Name and surname	Position	Signature
2015-04-27	Janusz Filipiak	President of the Management Board	
2015-04-27	Piotr Piątosza	Vice-President of the Management Board	
2015-04-27	Paweł Prokop	Vice-President of the Management Board	
2015-04-27	Piotr Reichert	Vice-President of the Management Board	
2015-04-27	Zbigniew Rymarczyk	Vice-President of the Management Board	
2015-04-27	Konrad Tarański	Vice-President of the Management Board	
2015-04-27	Marcin Warwas	Vice-president of the Management Board	

**SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS**

Date	Name and surname	Position	Signature
2015-04-27	Maria Smolińska	Head Accountant	

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2014

All amounts are expressed in thousands of PLN unless otherwise indicated

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## I. Consolidated Balance Sheet

	Note	31 December 2014	31 December 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.3	390,958	352,949
Investment real estates	3.4	16,119	7,876*
Goodwill	3.5	40,735	44,061
Other intangible assets	3.6	70,317	79,720
Non-current prepayments	3.7	537	904
Investments in associates	3.8	567	49
Other investments		106	106
Deferred income tax assets	3.22	32,134	28,985
Other non-current receivables		-	1,639
		<b>551,473</b>	<b>516,289</b>
<b>Current assets</b>			
Inventories	3.9	47,919	53,687
Trade and other receivables	3.13	328,449	362,404
Current income tax receivables		3,132	1,527
Long-term contracts receivables	3.17	53,105	32,264
Available-for-sale financial assets	3.11	-	6,685
Other financial assets at fair value – derivative financial instruments	3.12	13	1,644
Interest and shares		1	112
Cash and cash equivalents	3.14	232,463	167,689
		<b>665,082</b>	<b>626,012</b>
<b>TOTAL ASSETS</b>		<b>1,216,555</b>	<b>1,142,301</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	3.15	8,125	8,051
Other capitals	3.16	148,226	145,205
Exchange differences	3.29	6,917	2,670
Net profit for the current period		67,894	25,077
Retained earnings		457,146	445,340
		<b>688,308</b>	<b>626,343</b>
Minority interest	3.15	12,385	11,368
<b>Total equity</b>		<b>700,693</b>	<b>637,711</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	3.18	121,593	110,751
Other liabilities		83	83
Financial assets at fair value – derivative financial instruments	3.12	1,404	-
Other financial liabilities		138	516
Provision for deferred income tax	3.22	38,298	40,545
Provisions for other liabilities and charges	3.23	-	-
		<b>161,516</b>	<b>151,895</b>
<b>Current liabilities</b>			
Trade and other payables	3.17	140,217	193,633
Current income tax liabilities		10,712	11,237
Long-term contracts liabilities	3.18	48,507	33,416
Credit and loans	3.19	20,522	20,700
Financial assets at fair value – derivative financial instruments	3.12	1,369	-
Other financial liabilities		380	409
Provisions for other liabilities and charges	3.23	132,639	93,300
		<b>354,346</b>	<b>352,695</b>
<b>Total liabilities</b>		<b>515,862</b>	<b>504,590</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,216,555</b>	<b>1,142,301</b>

As a consequence of a change in the method of using a real estate, comparable data as at 31<sup>st</sup> of December, 2013, were changed.

## II. Consolidated Income Statement

	Note	12 months ended 31 December 2014	12 months ended 31 December 2013
<b>Revenue</b>	3.24	<b>1,038,351</b>	<b>938,976</b>
Cost of sales	3.25	(730,975)	(729,103)
<b>Gross profit</b>		<b>307,376</b>	<b>209,873</b>
Other operating income	3.26	8,774	11,710
Sales and marketing costs		(111,386)	(98,932)
Administrative expenses		(75,519)	(72,083)
Other operating expenses	3.27	(30,716)	(16,122)
<b>Operating profit</b>		<b>98,529</b>	<b>34,446</b>
Finance revenue/(costs)-net	3.28	(4,959)	2,316
Share of profit/(loss) of associates	3.8	(993)	(38)
<b>Profit before income tax</b>		<b>92,577</b>	<b>36,724</b>
Income tax expense	3.29	(23,681)	(13,470)
<b>Net profit for the period</b>		<b>68,896</b>	<b>23,254</b>
<b>including:</b>			
<b>Net profit (loss) attributable to the parent company's shareholders (in PLN per share)</b>		<b>67,894</b>	<b>25,077</b>
Net profit (loss) attributable to the interests not entitled to control	3.16	1,002	(1,823)
		<b>68,896</b>	<b>23,254</b>
<b>Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)</b>			
- basic	3.31	8.37	3.11
- diluted		8.37	3.09

## III. Total Income Consolidated Statement

	12 months ended 31 December 2014	12 months ended 31 December 2013
<b>Net profit (loss) for the period</b>	<b>68,896</b>	<b>23,254</b>
<b>Other total income</b>	<b>4,262</b>	
Currency translation differences from currency translation in related parties	4,262	(424)
<b>Other total income</b>	<b>4,262</b>	<b>(424)</b>
<b>Sum of total income for the period</b>	<b>73,158</b>	<b>22,830</b>
Attributable to the company's shareholders	72,141	24,657
Attributable to the minority	1,017	(1,827)

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

#### IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control Exchange differences	Total equity Share capital
	Share capital	Other capitals	Exchange differences	Share capital	Other capitals		
<b>Balance at 1 January 2013</b>	<b>8,051</b>	<b>142,332</b>	<b>3,090</b>	<b>40,660</b>	<b>427,490</b>	<b>3,319</b>	<b>624,942</b>
Transferring result for 2012	-	-	-	(40,660)	40,660	-	-
Dividend paid	-	-	-	-	(13,103)	-	(13,103)
Capital from acquisition of shares	-	-	-	-	-	169	169
Changes in shareholding structure	-	-	-	-	(9,707)	9,707	-
Capital from valuation of the managerial option	-	2,873	-	-	-	-	2,873
Currency translation differences <sup>1</sup>	-	-	(420)	-	-	(4)	(424)
Profit for the period <sup>2</sup>	-	-	-	25,077	-	(1,823)	23,254
Total income recognised in equity (1+2)	-	-	(420)	25,077	-	(1,827)	22,830
<b>Balance at 31 December 2013</b>	<b>8,051</b>	<b>145,205</b>	<b>2,670</b>	<b>25,077</b>	<b>445,340</b>	<b>11,368</b>	<b>637,711</b>
<b>Balance at 1 January 2014</b>	<b>8,051</b>	<b>145,205</b>	<b>2,670</b>	<b>25,077</b>	<b>445,340</b>	<b>11,368</b>	<b>637,711</b>
Transferring result for 2013	-	-	-	(25,077)	25,077	-	-
an increase in the company's share capital	74	-	-	-	-	-	74
Dividend paid	-	-	-	-	(12,188)	(1,083)	(13,271)
Result of subsidiaries for general partners outside the Group	-	-	-	-	(1,083)	1,083	-
Capital from valuation of the managerial option	-	3,021	-	-	-	-	3,021
Currency translation differences <sup>1</sup>	-	-	4,247	-	-	15	4,262
Profit for the period <sup>2</sup>	-	-	-	67,894	-	1,002	68,896
Total income recognised in equity (1+2)	-	-	4,247	67,894	-	1,017	73,158
<b>Balance at 31 December 2014</b>	<b>8,125</b>	<b>148,226</b>	<b>6,917</b>	<b>67,894</b>	<b>457,146</b>	<b>12,385</b>	<b>700,693</b>

Dividend in total amount of PLN 13.271 million includes dividend in the amount of PLN 12.188 million paid by the parent company to its shareholders on originally scheduled day, i.e. on the 18<sup>th</sup> of August, 2014, and dividend in the amount of PLN 0.335 million paid by Bonus Development sp. z o.o. II Koncept SK-A, PLN 0.383 million paid by Bonus Management sp. z o.o. and PLN 0.365 million paid by Bonus Management sp. z o.o. II Activia SKA on the 1<sup>st</sup> of July, 2014.

If resolutions on the payment of dividends to the general partners outside the Group are adopted, value of the equity may be decreased by PLN 0.148 million.

## V. Consolidated Cash Flow Statement

	12 months 2014	12 months 2013
<b>Cash flows from operating activities</b>		
Net profit (loss)	68,896	23,254
Total adjustments	112,475	91,670
Share in net (gains) losses of related parties valued using the equity method of accounting	993	38
Depreciation	54,380	64,495
Exchange gains (losses)	2,470	(2,240)
Interest and profit-sharing (dividends)	1,766	2,255
(Profit) loss on investing activities	5,766	682
Change in inventories	7,355	9,837
Change in receivables	42,516	20,579
Change in liabilities and provisions excluding credits and loans	(5,792)	(5,366)
Other adjustments	3,021	1,390
Net profit less total adjustments	181,371	114,924
Income tax paid	(23,984)	(10,476)
<b>Net cash from operating activities</b>	<b>157,387</b>	<b>104,448</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(73,769)	(40,018)
Proceeds from sale of property, plant and equipment	544	1,340
Purchases of intangible assets	(11,953)	(14,797)
Proceeds from disposal of investment in real estates and intangible assets	14	26
Expenses for purchase of financial assets	(152)	(6,523)
Proceeds from sales of available-for-sale financial assets	6,849	-
Granted non-current loans	(11,462)	(9,013)
Paid non-current loans	15,480	2,498
Interest	1,190	1,962
Other proceeds from financial assets	393	1,530
Expenses for investment in real estates	(6 171)	(19)
Other investment proceeds	-	563
Other investment expenses	-	(1,021)
<b>Net cash used in investing activities</b>	<b>(79,037)</b>	<b>(63,472)</b>
<b>Cash flows from financing activities</b>		
Payment in relation to shares issue	74	-
Proceeds from credits and loans	68,123	75,955
Repayments of credits and loans	(64,045)	(72,688)
Interest	(2,954)	(3,998)
Dividends and other payments to owners	(13,271)	(12,077)
Expenses due to profit sharing but other than those to owners	(693)	(1,026)
Payments of liabilities in relation to finance lease agreements	-	(139)
Other financial proceeds	556	215
Other financial expenses	(968)	(180)
<b>Net cash used in financial activities</b>	<b>(13,178)</b>	<b>(13,938)</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>65,172</b>	<b>27,038</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	167,640	142,269
Positive (negative) exchange differences in cash and bank overdrafts	(376)	(1,667)
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>232,436</b>	<b>167,640</b>
- including limited disposal	6,526	2,041

## 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 Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, 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 revenues, 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.

#### 1.1 Organisational Structure of Comarch Group

On 31<sup>st</sup> of December, 2014, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG\*),
    - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
  - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),
- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
  - Comarch Management sp. z o.o. SKA with its registered office in Krakow in Poland (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SKA to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - “Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA (66.67% votes held by Bonus Management Sp. z

- o.o. SKA, 33.33% votes held by MKS Cracovia SSA),
- Bonus Development sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Management sp. z o.o. II Activia SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Development sp. z o.o. II Koncept SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- CASA Management and Consulting sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SKA.),
  - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SKA),
  - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SKA),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

(\*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

On 31<sup>st</sup> of December, 2014, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% votes held by Bonus Management sp. z o.o. II Activia SKA).
- Volatech Capital Advisors S.A. (currently Metrum Capital S.A.) (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

The associated companies are not consolidated. Shares are valued with equity method.

## 1.2 Changes in Ownership and Organisational Structure in 2014

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. RB-4-2014 dated the 28<sup>th</sup> of January, 2014).

On the 24<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered.

On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7<sup>th</sup> of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register. On the 5<sup>th</sup> of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of



PLN 1 each. The change was registered in the National Court Register on the 27<sup>th</sup> of June, 2014.

With the notarial deed of the 6<sup>th</sup> of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19<sup>th</sup> of March, 2014.

As of the 17<sup>th</sup> of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25<sup>th</sup> of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17<sup>th</sup> of April, 2014, it was registered in the proper register.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 13<sup>th</sup> of June, 2014, AGM of Comarch Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110. On the 10<sup>th</sup> of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SK-A was registered in the proper register. On the 5<sup>th</sup> of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change was registered in the proper register on the 9<sup>th</sup> of September, 2014.

As of the 30<sup>th</sup> of June, 2014, Comarch Vietnam Company Limited was dissolved.

On the 3<sup>rd</sup> of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 2<sup>nd</sup> of September, 2014, a purchase agreement for shares in a Brazilian company was signed. Comarch AG acquired 800 shares for BRL 800 and holds 80% of shares, Comarch SuB AG acquired 200 shares for BRL 200 and holds 20% of shares. Current company's name is Comarch Sistemas LTDA. In the third quarter of 2014, the company did not operate.

On the 13<sup>th</sup> of October, 2014, a plan of merger between ESAPROJEKT sp. z o.o. and iMed24 S.A. was presented to the District Court for Katowice - East in Katowice, the Eighth Economic Division of the National Court Register.

On the 17<sup>th</sup> of October, 2014, a name change was registered from Southforge sp. z o.o. to Comarch Technologies sp. z o.o.

On the 20<sup>th</sup> of October, 2014, a change of office of ESAProjekt Sp. z o.o. was registered. Current office of the company is located in Katowice (formerly in Chorzów).

On the 11<sup>th</sup> of November, 2014, Comarch Software Spain S.L.U was registered in Madrid in Spain.

On the 18<sup>th</sup> of December, 2014, Comarch Yazilim A.S. was registered in Istanbul in Turkey.

### **1.3 Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date**

On the 8<sup>th</sup> of January, 2015, the District Court for Kraków – Śródmieście in Kraków, the Eleventh Economic Division of the National Court Register issued a decision on the appointment of an expert to examine the merger plan for ESAPROJEKT sp. z o.o. and iMed24 SA, which was subsequently rectified by decision of the 20<sup>th</sup> of January, 2015.

On the 19<sup>th</sup> of January, 2014, a name change was registered from Volatech Capital Advisors S.A. to Metrum Capital S.A.

On the 5<sup>th</sup> of February, 2014, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Petaling Jaya in Malaysia.

On the 16<sup>th</sup> of April, 2015, Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

### **1.4 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;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Ltd., Comarch Chile SpA and Comarch Sistemas LTDA acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software Spain S.L.U. and Comarch Yazilim A.S. did not operate in 2014,
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
- Comarch Polska S.A. acquire IT contracts in domestic markets and execute them in their entirety or in part,
- 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. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor,
- ESAProjekt sp. z o.o. is a leading Polish producer and complex IT solution provider for medicine sector,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market,
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SKA, CASA Management and Consulting sp. z o.o. SKA, CAMS AG, Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA conduct investment activities on capital market and activities related to IT,
- The subject matter of activities of Bonus Development sp. z o.o. SKA and Bonus Development sp. z o.o. II Koncept SKA are activities related to real estates,
- iMed24 S.A. produces and sells IT software related to medicine, provides medical and diagnostic services,
- iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises,

- Infrastruktura24 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 is a sport joint stock company,
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sport,
- Opso sp. z o.o. provides catering services,
- Comarch Co. Ltd (Vietnam) was liquidated. Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

## 2. Description of the Applied Accounting Principles

This consolidated financial statement for the 12 months ended the 31<sup>st</sup> of December, 2014 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 company 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.

The consolidated financial statement of the Comarch Group for the 12 months ended the 31<sup>st</sup> of December, 2014 comprises the financial statements of the following companies:

	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100.00%
Comarch Sistemas LTDA	subsidiary	full	80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG
Comarch Software und Beratung AG	subsidiary	full	100,00% held by Comarch AG *)
Comarch Solutions GmbH	subsidiary	full	100.00% held by Comarch Software und Beratung AG
Comarch S.A.S.	subsidiary	full	100.00%
Comarch R&D S.à r.l.	subsidiary	full	30.00%, 70.00% held by Comarch SAS
Comarch Luxembourg S.à r.l.	subsidiary	full	100.00%
Comarch Inc.	subsidiary	full	100.00%

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All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch Panama Inc.	subsidiary	full	100.00% held by Comarch Inc.
Comarch Canada, Corp.	subsidiary	full	100.00%
Comarch Middle East FZ-LLC	subsidiary	full	100.00%
Comarch LLC	subsidiary	full	100.00%
OOO Comarch	subsidiary	full	100.00%
Comarch Software (Shanghai) Co. Ltd.	subsidiary	full	100.00%
Comarch Co., Ltd. (Vietnam)**	subsidiary	full	100.00%
Comarch Technologies Oy	subsidiary	full	100.00%
Comarch UK Ltd.	subsidiary	full	100.00%
Comarch Chile SpA	subsidiary	full	100.00%
Comarch Software Spain S.L.U.	subsidiary	full	100.00%
Comarch Yazilim A.S.	subsidiary	full	100.00%
Comarch s.r.o.	subsidiary	full	100.00%
Comarch Technologies sp. z o.o.	subsidiary	full	100.00%
CA Consulting S.A.	subsidiary	full	100.00%
Comarch Management sp. z o.o.	subsidiary	full	100.00%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00% in total number of investment certificates
Comarch Management sp. z o.o. SKA	subsidiary	full	13.67% held by CCF FIZ, 49.94% held by Comarch S.A., 36.39% purchased by Comarch Management sp. z o.o. SKA to be redeemed
Bonus Management sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SKA	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SKA	subsidiary	full	100.00% held by CCF FIZ
iMed24 S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Polska S.A.	subsidiary	full	100.00% held by CCF FIZ

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All amounts are expressed in thousands of PLN unless otherwise indicated

iReward24 S.A.	subsidiary	full	100.00% held by CCF FIZ
Infrastruktura24 S.A.	subsidiary	full	100.00% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100.00% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
ESAProjekt sp. z o.o.	subsidiary	full	100.00% held by CASA Management and Consulting Sp. z o.o. SK-A
Comarch Swiss AG	subsidiary	full	100.00% 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
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SKA	subsidiary	full	50% held by Bonus Management sp. z o.o. SKA, 50% held by MKS Cracovia SSA
Opso sp. z o.o.	subsidiary	full	100.00%
MKS Cracovia SSA	subsidiary	full	66.11%

(\*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

(\*\*) consolidated in the period of 1.01.2014-30.06.2014

## **2.1 Methods of Valuation of Assets and Liabilities and the Determination of Financial Results**

### **2.1.1 Segment Information**

The Comarch Capital Group conducts reporting based on segments according to IFRS 8 "Operating Segments". Operating segments were specified based on internal reports related to components of an entity whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance.

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

IT segment has a dominant share in sales revenues, 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.

Over 2014, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 21% in the second quarter, 24% in the third quarter and 35% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch.

In the company's opinion, over 2015, Group's revenue structure will be similar to that observed in the previous year.

### **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 acquiree 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 acquiree 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 acquiree 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 acquiree, 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 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 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 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 Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the 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 Group and its associates are eliminated to the extent of the 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 Group.

## **c) Principles for the Presentation of the Comarch SuB Group within the Financial Statement**

Comarch Software und Beratung AG is the parent company for the companies of the Comarch SuB Group and from 2013 has not prepared independently the consolidated financial statement, including data from Comarch Software und Beratung 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 SuB and its subsidiaries).

### **2.1.3 Foreign Currency Translation**

#### **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**

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) 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:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate of the date of the balance sheet;

(ii) 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 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 31.12.2014: 4.2623,

NBP average exchange rates as at 31.12.2013: 4.1472,

NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2014: 4.1893,

NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2013: 4.2110.

## **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 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 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.

The 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 Comarch SuB Group are comprised of property rights for the software: SoftM Semiramis, SoftM SharkNex, SoftM Suite ERP, SoftM Suite Financials, Schilling, DKS and Infostore. The above-mentioned intangible 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 Comarch SuB Group. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

Intangible assets purchased as a result of the acquisition of the Comarch SuB Group 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 period ended in November, 2013.

Intangible assets purchased as a result of the acquisition of the Comarch SuB Group 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.

## **b) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets 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) Leases**

The Group uses leased vehicles and computer hardware. As, according to the agreements made, practically all risks and benefits resulting from the title of ownership of the subject matter leased have been transferred, these are classified as finance leases. They have been classified as assets and liabilities in the amounts equal to the minimum leasing fees set forth as at the date of lease initiation. Leasing fees are divided into finance costs and reductions of the unpaid balance of liabilities. The interest part of finance costs is charged to the income statement throughout the lease term so as to obtain a constant periodic interest rate on the remaining balance of the liability for each period. The means used on lease principles are subject to depreciation within a shorter period of time of either the asset's useful life or the lease term.

### **e) Non-Current Prepayments**

Non-current prepayments 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 Group and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by the 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 revenues 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.

Depending on the nature of the produced software and the assessment of its possible sales, 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, revenues are 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 revenues, the anticipated loss is recognised immediately.

In assets, the 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 and groups for disposal are classified as designated for sales if their balance sheet values will 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 assets' item or a group for disposal are available for immediate sales in their present shape. An assets' 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 Group, which were not transferred to other capitals,
- d) currency exchange differences.

### **2.1.8 Employee Benefits**

#### **a) Share-Based Plans**

By 2014, the Group 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.

### **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) 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 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.

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 Revenues 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,
- other IT and non-IT services necessary for system implementation.

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

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

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues 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 revenues flowing from them).

When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues 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.

Revenues from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenues from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms.

Revenues from sales of other services, products, finished goods and property items comprise sums of fair values from due invoiced revenues taking into account discounts and rebates without commodity and services taxes.

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 Group.

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

### **Subsidies**

The Groups 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 Revenues and Costs**

Other operational revenues and costs comprise revenues 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 Revenues and Costs**

Financial revenues and costs mostly include: revenues 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 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 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 Rates**

The company is exposed to the risk of changes in interest rates related to cash and cash equivalents and long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR and LIBOR index. The parent company has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

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 2014 would have been PLN 0.452 million 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 31<sup>st</sup> of December, 2013 indicates that if interest rates had been 50 base points higher/lower net profit for 2013 would have been PLN 0.181 million higher/lower, given that the other variables remained constant. An analysis of the sensitivity of the 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 EURO/PLN, USD/PLN, GBP/PLN, CAD/PLN and RUB/PLN. At the same time, part of the parent company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company 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 3.10.

An analysis of the 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 and GBP had risen/fallen by 5% with all other variables remaining constant, the Group's net result for the 12 months ended 31<sup>st</sup> of December, 2014 would have been PLN 2.996 million higher/lower. This is made up of an increase/decrease of PLN 0.906 million from financial assets and liabilities expressed in EUR, an increase/decrease of PLN 0.962 million from financial assets and liabilities expressed in USD and an increase/decrease of PLN 1.128 million from financial assets and liabilities expressed in GBP. Assets and financial liabilities expressed in foreign currencies have only a slight share in currency structure of assets and liabilities.

If the exchange rate in relation to the balance sheet exchange date for the EUR and USD had risen/fallen by 10% with all other variables remaining constant, the Group's net result resulting from long-term contracts for the 12 months ended 31<sup>st</sup> of December, 2014 would have been PLN 5.461 million higher / PLN 5.550 million 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 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 Group are fixed, while revenue from sales, as is typical for a services company, fluctuates. The 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 3.9.

### **2.4 Accounting for Derivative Financial Instruments and Hedging Activities**

Derivative financial instruments designated as 'hedging instruments' according to IAS 39, 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 IAS 39, qualified as cash flow hedging are recognised at fair value and change to their valuation refers to:

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

Derivative financial instruments designated as 'non-hedging instruments' according to IAS 39 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 IAS 11**

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 revenues, 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 parent company 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 (including the year for which the financial statement is prepared).

#### **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 Group is the plaintiff and the defendant in a number of court proceedings. Preparing the financial statement, the 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 due to carrying out yearly test on loss in the goodwill according to IFRS3 and IAS 36**

At the end of every fiscal year the Group carries out tests on losses in the goodwill according to accounting rules contained in note 3.5. The Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the 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 Group is active in the following years. Due to a high fluctuation in the economic situation of the IT branch, where the Group operates, it is possible that real cash flow will differ from the one estimated by the Group.

#### **2.5.6 Fair value assessment of intangible assets purchased as a result of the acquisitions**

As at the acquisition date Comarch SuB Group, ESAProjekt sp. z o.o. and Amea Informatik AG (currently Comarch Swiss AG) the assessment of the fair value of assets held by these companies, was done based on the useful value valuation model with the discounted cash flow method (DCF). The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average capital cost (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk.

## 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.

Accounting principles (policy) applied when preparing the consolidated financial statement for 2013 are coherent with the principles applied when preparing the consolidated financial statement for 2012, providing changes described below. The same rules were adopted for the current and comparable periods, unless a standard or an interpretation assumed only prospective application.

### ***Standards and interpretations applied in 2014 for the first time***

The following amended standards issued by the International Accounting Standards Board and approved by the European Union ("EU") were effective in 2014:

- **IFRS 10 "Consolidated Financial Statements"**- they were approved by the EU on 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **IFRS 11 "Joint Arrangements"**- they were approved by the EU on 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **IFRS 12 "Disclosure of Interests in Other Entities"**-they were approved by the EU on 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **IAS 27 (amended in 2011) "Separate Financial Statements"**-they were approved by the EU on 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **IAS 28 (amended in 2011) "Investments in Associates and Joint Ventures"**- they were approved by the EU on 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 „Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities"** –commentaries related to temporary regulations. They were approved by the EU on 4<sup>th</sup> of April, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statement", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements"** – investments units. They were approved by the EU on 20<sup>th</sup> of November, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014)
- **Amendments to IAS 32 "Financial Instruments: Presentation"** - Offsetting Financial Assets and Financial Liabilities. They were approved by the EU on 13<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **Amendments to IAS 36 "Impairment of Assets"** – Recoverable Amounts Disclosures for Non-Financial Assets. They were approved by the EU on 19<sup>th</sup> of December, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting. They were approved by the EU on 19<sup>th</sup> of December, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014).

According to Comarch Group estimates the changes to standards presented above did not affect the company's accounting policy.

***Standards and Interpretations published and approved by the EU, but not yet effective***

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **IFRIC 21 “Levies”** (effective for annual periods beginning on or after the 17<sup>th</sup> of June, 2014).

***Standards and Interpretations adopted by IASB but not yet approved by the EU***

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the 2<sup>nd</sup> of March, 2015, (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 “Financial Instruments” and the subsequent changes** (the effective date has not been established yet),
- **IFRS 14 „Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IFRS 11 "Joint Arrangements"** - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),
- **Amendments to various standards “Annual Improvements (period 2010-2012)”** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014),
- **Amendments to various standards “Annual Improvements (period 2011-2013)”** – adopted within the frame of annual improvements process to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40). The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014).

The Management Board of the company anticipates that application of IFRS 15 may, in the future, impact the amounts and recognitions presented in the consolidated financial statement of the Capital Group. However, there is no possibility to present any reliable estimations related to the impact of IFRS 15, as long as the Group conducts the detailed analysis of this issue. According to the parent company's estimates, other abovementioned standards, interpretation and amendments to standards would not significantly impact the financial statements, if applied as at the balance sheet date.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities

have not been adopted by the EU.

According to the parent company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the financial statements, if applied as at the balance sheet date.

### **3. Notes to the Consolidated Financial Statement**

#### **3.1 Approving the Financial Statement for 2013**

On the 26<sup>th</sup> of June 2014, the consolidated financial statement for the financial year of 2013 was approved at the General Shareholders' Meeting. On the 8<sup>th</sup> of July, 2014, in compliance with the law, it was delivered to the National Court Register.

#### **3.2 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 sale of IT systems and services, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estates investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services and software production for medicine sector (hereinafter referred to as the "Medical segment").

IT segment has a dominant share in sales revenues, 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.

In 2014, the share of none of the customer exceeded 10% of the sale in the Comarch Group sales, and no supplier provided products and merchandise at the value exceeding 10% of the Comarch Group proceeds on sale.

Over 2014, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 21% in the second quarter, 24% in the third quarter and 35% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch. In the company's opinion, over 2015, Group's revenue structure will be similar to that observed in the previous year.

Detailed data related to the segments are presented below.

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2014

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2013	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients	626,632	197,961	99,527	3,359	13,507	12,016	-	953,002
<i>including:</i>								
<i>revenues from sales</i>	621,422	195,022	98,504	218	12,743	11,067	-	938,976
<i>To customers in Telecommunication, Media, IT sector</i>	94,734	77,241	46,293	-	-	-	-	218,268
<i>To customers in Finance and Banking sector</i>	124,305	4,960	12,903	-	-	-	-	142,168
<i>To customers in Trade and services sector</i>	59,383	6,683	36,311	-	-	-	-	102,377
<i>To customers in Industry&amp;Utilities</i>	86,318	5,196	2,492	-	-	-	-	94,006
<i>To customers in Public sector</i>	157,255	38	493	-	-	-	-	157,786
<i>To customers in small and medium enterprises sector</i>	84,294	100,904	-	-	-	-	-	185,198
<i>To customers in Medicine sector</i>	12,959	-	-	-	-	11,067	-	24,026
<i>To other customers</i>	2,174	-	12	218	12,743	-	-	15,147
<i>other operating revenue</i>	6,552	2,521	846	78	764	949	-	11,710
<i>finance revenue</i>	(1,342)	418	177	3,063	-	-	-	2,316
Revenues per segment - sales to other segments	177,692	20,586	25,102	2,728	8,594	6,094	(240,796)	-
Revenues per segment - total*	804,324	218,547	124,629	6,087	22,101	18,110	(240,796)	953,002
Costs per segment relating to sales to external clients	574,405	205,278	87,090	2,887	20,240	26,340	-	916,240
Costs per segment relating to sales to other segments	177,692	20,586	25,102	2,727	8,595	6,094	(240,796)	-
Costs per segment - total*	752,097	225,864	112,192	5,614	28,835	32,434	(240,796)	916,240
Current taxes	(5,363)	(5,240)	(5,039)	-	-	-	-	(15,642)
Assets for the tax due to investment allowances and other tax relief	(233)	3,996	(22)	(1,638)	87	(18)	-	2,172
Share of segment in the result of parties valued using the equity method of accounting	(38)	-	-	-	-	-	-	(38)
Net result	46,593	(8,561)	7,376	(1,165)	(6,647)	(14,342)	-	23,254
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	46,593	(8,408)	7,376	(1,165)	(4,977)	(14,342)	-	25,077
<i>result attributable to minority interest</i>	-	(153)	-	-	(1,670)	-	-	(1,823)

\*) Items comprise revenues 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 31<sup>st</sup> of December, 2013 as well as investment expenditures and depreciation for 12 months ended 31<sup>st</sup> of December, 2013 are as follows:

	IT Segment		Other	Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH					
Assets	689,136	182,842	65,556	121,482	46,369	36,916	1,142,301
Liabilities	361,650	91,692	12,960	1,884	16,507	19,897	504,590
Investment expenditures	27,054	20,536	1,330	18,595	780	3,096	71,391
Depreciation	30,013	24,908	856	1,014	2,005	5,699	64,495

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2014

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2014	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients	638,538	226,441	149,504	2,121	19,601	14,109	-	1,050,314
<i>including:</i>								
<i>revenues from sales</i>	633,228	224,960	148,224	529	17,341	14,069	-	1,038,351
<i>To customers in Telecommunication, Media, IT sector</i>	86,733	109,091	67,520	-	-	-	-	263,344
<i>To customers in Finance and Banking sector</i>	121,153	4,063	13,528	-	-	-	-	138,744
<i>To customers in Trade and services sector</i>	49,279	5,322	63,197	-	-	-	-	117,798
<i>To customers in Industry&amp;Utilities</i>	87,386	4,128	2,595	-	-	-	-	94,109
<i>To customers in Public sector</i>	170,568	-	1,384	-	-	-	-	171,952
<i>To customers in small and medium enterprises sector</i>	99,463	102,356	-	-	-	-	-	201,819
<i>To customers in Medicine sector</i>	16,980	-	-	-	-	14,069	-	31,049
<i>To other customers</i>	1,666	-	-	529	17,341	-	-	19,536
<i>other operating revenue</i>	4,770	1,548	920		1,496	40	-	8,774
<i>finance revenue</i>	540	(67)	360	1,592	764	-	-	3,189
Revenues per segment - sales to other segments	255,003	22,549	14,202	2,780	8,639	9,320	(312,493)	
Revenues per segment - total*	893,541	248,990	163,706	4,901	28,240	23,429	(312,493)	1,050,314
Costs per segment relating to sales to external clients	564,810	212,828	125,626	2,194	17,072	34,214	-	956,744
Costs per segment relating to sales to other segments	255,003	22,549	14,202	2,780	8,639	9,320	(312,493)	-
Costs per segment - total*	819,813	235,377	139,828	4,974	25,711	43,534	(312,493)	956,744
Current taxes	(13,550)	(5,633)	(9,542)	(352)	-	-	-	(29,077)
Assets for the tax due to investment allowances and other tax relief	3,866	1,342	(29)	(619)	-408	1,244		5,396
Share of segment in the result of parties valued using the equity method of accounting	(993)	-	-	-	-	-	-	(993)
Net result	63,051	9,322	14,307	(1,044)	2,121	(18,861)	-	68,896
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	63,051	9,039	14,307	(1,044)	1,402	(18,861)	-	67,894
<i>result attributable to minority interest</i>	-	283	-	-	719	-	-	1,002

\*) Items comprise revenues 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 31<sup>st</sup> of December, 2014 as well as investment expenditures and depreciation for 12 months ended 31<sup>st</sup> of December, 2014 are as follows:

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	702,928	200,005	118,194	113,764	40,645	41,019	1,216,555
Liabilities	367,452	92,040	23,013	2,279	13,358	17,720	515,862
Investment expenditures	71,320	10,981	706	17,594	1,273	1,633	103,507
Depreciation	29,731	15,671	896	847	1,388	5,847	54,380

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: Poland, DACH (Germany, Austria and Switzerland) and Other countries. The Sport segment, the Investment segment and the Medicine segment operate solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

The following tables present a geographical structure of revenues from sales, assets and investment expenditures.

#### Revenues from basic sales - activities location

	12 months ended 31 December 2014		%	12 months ended 31 December 2013		%
Poland	665,167	64.0%		645,452	68.7%	
DACH	224,960	21.7%		195,021	20.8%	
Other countries	148,224	14.3%		98,503	10.5%	
<b>TOTAL</b>	<b>1,038,351</b>	<b>100.0%</b>		<b>938,976</b>	<b>100.0%</b>	

The above-mentioned label presents a geographical structure of revenues by the Comarch Group clients' offices.

#### Assets – activities location

	12 months ended 31 December 2014		%	12 months ended 31 December 2013		%
Poland	898,355	73.8%		905,387	79.3%	
DACH	200,005	16.5%		182,842	16.0%	
Other countries	118,195	9.7%		54,072	4.7%	
<b>TOTAL</b>	<b>1,216,555</b>	<b>100.0%</b>		<b>1,142,301</b>	<b>100.0%</b>	

#### Investments expenditures - activities location

	12 months ended 31 December 2014	12 months ended 31 December 2013
Poland	91,819	49,526
DACH	10,981	20,536
Other countries	707	1,329
<b>TOTAL</b>	<b>103,507</b>	<b>71,391</b>

### 3.3 Property, Plant and Equipment

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
<b>At 1 January 2013</b>				
Cost or valuation	311,105	202,354	40,747	554,206
Accumulated depreciation	(34,526)	(142,204)	(19,761)	(196,491)
Net book amount	276,579	60,150	20,986	357,715
<b>Year ended 31 December 2013</b>				
Opening net book amount	276,579	60,150	20,986	357,715
Additions	26,224	36,221	4,257	66,702
Disposals	(28,467)	(1,133)	(178)	(29,778)
Depreciation charge	(6,613)	(22,257)	(4,944)	(33,814)
Closing net book amount	267,723	72,981	20,121	360,825
<b>At 31 December 2013</b>				
Cost or valuation	308,862	237,318	44,826	591,006
Accumulated depreciation	(41,139)	(164,337)	(24,705)	(230,181)
Net book amount	267,723	72,981	20,121	360,825
Transferring to investment real estates – gross value	(7,876)	-	-	(7,876)
<b>Opening balance after the change in presentation</b>				
<b>Year ended 31 December 2014</b>				
Opening net book amount	259,847	72,981	20,121	352,949
Additions	47,974	22,922	2,392	73,288
Disposals	-	(1,153)	(1)	(1,154)
Depreciation charge	(6,601)	(22,968)	(4,556)	(34,125)
Closing net book amount	301,220	71,782	17,956	390,958
<b>At 31 December 2014</b>				
Cost or valuation	348,960	259,087	47,217	655,264
Accumulated depreciation	(47,740)	(187,305)	(29,261)	(264,306)
Net book amount	301,220	71,782	17,956	390,958

Property, plant and equipment comprise mostly real estate and machinery owned by Group. As at the 31<sup>st</sup> of December, 2014, propriety of Group are five office buildings in the Special Economic Zone in Krakow (“SEZ”) at 45,051 square metres of the total space, two office buildings in Warsaw at 2,582 square metres of the total space and office and storage buildings in Łódź, one office and storage building in Lille and office buildings and data centre in Dresden. Group owns also lands in the Special Economic Zone in Krakow at 3.5 ha of the total space. As at the 31<sup>st</sup> of December, 2014, property, plant and equipment under construction comprise mostly expenditures related to construction of the SSE6 building and the modernisation works of buildings used by Group.

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o., for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounts to PLN 62,268 thousand. In the fourth quarter of 2013, Comarch S.A. began construction works. On the 16<sup>th</sup> of January, 2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium. On the 30<sup>th</sup> of March, 2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium (current reports no. RB-5-2015 and RB-9-

2015).

In the first quarter of 2012, iMed24 S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24- medical centre) using diagnostic and medical equipment purchased in 2011. As at the 31<sup>st</sup> of December, 2014, book value of this equipment amounts to PLN 11.208 million.

In Łódź, design works are performed and related to a new office building. In April, 2014, Group obtained a building permit. Realization of a designed investment is planned for the second quarter of 2015.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. Decision on commencing of the investment will depend on the current business condition in the following periods.

As at 31<sup>st</sup> of December, 2014, bank borrowings are secured on land and buildings for the value of PLN 271.717 million (ordinary mortgages, real estate mortgages in BNP Paribas Bank Polska S.A. (formerly: Fortis Bank Polska S.A.), BZ WBK S.A. (formerly: Kredyt Bank S.A.), Pekao S.A. and PKO BP S.A.) and other property, plant and equipment in use in the amount of PLN 19.973 million. The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to PLN 235.515 million.

	2014	2013
Amount of interest on credits capitalised on investments in non-current assets	255	140

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

	31 December 2014	31 December 2013
Buildings	59,085	11,709
Equipment	3,794	775
Other	0	0
<b>Total</b>	<b>62,879</b>	<b>12,484</b>

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of PLN 29.525 million (PLN 28.941 million in 2013), costs of sales in the amount of PLN 2.336 million (PLN 2.554 million in 2013), administrative expenses in the amount of PLN 2.161 million (PLN 2.162 million in 2013) and social activities expenses in the amount of PLN 0.105 million (PLN 0.157 million in 2013).

### Assets in finance leasing

As at the 31<sup>st</sup> of December, 2014, the Group had no liabilities due to a finance lease.

Net equity	459
Interest	59

The Group has no due liabilities due leasing fees.

Interest	0
Net equity	0

### 3.4 Investment Real Estates

	31 December 2014	31 December 2013
Lands	8,538	1,098
Buildings	7,581	6,778
<b>Total</b>	<b>16,119</b>	<b>7,876</b>

As at the 31<sup>st</sup> of December, 2014, investment real estates comprise plots developed, placed in Krakow and used for lease to the entities outside Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside Group, as well as a real estate located in Kostrzyń leased to the entities outside Group.

Investment real estates were separated in relation to a change in method of using the owned real estates and significant purchase of such real estates in 2014.

In order to compare, there were presentation changes as at 31<sup>st</sup> of December, 2013, in the consolidated balance sheet and the following notes: "Investment real estates" and "Property, plant and equipment".

### 3.5 Goodwill

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

	31 December 2014	31 December 2013
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
A-MEA Informatik AG*	8,413	8,413
ESAProjekt sp. z o.o.	0	3,326
<b>Total</b>	<b>40,735</b>	<b>44,061</b>

\*) On the 26<sup>th</sup> of March, 2013, a merger between A-MEA Informatik AG and Comarch Swiss AG was registered.

#### 3.5.1 Acquisition of Subsidiaries

	Core Activities	Acquisition Date	(%) of Purchased Shares (%)	Acquisition Cost PLN'000
<b>2008</b>				
Comarch Software und Beratung AG	IT	2008-11-18	50.15%	44,685
<b>2009</b>				
Comarch Software und Beratung AG	IT	2009-02-09	30.74%	31,901
<b>2012</b>				
Comarch Software und Beratung AG	IT	2012-10-19	5%	3,777
A-MEA Informatik AG	IT	2012-01-30	100%	5,717
A-MEA Informatik AG	IT	2012-02-27	-	2,578
ESAProjekt Sp. z o.o.	IT	2012-04-27	100%	12,200

### 3.5.2 Test for Goodwill Impairment

On the 31<sup>st</sup> of December, 2014, the Comarch Group ran a test for loss in value regarding goodwill in relation to acquisition of Comarch Software und Beratung AG and it did not show any loss in value. The assessment of the fair value of a cash generating unit was done based on the useful value valuation model with the discounted cash flow method (DCF). The predicted cash flow for particular Comarch SuB product lines are based on sales results in 2014, the Comarch SuB Group budget for 2015, and the forecast for 2015-2019, development estimates of the German market within the upcoming years and growth rate of 0.5% remaining constant beginning from 2019. The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average capital cost (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk. The weighted average capital cost applied in the model amounted to 8.28%.

On the 31<sup>st</sup> of December, 2014, the Comarch Group ran also tests for loss in value regarding goodwill in relation to acquisitions of A-MEA Informatik AG and they did not show any loss in value.

On the 31<sup>st</sup> of December, 2014, value regarding goodwill in relation to acquisition of ESAProjekt sp. z o.o. amounted to PLN 0, as a result of test for loss in value.

The Group considers IT Segment, comprising companies in the Comarch Group before acquisition of the Comarch SuB Group, as a cash generating unit thereby doesn't allocate the goodwill, that was worth PLN 3.284 million and recognised in relation to purchases of shares in Comarch Kraków S.A., CDN Comarch S.A., Comarch Inc. and Comarch AG, to particular companies of the Group. A test for loss in value in reference to the goodwill that was run on the 31<sup>st</sup> of December, 2014, did not show any loss in value. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. The Management Board of the parent company ran also the analysis of the P/E index for companies in the IT sector registered with the Warsaw Stock Exchange and assessed on this basis the estimated market value of the IT Segment in the Comarch Group as at the 31<sup>st</sup> of December, 2014. P/E index for IT sector companies listed on the Warsaw Stock Exchange, conducting business activities similar to Comarch S.A., was taken for analysis and amounted to 18.90. It was not adjusted to the needs of the test. The above analyses did not show any loss in value in reference to the goodwill.

### 3.6 Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
<b>At 31 December 2012</b>					
Cost (gross)	3,262	39,940	130,474	26,875	200,551
Accumulated amortisation and impairment	(2,095)	(812)	(88,753)	(12,490)	(104,150)
Net book value	1,167	39,128	41,721	14,385	96,401
<b>Year ended 31 December 2013</b>					
Opening net book amount	1,167	39,128	41,721	14,385	96,401
Additions	1,308	-	12,623	718	14,649
Disposals	-	-	(102)	(547)	(649)
Amortisation charge	(57)	(93)	(26,081)	(4,450)	(30,681)
Closing net book amount	2,418	39,035	28,161	10,106	79,720
<b>At 31 December 2013</b>					
Cost (gross)	4,570	39,940	143,723	27,045	215,278
Accumulated amortisation and impairment	(2,152)	(905)	(115,562)	(16,939)	(135,558)
Net book value	2,418	39,035	28,161	10,106	79,720
<b>Year ended 31 December 2014</b>					
Opening net book amount	2,418	39,035	28,161	10,106	79,720
Additions	1,067	-	11,350	890	13,307
Disposals	(2,408)	-	-	(47)	(2,455)
Amortisation charge	(58)	(93)	(16,230)	(3,874)	(20,255)
Closing net book amount	1,019	38,942	23,281	7,075	70,317
<b>At 31 December 2014</b>					
Cost (gross)	3,229	39,940	155,073	27,888	226,130
Accumulated amortisation and impairment	(2,210)	(998)	(131,792)	(20,813)	(155,813)
Net book value	1,019	38,942	23,281	7,075	70,317

The Group presented expenses for research and development works directly in costs, with no previous activation, in the amount of PLN 11.494 million.

I. Other intangibles include, in particular, valuation of software acquired from ESAProjekt Sp. z o.o. goodwill in the amount of PLN 4.942 million, value of relationship with Comarch Swiss AG (formerly A-MEA Informatik AG) customers in the amount of PLN 1.252 million, and the right to use the players' cards in the amount of PLN 0.762 million. All other items of the intangible assets were disposed.

The general amount of depreciation is given in the income statement, whereas PLN 15.058 million is given in the generation costs and the remaining part is presented in the administrative expenses (PLN 2.574 million) and sales costs (PLN 2.623 million).

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31.65 million is considered the intangible asset with unspecified period of use and is not depreciated. Land of the company of MKS Cracovia SSA in perpetual usufruct is not subject to depreciation, as it is of unspecified period of use due to the fact that 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. The city supports sport activities, including MKS Cracovia SSA, by way of, among others:

– additional financing of sport infrastructure

– accumulated depreciation 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 31<sup>st</sup> of December, 2014

As at the 31<sup>st</sup> of December, 2014, analysis was performed on changes in prices of real estate properties in Krakow in 2014, based on reports „Real Estate Market Review: Summary of 2014” by Colliers International ([www.colliers.com](http://www.colliers.com)), and articles published by trade portals, from which it follows that in 2014 an average price of land in Krakow did not change. It was determined that no loss occurred in the value of perpetual usufruct right to land owned by the Comarch Group in 2014.

III. Intangible assets purchased as a result of the acquisition of the Comarch Software und Beratung Group are comprised of property rights for the software: Semiramis, SharkNex, SoftM Suite ERP, SoftM Suite Financials, Schilling, DKS and Infostore. The above-mentioned intangible assets were presented in fair value in the Comarch Group’s balance sheet. The assessment of the fair value was done as of the date of acquisition based on a useful value valuation model with the discounted cash flow method. The estimated value of software is PLN 62.237 million. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the Comarch Software Group. 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 period ended up in November 2013.

### 3.7 Non-Current Prepayments

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Opening balance	904	904
Changes due to:		
- settlement and transfer to non-current prepayments	(367)	-
<b>Closing balance</b>	<b>537</b>	<b>904</b>

### 3.8 Investment in Associates

As at 31<sup>st</sup> of December, 2014, the Group had shares in associates.

<b>At 1 January 2013</b>	<b>244</b>
Share in profit for 2013	(216)
Loans granting	141
Loans repayment	(120)
<b>At 31 December 2013</b>	<b>49</b>
<b>At 1 January 2014</b>	<b>49</b>
Share in the increased capital and profit for 2014 of Sointeractive S.A.	471
Acquiring shares in and share in profit of Volatech Capital Advisors S.A. (currently Metrum Capital S.A.)	68
Loans repayment	(21)
<b>At 31 December 2014</b>	<b>567</b>

	<b>Country of incorporation</b>	<b>Assets</b>	<b>Liabilities</b>	<b>% shares held</b>
<b>At 31 December 2013</b>				
SolInteractive S.A.	Poland	2,969	1,470	30.72
<b>At 31 December 2014</b>				
SolInteractive S.A.	Poland	3,381	1,591	42.98
	<b>Country of incorporation</b>	<b>Revenue</b>	<b>Profit /(Loss)</b>	<b>% shares held</b>
<b>12 months ended 31 December 2013</b>				
SolInteractive S.A.	Poland	7,276	69	30.72
<b>12 months ended 31 December 2014</b>				
SolInteractive S.A.	Poland	8,643	291	42.98

As at 31<sup>st</sup> of December, 2014, investment in associates includes interest and shares in SolInteractive S.A. acquired by CCF FIZ and Bonus Management sp. z o.o. II Activia SKA. They constitute 42.98% of shares in the company (27.37% of votes). The investment in associates includes also shares in Volatech Capital Advisors S.A (currently Metrum Capital S.A.). Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) in the total amount of PLN 0.567 million.

### 3.9 Inventories

	<b>31 December 2014</b>	<b>31 December 2013</b>
Raw materials	2,211	701
Work in progress	28,289	33,716
Finished goods	16,763	18,777
Advance due to finished goods	656	493
	<b>47,919</b>	<b>53,687</b>

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 427.697 million (12 months ended the 31<sup>st</sup> of December, 2014), PLN 539.772 million (12 months ended the 31<sup>st</sup> of December, 2013).

Due to impairment, write-offs revaluing inventories were recognised in the amount of PLN 0.350 million, at the same time write-offs were dissolved in the amount of PLN 0.309 million. The total effect of the all above-mentioned operations on the result of 2014 was PLN 0.041 million (a decrease in result).

No hedging was performed in inventories owned by the Group.

On the basis of current continuous tendency within the scope of settling the production under construction, the Group estimates that after 12 months from the balance sheet date approximately PLN 9.4 million will have to be settled. Other inventories will be settled in total within 12 months.



### 3.10 Categories and Classes of Financial Instruments

Assets and financial liabilities are presented by categories (according to IAS 39) as follows:

	31 December 2014	31 December 2013
<b>Financial assets</b>		
At fair value through the income statement (note 3.12)	13	1,644
Own receivables (including cash and cash equivalents)	564,045	531,732
Available-for sale financial assets (note 3.11)	-	6,685
<b>Total</b>	<b>564,058</b>	<b>540,061</b>
<b>Financial liabilities</b>		
At fair value through the income statement	2,773	-
Financial liabilities	518	1,008
Other financial liabilities	282,415	325,084
Financial guarantees contracts	-	-
<b>Total</b>	<b>285,706</b>	<b>326,092</b>

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

	31 December 2014	31 December 2013
<b>Own receivables and cash and cash equivalents</b>		
Receivables from related parties (note 3.13)	465	47
Receivables from related parties - non-current	-	-
Receivables from other entities - current (note 3.13)	331,117	362,357
Receivables from other entities - non-current	-	1,639
Cash and cash equivalents (note 3.14)	232,463	167,689
<b>Total</b>	<b>564,045</b>	<b>531,732</b>

	31 December 2014	31 December 2013
<b>Financial liabilities</b>		
Liabilities due to credits (note 3.18)	142,115	131,451
Liabilities to related parties (note 3.16)	1,273	467
Liabilities to other entities - current (note 3.16)	138,920	193,166
Liabilities to other entities – non-current	107	-
At fair value through the income statement (3.12)	2,773	-
Liabilities due to finance lease (note 3.16)	518	1,008
<b>Total</b>	<b>285,706</b>	<b>326,092</b>

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

	Financial assets		Financial liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Currency - PLN	310,352	308,728	115,713	163,083
Currency - EUR	168,806	177,571	150,677	146,259
Currency - USD	21,678	22,294	2,444	7,761
Currency - GBP	32,411	15,842	9,852	4,785
Currency - UAH	2,281	753	26	156
Currency - AED	-	814	-	74
Currency - SKK	-	8	-	-
Currency - RUB	1,219	1,417	140	109
Currency - CHF	8,067	5,354	4,719	1,942
Currency - CAD	8,910	5,660	1,773	1,802
Currency - BRL	8,650	-	234	-
Currencies - other	1,684	1,620	128	121
<b>Total</b>	<b>564,058</b>	<b>540,061</b>	<b>285,706</b>	<b>326,092</b>

As at the 31<sup>st</sup> of December, 2013, 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	47	-	-	-	47
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	343,907	14,905	3,488	57	362,357
Receivables from other parties – non-current	1,639	-	-	-	1,639
Cash and cash equivalent (note 3.14)	167,689	-	-	-	167,689
<b>Total</b>	<b>513,282</b>	<b>14,905</b>	<b>3,488</b>	<b>57</b>	<b>531,732</b>

As at the 31<sup>st</sup> of December, 2014, 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	465	-	-	-	465
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	329,830	1,287	-	-	331,117
Receivables from other parties – non-current	-	-	-	-	-
Cash and cash equivalent (note 3.14)	232,463	-	-	-	232,463
<b>Total</b>	<b>562,758</b>	<b>1,287</b>	<b>-</b>	<b>-</b>	<b>564,045</b>

As at the 31<sup>st</sup> of December, 2013, maturity periods of particular classes of financial liabilities are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Liabilities due to credits (note 3.19)	20,700	35,064	46,787	28,900	131,451
Liabilities to related parties	467	-	-	-	467
Liabilities to other entities - current	192,904	262	-	-	193,166
Liabilities to other entities – non-current	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Liabilities due to finance lease	409	308	291	-	1,008
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>214,480</b>	<b>35,634</b>	<b>47,078</b>	<b>28,900</b>	<b>326,092</b>

As at the 31<sup>st</sup> of December, 2014, maturity periods of particular classes of financial liabilities are presented as follows:

	<b>1 year or less</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Liabilities due to credits (note 3.19)	20,042	20,755	58,347	42,971	142,115
Liabilities to related parties	1,273	-	-	-	1,273
Liabilities to other entities - current	138,916	4	-	-	138,920
Liabilities to other entities – non-current	-	24	-	83	107
Derivative financial instruments	2,773	-	-	-	2,773
Liabilities due to finance lease	96	368	54	-	518
Other financial liabilities	-	-	-	-	-
<b>Total</b>	<b>163,100</b>	<b>21,151</b>	<b>58,401</b>	<b>43,054</b>	<b>285,706</b>

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

#### **Own receivables**

	<b>Valuation method</b>
Receivables from related parties (note 3.13)	according to the adjusted acquisition price
Receivables from other entities – current (note 3.13)	according to the adjusted acquisition price
Receivables from other entities – non-current	according to the adjusted acquisition price
Cash and cash equivalents (note 3.14)	at the fair value

#### **Financial liabilities**

	<b>Valuation method</b>
Liabilities due to credits (note 3.19)	according to the adjusted acquisition price
Liabilities to related parties (note 3.17)	according to the adjusted acquisition price
Liabilities to other entities - current (note 3.17)	according to the adjusted acquisition price
Liabilities to other entities – non-current	according to the adjusted acquisition price
Liabilities due to finance lease (note 3.17)	according to the adjusted acquisition price

Within the reporting period, the company did not retrained items of financial assets to those valuated according to costs, adjusted acquisition costs or fair value. The Group has not hedged financial assets.

### 3.11 Available-for-Sale Financial Assets

	12 months ended 31 December 2014	12 months ended 31 December 2013
<b>At the beginning of the year</b>	<b>6,685</b>	<b>1,616</b>
Additions H1	137	15
Disposal H1	-	-
<b>At 30 June</b>	<b>6,822</b>	<b>1,631</b>
Additions Q3	-	21
Disposal Q3	6,822	-
<b>At 30 September</b>	<b>-</b>	<b>1,652</b>
Additions Q4	-	5,033
<b>At 31 December</b>	<b>-</b>	<b>6,685</b>

In the periods related to this statement, no write-offs due to loss in value of available-for-sale financial assets were performed.

In the third quarter of 2014, Group sold investments units in money market and debt securities fund, which had been purchased as a deposit for free monetary means. Participation units' turnover is held beyond the scope of the regulated market.

### 3.12 Derivative Financial Instruments

#### a) Assets

	31 December 2014	31 December 2013
Forward foreign exchange contracts – held-for-trading	13	1 641
Transaction on change of IRS	-	3
	<b>13</b>	<b>1,644</b>
<i>Current portion</i>	13	1,644
<i>Non-current portion</i>	-	-

#### b) Liabilities

	31 December 2014	31 December 2013
Forward foreign exchange contracts – held-for-trading	1,539	-
Transaction on change of IRS	1,234	-
	<b>2,773</b>	-
<i>Current portion</i>	1,369	-
<i>Non-current portion</i>	1,404	-

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro. As at 31<sup>st</sup> of December, 2014, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at 31<sup>st</sup> of December, 2014, amounted to EUR 14.5 million, USD 8.3 million, GBP 3.9 million, CAD 1.35 million and CHF 0.5 million. After the balance sheet date, the Comarch Group concluded forward contracts for sales of USD 2.3 million.

On the 24<sup>th</sup> of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30<sup>th</sup> of September, 2013 from Powszechna Kasa Oszczędności Bank Polski 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 for the period of 5 years, i.e. till the 31<sup>st</sup> of October, 2018. As at the 31<sup>st</sup> of December, 2014, valuation of the IRS transaction amounted to minus PLN 0.343 million. On the 27<sup>th</sup> of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevolving credit taken on the 4<sup>th</sup> of January, 2013 from Bank Zachodni WBK S.A. (formerly Kredyt Bank S.A.) with its registered office in Wrocław. 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 5 years, i.e. till the 28<sup>th</sup> of June, 2019. As at the 31<sup>st</sup> of December, 2014, valuation of IRS transaction amounted to minus PLN 0.215 million

On the 9<sup>th</sup> 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. (formerly Fortis 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 29<sup>th</sup> of July, 2024. As at the 31<sup>st</sup> of December, 2014, valuation of the IRS transaction amounted to minus PLN 0.676 million.

### 3.13 Trade and Other Receivables

	31 December 2014	31 December 2013
Trade receivables	305,915	331,046
Write-off revaluating receivables	(18,747)	(9,226)
Trade receivables – net	287,168	321,820
Other receivables	27,530	22,556
Short-term prepayments	9,219	7,804
Other prepayments	1,687	396
Loans	2,380	9,781
Receivables from related parties	465	47
<b>Total</b>	<b>328,449</b>	<b>362,404</b>
<i>Current portion</i>	<i>328,449</i>	<i>362,404</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 internationally dispersed customers. In 2014, Group recognised a write-off due to loss in value of its trade receivables that was worth PLN 19.626 million (12 months ended the 31<sup>st</sup> of December, 2014), PLN 8.166 million (12 months ended the 31<sup>st</sup> of December, 2013)

### 3.14 Cash and Cash Equivalents

	31 December 2014	31 December 2013
Cash in hand, cash at banks	171,749	131,718
Current bank deposit	60,687	35,922
<b>Total cash and cash equivalents</b>	<b>232,436</b>	<b>167,640</b>
Due interest on bank deposit	27	49
<b>Total cash and cash equivalents</b>	<b>232,463</b>	<b>167,689</b>

In 2014 effective interest rates for short-term bank deposits were 2.22% for PLN, 0.201% for EUR, 0.20% for USD, 0.31% for GBP and 0.38% for CAD. The average maturity period for these deposits was 6.39 day for PLN, 9.0 day for EUR, 7.59 day for USD, 6.5 day for GBP and 11.33 day for CAD. 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.

As at the 31<sup>st</sup> of December, 2014, the Group had cash with limited disposal rights in the amount of PLN 6.526 million, including: a security deposit set by companies in the Comarch Group in relation to concluded rental contracts and bank guarantees in the amount of PLN 3.377 million, funds received for implementation of projects co-financed with a subsidy in the amount of PLN 2.680 million and cash in a separate bank account of the Social Services and Residential Fund in the amount of PLN 0.469 million.

### 3.15 Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
At 1 January 2013	8,051,637	8,051,637	-	8,051,637
At 31 December 2013	8,051,637	8,051,637	-	8,051,637
<i>31 March 2014 - registration of an increase in the company's share capital</i>	73,953	73,953	-	73,953
<b>At 31 December 2014</b>	<b>8,125,590</b>	<b>8,125,590</b>	<b>-</b>	<b>8,125,590</b>

The nominal value of one share is PLN 1.

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

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 ordinary bearer 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 bearer shares is allowed. In case of that registered shares are converted into bearer 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.

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 bearer share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

#### 3.15.1. 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 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM.

#### 3.15.2. Changes in Share Capital in 2014

- a) On the 25<sup>th</sup> of July, 2014, a member of Comarch S.A.'s Management Board purchased 187 ordinary bearer Comarch S.A shares for price of PLN 78.0 each. The value of the transaction amounted to PLN 14,586.00. Information was prepared on the 12<sup>th</sup> of January, 2015 in Krakow.

b) On the 23<sup>rd</sup> of December, 2014, a member of Comarch S.A.'s Management Board sold 30 ordinary bearer Comarch S.A shares for price of PLN 110.10 each. The value of the transaction amounted to PLN 3,303.00. Information was prepared on the 12<sup>th</sup> of January, 2015 in Krakow.

### **3.15.3. Managerial Option Program for Members of the Management Board and Other Key Employees**

#### **a) for 2011-2013**

On 28<sup>th</sup> of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. The objective of the programme was to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option was at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as follows:

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,
  - for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
  - for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,
- where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the programme. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option programme (once by result and second by dilution).

The difference between the average capitalisation in 2011 and the average capitalisation in 2010 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees were not issued in 2012.

The difference between the average capitalisation in 2012 and the average capitalisation in 2011 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees will not be issued in 2013.

The determined Option's value amounts to PLN 2.87 million and it was recognised as cost in the income statement.

The difference between the average capitalisation in 2013 and the average capitalisation in 2012 is positive, as a result, shares for members of the Management Board and Key Employees were issued in 2014.

Acting in execution of the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28<sup>th</sup> of June, 2010, regarding the managerial option program for key employees, on the 13<sup>th</sup> of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. RB-2-2014 dated the 13<sup>th</sup> of January, 2014). In consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20<sup>th</sup> of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. RB-3-2014 dated the 20<sup>th</sup> of January, 2014).

Shares were granted to members of Comarch S.A.'s Management Board as follows:

Name and surname	Number of shares	Shares' value as at 31 December, 2013
Janusz Filipiak	49,305	PLN 4,782,585
Piotr Piątosza	4,108	PLN 398,476
Paweł Prokop	4,108	PLN 398,476
Piotr Reichert	4,108	PLN 398,476
Zbigniew Rymarczyk	4,108	PLN 398,476
Konrad Tarański	4,108	PLN 398,476
Marcin Warwas	4,108	PLN 398,476
<b>Total</b>	<b>73,953</b>	<b>PLN 7,173,441</b>

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. RB-7-2014 dated the 3<sup>rd</sup> of March, 2014).

On the 25<sup>th</sup> of April, 2014, Management Board of The National Depository of Securities S.A. passed the Resolution no. 424/14 on execution of the conditional registration of series K3 shares. The Management Board of the National Depository of Securities decided to register 73,953 ordinary bearer series K3 Comarch S.A. shares of a nominal value of PLN 1 each and mark them with the code PLCOMAR00012, providing that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares were introduced, providing that ordinary bearer series K3 will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that above-mentioned decision was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. Information was prepared on the 25<sup>th</sup> of April, 2014 in Krakow (current report no. RB-10-2014).

With the resolution no. 540/2014 dated the 6<sup>th</sup> of May, 2014, the Management Board of the Warsaw Stock Exchange decided that 73,953 ordinary bearer series K3 Comarch S.A. shares of nominal value of PLN 1 each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 8<sup>th</sup> of May, 2014, providing that on the 8<sup>th</sup> of May, 2014, they will be registered by the National Deposit for Securities and marked with the code "PLCOMAR00012". Information was prepared on the 6<sup>th</sup> of May, 2014 in Krakow (current report no. RB-12-2014).

The Operating Department of the National Deposit for Securities announced that on the 8<sup>th</sup> of May, 2014, 73,953 Comarch S.A. shares will be registered in the National Deposit for Securities (ISIN code: PLCOMAR00012, resolution no. 424/14 dated the 25<sup>th</sup> of April, 2014 of the KDPW S.A. Management Board). Information was prepared on the 6<sup>th</sup> of May, 2014 in Krakow (current report no. RB-13-2014).



Comarch S.A.'s share capital consists of:

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 ordinary bearer shares.

**b) for 2014-2016**

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options program for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the program was to additionally motivate members of the company's Management Board by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's Management Board. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the program was limited for 2014.

The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013, where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of 2013, the Board of Supervisors established a list of members of the company's Management Board participating the Program and Individual Option Ratios. Total value of Individual Option Ratios for all members of the company's Management Board amounts to 3.6% (three and six tenths per cent) of the increase in the company's capitalization. Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of members of the Management Board and single option factors for each subsequent year.

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the program. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option program (once by result and second by dilution).

The determined Option's value amounts to PLN 3.021 million and it will be recognised as cost in the income statement.

The Management Board of Comarch S.A. announced that acting in execution of the Resolution no. 36 of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, regarding the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of

Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. Shares will be offered to the entitled persons according to the provisions of the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, passed with Resolution no. 36 of the Annual General Meeting of the 26<sup>th</sup> of June, 2013 (current report no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015).

The Management Board of Comarch S.A. announced that pursuant to Art. 430-433, 444, 446 and 447 of the Code of Commercial Companies and Partnerships, and article 9 sec. 3-7 of the company's articles of association, in execution of the Resolution no. 36 of the Annual General Meeting dated 26<sup>th</sup> of June, 2013, passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 each and issue price of PLN 1, excluding a stock right of the current company's shareholders, in addition to changes in the company's articles of association within the scope. The company announced details in current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015.

Shares were granted to members of Comarch S.A.'s Management Board as follows:

Name and surname	Number of shares	Shares' value as at 31 December, 2014
Janusz Filipiak	5,173	PLN 597,481.50
Piotr Piątosza	431	PLN 49,780.50
Paweł Prokop	431	PLN 49,780.50
Piotr Reichert	431	PLN 49,780.50
Zbigniew Rymarczyk	431	PLN 49,780.50
Konrad Tarański	431	PLN 49,780.50
Marcin Warwas	431	PLN 49,780.50
<b>Total</b>	<b>7,759</b>	<b>PLN 896,164.50</b>

The following payments in the form of own shares were made within the current and previous periods:

Options' series	Number	Allocation date	Expiry date	Execution date PLN	Fair value as at allocation date PLN'000
(1) issued 31 December 2009	Dependent on market correspondant to 3.0% of the increase in Comarch S.A. capitalisation	31/12/2009	31/12/2010	1.00	2,980
(2) issued 31 December 2010	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation	31/12/2010	31/12/2011	1.00	2,643
(3) issued 31 December 2011	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation	31/12/2011	31/12/2012	1.00	1,566
(4) issued 31 December 2012	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation.	31/12/2012	31/12/2013	1.00	2,871
(5) issued 31 December 2013	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation.	31/12/2013	31/12/2014	1.00	3,021

### 3.15.4. Changes in Share Capital after the Balance Sheet Date

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearer Comarch S.A shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. Information was prepared on the 2<sup>nd</sup> of March, 2015 in Krakow.

### 3.16 Other Capitals

#### 3.16.1. Capital of the Company's Shareholders

	Capital from valuation of the managerial option	Investment capital and capital for covering the budget commitments	Supplementary capital from premium share	Total
<b>At 31 December 2013</b>	<b>22,119</b>	<b>745</b>	<b>122,341</b>	<b>145,205</b>
At 1 January 2014	22,119	745	122,341	145,205
Managerial option valuation	3,021	-	-	3,021
<b>At 31 December 2014</b>	<b>25,140</b>	<b>745</b>	<b>122,341</b>	<b>148,226</b>

In 2014, a total dividend was paid in the amount of PLN 13.271 million including PLN 12.188 million paid by parent company to its shareholders on the 18<sup>th</sup> of August, 2014, PLN 0.335 million paid by Bonus Development sp. z o.o. II Koncept SKA, PLN 0.383 million paid by Bonus Management Sp. z o.o. SKA and PLN 0.365 million paid by Bonus Management Sp. z o.o. II Activia SKA on the 1<sup>st</sup> of July, 2014.

The General Meeting decided, that net profit for the fiscal year 1.01.2013 - 31.12.2013 in the amount of PLN 45,584,120.35 was divided as follows:

a) PLN 12,188,385.00 was paid as dividend Persons who were the company's shareholders on the 31<sup>st</sup> of July, 2014, got the dividend in the amount of PLN 1.50 per one share. The dividend was allocated to 8,125,590 shares.

b) The remaining part of the net profit in the amount of 33,395,735.35 was passed in total to supplementary capital.

#### 3.16.2. Minority Capital

##### Minority capital

<b>At 31 December 2012</b>	<b>3,319</b>
At 1 January 2013	3,319
Changes in shareholding structure in MKS Cracovia SSA, CA Consulting S.A. and Comarch R&D S. à r.l.	9,707
Equity from taking over shares not giving control	169
MKS Cracovia SSA share in profit	(1,671)
Comarch SuB and CAMS AG share in profit	(152)
Currency differences due to valuation	(4)
<b>At 31 December 2013</b>	<b>11,368</b>
At 1 January 2014	11,368
Dividend paid	(1,083)
Results of subsidiaries for general partners outside the Group	1,083
MKS Cracovia SSA share in profit	719
Comarch SuB and CAMS AG share in profit	283
Currency differences due to valuation	15
<b>At 31 December 2014</b>	<b>12,385</b>

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

0.719 million.

Total subsidiary's minority interest as at the end of the reporting period: PLN 11.905 million.

**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).

	<b>31 December 2014</b>	<b>31 December 2013</b> (transformed)
Cracovia SSA		
Current assets	7,588	8,409
Non-current assets	40,304	38,844
Current liabilities	(7,232)	(9,125)
Non-current liabilities	(6,145)	(5,734)
	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Revenue	25,980	21,337
Profit (loss) from continued activities	2,121	(4,928)
Profit (loss) from discontinued activities (after tax)	-	-
Net profit for the period	2,121	(4,928)
Other total income for the period	-	-
Sum of total income for the period	2,121	(4,928)

**3.17 Trade and Other Payables**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Trade payables	61,988	121,824
Advances received due to services	993	1,252
Liabilities to related parties	1,273	467
Liabilities due to social insurance and other tax charges	46,885	43,245
Investments liabilities	6,025	3,248
Proceeds from future periods	18,291	18,389
Other payables	3,449	3,637
Special funds (Social Services Fund and Residential Fund)	1,313	1,571
<b>Total</b>	<b>140,217</b>	<b>194,042</b>

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

**3.18 Long-term Contracts**

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
a) revenues from completed contracts recognised in the reporting period	28,068	40,798
b) revenues from contracts not completed recognised in the reporting period	135,372	132,551
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	5,750	5,728
<b>Revenues due to long-term contracts recognised in the reporting period</b>	<b>169,190</b>	<b>179,077</b>

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 corresponds to revenues. At the end of the reporting period, long-term contracts were valued 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, 2013 and the 31st of December, 2014 are presented below:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	337,429	249,810
Issued invoices	(332,831)	250,962
	<b>4,598</b>	<b>(1,152)</b>

	<b>Long-term contracts receivables</b>	<b>Long-term contracts liabilities</b>	<b>Net</b>
<b>Revenues from long-term contracts included in the reporting period</b>			
Value at 1 January 2013	10,165	(17,045)	(6,880)
Change	22,099	(16,371)	5,728
<b>Value at 31 December 2013</b>	<b>32,264</b>	<b>(33,416)</b>	<b>(1,152)</b>
Change	20,841	(15,091)	5,750
<b>Value at 31 December 2014</b>	<b>53,105</b>	<b>(48,507)</b>	<b>4,598</b>

### 3.19 Credits and Loans

	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Non-current</b>		
Bank credits	121,593	110,630
Loans	-	121
	<b>121,593</b>	<b>110,751</b>
<b>Current</b>		
Bank overdraft	-	-
Loans	122	368
Bank credits	20,400	20,332
	<b>20,522</b>	<b>20,700</b>
<b>Total credit and loans</b>	<b>142,115</b>	<b>131,451</b>

#### 3.19.1. Investment credits

Comarch S.A. credit lines:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.25 million, i.e. PLN 1.065 million.
- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of PLN 44 million. The

crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 6.042 million, i.e. PLN 25.75 million.

- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate amounted to WIBOR1M+0.95%. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29<sup>th</sup> of May, 2012, an annex was concluded which extended it till 2015. At 31<sup>st</sup> of October, 2014, the credit was repaid in total.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.126 million. The crediting period may last 8 years at a variable interest rate amounted to EURIBOR1M+1.2%. The real estate mortgage in the amount of EUR 6.189 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 3.482 million, i.e. PLN 14.838 million.
- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+1.3%. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.873 million, i.e. PLN 3.72 million.
- f) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+1.3%. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 5.729 million, i.e. PLN 24.419 million.
- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+1.4%. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. RB-5-2014 dated the 20<sup>th</sup> of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of December, 2014, value of the credit taken out amounted to EUR 10.557 million, i.e. PLN 44.997 million.
- h) A nonrevolving operating credit from bank Pekao S.A. with its registered office in Warsaw for financing and refinancing of deliveries related to the contract for delivery and

implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. RB-6-2014 dated the 21<sup>st</sup> of March, 2014). The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate amounted to WIBOR1M+0.6%. It should be drawdown by 30<sup>th</sup> of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit (current report no. RB-9-2014 dated the 9<sup>th</sup> of April, 2014). At 10<sup>th</sup> of October, 2014, credit was repaid in total, i.e. PLN 27.416 million.

In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15.889 million and as at 31<sup>st</sup> of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 30<sup>th</sup> of September, 2014, the value of the credit to be repaid amounted to PLN 9.079 million.

In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6 million, and its crediting period is until 2018. The loan was drawdown on the 25<sup>th</sup> of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 4.345 million, i.e. PLN 18.519 million.

The value of liabilities due to bank credits and loans was recognised 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 reporting period, there were neither 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.

The exposure of Group's bank credits to interest rate risk arises from investment credits (at variable interest rates). Group optimises interest by continuously monitoring its interest rate structure and appropriately adjusting the basic interest rate of its credits.

#### The exposure of Group bank credits to interest rate changes

<b>At 31 December 2013</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Credits and loans	10,806	10,437	81,851	28,900	131,994
Interest	(543)	-	-	-	(543)
	<b>10,263</b>	<b>10,437</b>	<b>81,851</b>	<b>28,900</b>	<b>131,451</b>
<b>At 31 December 2014</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Credits and loans	10,755	10,160	79,101	42,492	142,508
Interest	(393)	-	-	-	(393)
	<b>10,362</b>	<b>10,160</b>	<b>79,101</b>	<b>42,492</b>	<b>142,115</b>

### The maturity of non-current bank credits, loans and financial liabilities

	31 December 2014	31 December 2013
Between 1 and 2 years	23,025	35,064
Between 2 and 5 years	56,076	46,787
Over 5 years	42,492	28,900
	<b>121,593</b>	<b>110,751</b>

### Currency structure of the balance sheet values of credits, loans and financial liabilities

	31 December 2014	31 December 2013
In Polish currency	8,807	26,396
In EUR (equivalence in PLN)	133,308	105,055
	<b>142,115</b>	<b>131,451</b>

### The effective interest rates at the balance sheet date

	31 December 2014	31 December 2013
Bank credits	1.74%	1.91%
Loans	5.81%	3.64%

#### 3.19.2. Loans

On the 27<sup>th</sup> of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 0.343 million and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate. The loan is not secured. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to PLN 0.121 million.

#### 3.19.3. Current Credit Lines (Variable Interest)

In the Comarch Group Comarch S.A. is a parent company which has the following credit limits in current account:

a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10 million. It can be used by the 13<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.

b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10 million. It can be used by the 28<sup>th</sup> of September, 2015. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.

c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24.262 million. It can be used by the 31<sup>st</sup> of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.

d) Credit limit in current account in bank Millennium S.A. with its registered office in Warsaw in the amount of PLN 5 million. It can be used by the 11<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in bank Millennium S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used



	<b>31 December 2014</b>	<b>31 December 2013</b>
Current credit lines granted, expiring within one year, including:	<b>49,262</b>	<b>53,778</b>
– used at the balance sheet date	-	-
– available at the balance sheet date	49,262	53,778

### 3.20 Contingent Liabilities

On 31<sup>st</sup> of December, 2014, 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 60.327 million, whereas it was PLN 70.774 million on 31<sup>st</sup> of December, 2013.

On 31<sup>st</sup> of December, 2014, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 0.019 million, whereas it was PLN 0.639 million on 31<sup>st</sup> of December, 2013.

On 31<sup>st</sup> of December, 2014, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 0.47 million, i.e. PLN 2.003 million, whereas it was EUR 0.289 million, i.e. PLN 1.197 million on 31<sup>st</sup> of December, 2013.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30<sup>th</sup> of June, 2016) and iMed24 S.A. (valid till 31<sup>st</sup> of December, 2018).

The Comarch Group is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 72.699 million. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2014 and are worth PLN 10.158 million. They include provisions for claims recognised in 2014 and worth PLN 9.505 million. The Comarch Group is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is PLN 1.994 million. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2014 and are worth PLN 1.869 million. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims.

Due to legal proceedings conducted in 2014, the Comarch Group created write-offs that revalue receivables and were worth PLN 0.172 million.

### Granted credit lines for financing of current activities (guarantees, letters of credit)

	<b>31 December 2014</b>	<b>31 December 2013</b>
Credit lines*	179,503	177,158
	<b>179,503</b>	<b>177,158</b>

(\*) they comprise credit lines at current account that are described in 3.19

### 3.21 Liabilities due to Finance Lease

	<b>Less than 1 year</b>	<b>Less than 5 years</b>	<b>Total</b>
Liabilities due to lease agreements for usage places	14,631	33,308	<b>47,939</b>
Liabilities due to lease agreements for equipment and means of transport	1,346	892	<b>2,238</b>
<b>Total</b>	<b>15,977</b>	<b>34,200</b>	<b>50,177</b>

Liabilities due to lease agreements for usage places comprise Group's liabilities related to leases of office spaces and company flats. Agreements including the given expiration date were directly recorded to the liabilities due within 1 year or less, or within 5 years or less,

respectively. However, most of the agreements have been concluded for an indefinite period, therefore the amounts of the liabilities were established by multiplying the amount of monthly rent by 12 months (column: 1 year or less) or by 60 months (column: 5 years or less).

As at 31<sup>st</sup> of December, 2014, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 2.238 million.

### 3.22 Deferred Income Tax

	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>
	<b>2014</b>	<b>2013</b>
<b>Deferred income tax assets</b>		
<b>Beginning of year:</b>	<b>28,985</b>	<b>27,791</b>
- charged to financial result	28,985	27,791
<b>Movement on deferred income tax account charged to financial result</b>		
- recognition of an asset due to tax loss in Comarch SuB	355	86
- dissolution of an asset due to tax loss in Comarch SuB	(78)	(509)
- dissolution of an asset due to tax loss for the previous years in Comarch AG	-	(2,355)
- dissolution of an asset due to tax loss in OOO Comarch	(11)	(1)
- recognition of an asset due to tax loss in Comarch Polska S.A.	-	556
- dissolution of an asset due to tax loss in Comarch Polska S.A.	(232)	(881)
- recognition of an asset due to tax loss in ESAProjekt Sp. z o.o.	246	-
- dissolution of an asset due to tax loss in ESAProjekt Sp. z o.o.	(246)	-
- recognition of an asset due to tax loss in iReward24 S.A.	-	111
- dissolution of an asset due to tax loss in iReward24 S.A.	(107)	(273)
- recognition of an asset due to tax relief of the parent company due to activities in Special Economic Zone	9,916	8,795
- dissolution of an asset due to tax relief of the parent company due to activities in Special Economic Zone	(8,795)	(10,055)
- recognition of an asset due to temporary differences related to costs (depreciation, costs of research works)	7,033	9,417
- dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	(4,932)	(3,697)
<b>End of year</b>	<b>32,134</b>	<b>28,985</b>
- charged to financial result	32,134	28,985

<b>Deferred tax provision</b>	<b>40,545</b>	<b>41,575</b>
<b>Beginning of year:</b>		
- charged to equity	5,430	5,430
- charged to financial result	33,449	31,275
- provisions due to acquisition of Comarch SuB	-	2,697
- provisions due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	1,666	2,173
 <b>Movement on deferred tax liabilities charged to financial result</b>		
- dissolution of a provision due to depreciation of Comarch SuB fair value valuation	-	(2,697)
- dissolution of a provision due to valuation of deposits in CCF FIZ	(3,023)	(433)
- dissolution of a provision due to depreciation of ESAProjekt sp. z o.o. fair value valuation	(402)	(402)
- dissolution of a provision due to depreciation of A-MEA Informatik AG fair value valuation	(105)	(105)
- recognition of a provision due to temporary differences related to depreciation, currency differences and interest	3,298	3,980
- dissolution of a provision due to temporary differences related to depreciation, currency differences and interest	(2,015)	(1,373)
<b>End of the period</b>	<b>38,298</b>	<b>40,545</b>
- charged to equity	5,430	5,430
- charged to financial result	31,709	33,449
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	1,159	1,666

#### Deferred income tax asset

	Tax loss asset	Provisions for costs, revaluating write-offs	Asset due to tax relief related to income tax (SEZ)	Total
<b>At 1 January 2013</b>	<b>9,169</b>	<b>8,567</b>	<b>10,055</b>	<b>27,791</b>
-charged to financial result	5,903	14,287	8,795	28,985
(Charged)/ credited to the result for 2013	(3,266)	5,720	(1,260)	1,194
<b>At 31 December 2013</b>	<b>5,903</b>	<b>14,287</b>	<b>8,795</b>	<b>28,985</b>
(Charged)/ credited to the result for 2014	(73)	2,101	1,121	3,149
<b>At 31 December 2014</b>	<b>5,830</b>	<b>16,388</b>	<b>9,916</b>	<b>32,134</b>
-charged to financial result	5,830	16,388	9,916	32,134

### Deferred income tax provision

	Provision due to valuation of CCF FIZ	Provision due to valuation of Comarch SuB through fair value	Depreciation	Provisions (exchange differences, interest)	Provisions due to fair value valuation of MKS Cracovia SSA's assets	Provisions due to fair value valuation of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	Total
<b>At 1 January 2013</b>	<b>28,304</b>	<b>2,697</b>	<b>960</b>	<b>2,011</b>	<b>5,430</b>	<b>2,173</b>	<b>41,575</b>
(Charged)/ credited to the result for 2013	(433)	(2,697)	170	2,437	-	(507)	(1,030)
<b>At 31 December 2013</b>	<b>27,871</b>	<b>-</b>	<b>1,130</b>	<b>4,448</b>	<b>5,430</b>	<b>1,666</b>	<b>40,545</b>
- charged to financial result	27,871	-	1,130	4,448	-	-	33,449
- charged to equity	-	-	-	-	5,430	1,666	7,096
(Charged)/ credited to the result for 2014	(3,023)	-	(1)	1,284	-	(507)	(2,247)
<b>At 31 December 2014</b>	<b>24,848</b>	<b>-</b>	<b>1,129</b>	<b>5,732</b>	<b>5,430</b>	<b>1,159</b>	<b>38,298</b>
- charged to financial result	24,848	-	1,129	5,732	-	-	31,709
- charged to equity	-	-	-	-	5,430	1,159	6,589

As a result of Poland joining the European Union, an act was passed on the 2<sup>nd</sup> of October, 2003 that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before the 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until the 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1<sup>st</sup> of January, 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. the 22<sup>nd</sup> of March, 1999, until the 31<sup>st</sup> of December, 2006.

The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from 14 September 2004 on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8 February 2005 that changed the Ordinance on the Krakow Special Economic Zone (Journal of Laws No. 32 Item 270) and with Par. 2 of the latter Ordinance taken into consideration. The limit of the unused investment relief as at the 31<sup>st</sup> of December, 2014, discounted as at the permit date, is PLN 4.068 million.

Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On the 1<sup>st</sup> of July, 2004, it received a decision from the Minister of the Economy dated the 24<sup>th</sup> of June, 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which Comarch S.A. is entitled to use public aid for investments incurred in the special economic zone until the 31<sup>st</sup> of December, 2017.

The company holds also another permit for operating in the special economic zone in

Krakowski Park Technologiczny, issued in 2007, valid till the 31<sup>st</sup> of December, 2017. In 2013, the company obtained another permit for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the company emphasises that on the 23<sup>rd</sup> of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

That means lengthening (maximum till 2026) the period when the company may use the tax relief within the determined limit of public aid due in relation to investments incurred in the SEZ and specified in the regulations.

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of December, 2014, constitutes a deferred income tax asset. 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 four years (including the year for which the financial statement is prepared).

Over 2014, the parent company dissolved in part an asset due to activities in the SEZ that was worth PLN 8.795 million (a decrease in result) and established as at 31<sup>st</sup> of December, 2013. At the same time, the parent company recognised an asset in the amount of PLN 9.916 million. This asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2014. At the same time, pursuant to IAS12, the parent company will regularly verify the valuation of the asset considering the possibilities of its realisation and further recognition. Additionally, the parent company signifies that the recognition of this asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

During 2014, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2013 and worth PLN 4.932 million, as well as an asset due to temporary differences was recognised in the amount of PLN 7.033 million. An asset due to tax loss was dissolved in the amount of PLN 0.674 million and recognised in the amount of PLN 0.601 million. The total effect of the above-mentioned operations on the net result of 2014 was +PLN 3.149 million.

According to German regulations within the scope of tax rules, there is no time limitation for a tax loss settlement.

CSuB's tax loss incurred in the previous years amounted to approximately EUR 11.5 million, thus respective theoretical asset's value amounted to EUR 3.7 million.

As at 31<sup>st</sup> of December, 2014, in the CSuB's financial statement an asset due to the above-mentioned tax loss was recognised and was worth approximately EUR 1.4 million for it was established for the period when credible estimations related to the tax income may be performed.

Due to valuation of net assets of CCF FIZ, Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 3.023 million. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 3.298 million and dissolved in the amount of PLN 2.015 million. In 2014, Group dissolved a provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o. which was worth PLN 0.507 million. The total effect of the all above-mentioned operations on the net result of 2014 was PLN 2.247 million. Total changes in the deferred income tax resulted in an increase in result of PLN 5.396 million.

In relation to MKS Cracovia SSA and iMed24 S.A., despite of the fact that the tax loss existed, a deferred tax asset was not created due to the lack of possibility to make the reliable estimates of the income tax possible to achieve in the coming years.

### 3.23 Provisions for Other Liabilities and Charges

Non-current	Provisions for contractual penalties	Provisions for costs of court proceedings	Provisions for taxes	Provisions for other costs	Total
<b>At 1 January 2014</b>	-	-	-	-	-
Recognised in the consolidated income statement:	-	-	-	-	-
- Additional provisions	-	-	-	-	-
- Provisions used during year and transferred to current provisions	-	-	-	-	-
<b>At 31 December 2014</b>	-	-	-	-	-

Current	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	Total
<b>At 1 January 2014</b>	<b>3,655</b>	<b>13,614</b>	<b>4,728</b>	<b>16,618</b>	<b>54,685</b>	<b>93,300</b>
Recognised in the consolidated income statement:	2,034	5,420	10,219	4,003	17,663	39,339
- Additional provisions	10,410	23,776	14,060	16,273	98,033	162,552
- Provisions used during year	(8,376)	(18,356)	(3,841)	(12,270)	(80,370)	(123,213)
<b>At 31 December 2014</b>	<b>5,689</b>	<b>19,034</b>	<b>14,947</b>	<b>20,621</b>	<b>72,348</b>	<b>132,639</b>

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 VISA cards' settlements. Provisions for costs of contracts refer to recognition of the forecast losses in contracts.

#### Analysis of total provisions:

	31 December 2014	31 December 2013
Non-current	-	-
Current	132,639	93,300

### 3.24 Revenues from Sales

	12 months ended 31 December 2014	12 months ended 31 December 2013
<b>Revenues from sales of products and services</b>		
Revenues from sales of IT services	689,185	583,155
Revenues from sales of proprietary software and licences	132,413	109,989
Revenues from sales of finished goods	41,576	295
Revenues from sales of medical services	2,469	3,336
Revenues from other sales	27,123	22,449
<b>Total</b>	<b>892,766</b>	<b>719,224</b>
<b>Revenues from sales of goods and materials</b>		
Revenues from sales of hardware	45,080	64,733
Revenues from third party software and licences	51,979	84,107
Revenues from other sales	48,526	70,912
<b>Total</b>	<b>145,585</b>	<b>219,752</b>
<b>Total revenues from sales</b>	<b>1 038,351</b>	<b>938,976</b>

### 3.25 Costs of Products, Services, Goods and Materials Sold

<b>I/1 Costs by types</b>	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Depreciation of property, plant and equipment in use and intangible assets	54,380	64,495
Costs of social benefits	490,632	478,314
Change in products and work in progress	83,973	(16,261)
Consumption of raw materials and auxiliary materials	21,289	17,739
Third party services	84,220	123,098
Taxes and charges	8,848	9,080
Other costs	35,685	35,594
<b>Costs of products sold, services, marketing and distribution as well as administrative costs, including:</b>	<b>779,027</b>	<b>712,059</b>
<i>- manufacturing costs</i>	589,302	539,974
<i>- costs of sales</i>	111,385	98,932
<i>- general costs</i>	75,519	72,083
<i>- exchange differences on liabilities</i>	2,821	1,070
<b>I/2 Costs of goods and materials sold</b>	<b>127,359</b>	<b>176,762</b>
<b>I/3 Costs of work execution within the framework of union projects</b>	<b>11,494</b>	<b>11,297</b>
<b>I/4 Total costs of products sold, services, marketing, administrative, goods, materials and work execution within the framework of union projects</b>	<b>917,880</b>	<b>900,118</b>
<b>II. Costs of social benefits</b>		
Remuneration	415,881	405,892
Social insurance	67,850	64,966
Social Services Fund	1,530	2,056
Training	1,634	1,333
Health and Safety at Work	885	503
Other	2,852	3,564
<b>Total</b>	<b>490,632</b>	<b>478,314</b>

### 3.26 Other Operating Revenues

<b>Other operating revenues and profits</b>	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Recovered communication damages	33	53
Outdated liabilities	493	33
Dissolving write-offs revaluating receivables	3,834	6,343
Received contractual penalties	134	69
Earnings on disposal on non-financial non-current assets	639	86
Refund of VAT	-	331
Subsidies	356	1,813
Other	3,285	2,982
<b>Total</b>	<b>8,774</b>	<b>11,710</b>

### 3.27 Other Operating Costs

<b>Other operating costs and losses</b>	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Write-off that revaluates assets (impairment)	6,240	191
Membership fees	273	351
Donations	37	62
Loss on non-current assets disposal and decommissioning	34	2,148
Write-off that revaluates receivables	19,626	8,166
Compensation	50	700
Other	4,456	4,504
<b>Total</b>	<b>30,716</b>	<b>16,122</b>

### 3.28 Finance Costs – Net

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Interest expense, including:	(2,297)	(3,618)
- <i>Interest on borrowings</i>	(2,255)	(3,734)
- <i>Other</i>	(42)	116
Gains on bank deposits	2,180	3,188
Gains on disposal of securities	-	-
Gains/(losses) on disposal of financial assets	353	1,530
Net gains/(losses) on exchange differences (note 3.29)	(1,118)	285
Fair value valuation of financial instruments and investment	(4,625)	90,
Other, including:	548	841
- <i>compensation and financial penalties</i>	-	-
- <i>other</i>	548	841
<b>Total</b>	<b>(4,959)</b>	<b>2,316</b>

### 3.29 Income Tax

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Current tax	29,077	15,642
Deferred tax	(5,396)	(2,172)
<b>Total</b>	<b>23,681</b>	<b>13,470</b>

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:

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
<b>Consolidated gross profit before tax</b>	<b>92,576</b>	<b>36,724</b>
Tax calculated with the nominal rate on gross profit	23,625	19,949
Differences between gross profit and basis of taxation:		
- Consolidation adjustments	(41,255)	6,841
- Exclusions of losses in consolidated companies	59,456	40,704
<b>Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the</b>	<b>110,777</b>	<b>84,269</b>



<b>basis of taxation)</b>		
Permanent and temporary differences between gross profit and the actual basis of taxation, including:	21,090	(23,269)
- Utilisation of previously recognised tax losses	(7,209)	(11,764)
- Differences between basis of taxation and gross profit	92,776	28,605
- Income not subject to tax (due to activities in SEZ)	(64,477)	(38,160)
- Income not subject to tax (shareholders are tax payers)	-	(2,129)
- Other - income not subject to tax	-	-
<b>Taxable base from income tax</b>	<b>131,867</b>	<b>60,821</b>
Tax calculated at tax rate for the Group	29,077	15,642
Effective tax rate	26.25%	18.56%

The applicable tax rate was 21.33% in 2014 and resulted from the average tax rates for the consolidated entities. The applicable tax rate was 23.67% in 2013 and resulted from the average tax rates for the consolidated entities. Tax authorities can run inspections for books of account and tax settlements within 5 years of 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 obligations on this account.

### 3.30 Net Foreign Exchange (Losses) /Gains

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

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Revenues from sales	4,730	1,559
Costs of products, goods and materials sold	(2,821)	(1,070)
Finance costs-net	(1,118)	285
<b>Total</b>	<b>791</b>	<b>774</b>

### 3.31 Earnings per Share

	<b>12 months ended 31 December 2014</b>	<b>12 months ended 31 December 2013</b>
Net profit for the period attributable to equity holders of the Company	67,894	25,077
Weighted average number of shares in issue (thousands)	8,108	8,051
<b>Basic earnings per share (PLN)</b>	<b>8.37</b>	<b>3.11</b>
Diluted number of shares (thousands)	8,115	8,125
<b>Diluted earnings per share (PLN)</b>	<b>8.37</b>	<b>3.09</b>

Basic earnings per share in the column "12 months ended 31 December 2014" is calculated by dividing the net profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of December, 2014 by the weighted average number of shares in issue between 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of December, 2014, where the number of days is the weight. Basic earnings per share in the column "12 months ended 31 December 2013" is calculated by dividing the net profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of December, 2013 by the weighted average number of shares in issue between 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of December, 2013, where the number of days is the weight.

Diluted earnings per share in the column "12 months ended 31 December 2014" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of December, 2014 by the sum of the weighted average number of shares in issue between 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of December, 2014, where the number of days is the weight and diluted number of shares (equal to 7,759) (according to IAS

33) resulting from possible execution of the managerial option for 2014. Diluted earnings per share in the column "12 months ended 31 December 2013" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of December, 2013 by the sum of the weighted average number of shares in issue between 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of December, 2013, where the number of days is the weight and diluted number of shares (equal to 73,753) (according to IAS 33) resulting from possible execution of the managerial option for 2013.

### 3.32 Related-Party Transactions

#### 3.32.1. Revenues from Sales of Goods and Services

	12 months ended 31 December 2014	12 months ended 31 December 2013
Revenues from sales of goods:		
SolInteractive S.A.	26	2
	<b>26</b>	<b>2</b>
Revenues from sales of services:		
SolInteractive S.A.	127	258
	<b>127</b>	<b>258</b>
	<b>153</b>	<b>260</b>

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

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

#### 3.32.2. Purchases of Goods and Services

	12 months ended 31 December 2014	12 months ended 31 December 2013
Purchases of goods:		
SolInteractive S.A.	1,258	459
	<b>1,258</b>	<b>459</b>
Purchases of services:		
SolInteractive S.A.		
<i>Included in generation costs</i>	2,325	1,200
<i>Included in other costs</i>	3,995	3,063
	<b>6,320</b>	<b>4,263</b>
	<b>7,578</b>	<b>4,722</b>

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.

#### 3.32.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sale/Purchase of Goods /Services

	12 months ended 31 December 2014	12 months ended 31 December 2013
Receivables from related parties		
SolInteractive S.A.	116	47
	<b>116</b>	<b>47</b>
Payables to related parties		
SolInteractive S.A.	1,273	467
	<b>1,273</b>	<b>467</b>

### 3.32.4. Transactions with Associates and Personally Related Entities

	PLN'000
Purchases from personally related entities	825
Sales to personally related entities	90
Loans and interest on loans paid by personally related entities	15,611
Loans and interest on loans granted to personally related entities	11,053
Purchases from associates	7,578
Sales to associates	153
Loans and interest on loans paid by associates	142
Loans and interest on loans granted to associates	4

The item contains a loans in amount to PLN 4.257 million granted to a Chairperson of Comarch S.A.'s Supervisory Board by Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A. The loan was repaid in total before the date of the publication of the statement.

### 3.33 Value of Remuneration of the Managing and Supervising Persons in 2014 and in 2013

Remuneration of members of the Management Board of Comarch S.A. in 2014 were PLN 14,956,543.95. Remuneration of members of the Management Board of Comarch S.A. in 2014 paid by subsidiaries and associates were PLN 2,010,815.46. Remuneration of members of the Management Board of Comarch S.A. in 2013 were PLN 15,615,953.11. Remuneration of members of the Management Board of Comarch S.A. in 2013 paid by subsidiaries and associates were PLN 4,435,487.91.

#### 2013 (in PLN)

##### Comarch S.A.'s Management Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	4,280,413.00	3,817,030.91	8,097,443.91
2	Piotr Piątosza	1,714,047.05	184,385.80	1,898,432.85
3	Paweł Prokop	865,639.54	7,523.80	873,163.34
4	Piotr Reichert	1,272,274.06	176,862.00	1,449,136.06
5	Zbigniew Rymarczyk	915,875.17	53,844.80	969,719.97
6	Konrad Tarański	550,163.28	188,316.80	738,480.08
7	Marcin Warwas	1,582,053.10	7,523.80	1,589,576.90
	<b>Total*</b>	<b>11,180,465.20</b>	<b>4,435,487.91</b>	<b>15,615,953.11</b>

\*) On the 26<sup>th</sup> of June, 2013, the Annual General Meeting of Comarch S.A. passed resolutions on election of members of the Management Board of Comarch S.A. (RB-14-2013 dated the 26<sup>th</sup> of June, 2013): Janusz Filipiak - President of the Management Board, Piotr Piątosza – Vice-President of the Management Board, Paweł Prokop – Vice-President of the Management Board, Piotr Reichert – Vice-President of the Management Board, Zbigniew Rymarczyk – Vice-President of the Management Board, Konrad Tarański – Vice-President of the Management Board, Marcin Warwas – Vice-President of the Management Board.

### Comarch S.A.'s Supervisory Board

	Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
Elżbieta Filipiak	121,000.00	963,038.86	1,084,038.86
Maciej Brzeziński	30,000.00	0.00	30,000.00
Danuta Drobniak	30,000.00	0.00	30,000.00
Wojciech Kucharzyk	30,000.00	0.00	30,000.00
Anna Ławrynowicz	30,000.00	0.00	30,000.00
Anna Pruska	15,375.00	167,674.95	183,049.95
Tadeusz Syryjczyk	14,750.00	0.00	14,750.00
<b>Total*</b>	<b>271,125.00</b>	<b>1,130,713.81</b>	<b>1,401,838.81</b>

*\*) Tadeusz Syryjczyk was member of the Supervisory Board of Comarch S.A. till the 26<sup>th</sup> of June, 2013. On the 26<sup>th</sup> of June, 2013, the Annual General Meeting of Comarch S.A. passed resolutions on election of members of the Supervisory Board of Comarch S.A. (RB-13-2013 dated the 26<sup>th</sup> of June, 2013): Elżbieta Filipiak – Chairman of the Supervisory Board, Maciej Brzeziński – Vice-Chairman of the Supervisory Board, Danuta Drobniak- member of the Supervisory Board, Wojciech Kucharzyk- member of the Supervisory Board, Anna Ławrynowicz- member of the Supervisory Board, Anna Pruska- member of the Supervisory Board.*

		Paid from the Comarch S.A.'s net profit as a dividend
1	Janusz Filipiak	PLN 3,930,015
2	Piotr Piątosa	PLN 25,268
3	Paweł Prokop	PLN 49,500
4	Piotr Reichert	PLN 9,104
5	Zbigniew Rymarczyk	PLN 42,212
6	Konrad Tarański	PLN 9,104
7	Marcin Warwas	PLN 9,104
8	Elżbieta Filipiak	PLN 1,269,000

In 2013, there were no shares granted in order to execute managerial option program (point 3.14.3 a) of this statement).

### 2014 (in PLN)

#### Comarch S.A.'s Management Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	6,995,696.15	1,138,872.36	8,134,568.51
2	Piotr Piątosa	693,754.95	232,412.20	926,167.15
3	Paweł Prokop	1,264,359.27	7,707.00	1,272,066.27
4	Piotr Reichert	407,907.92	226,418.90	634,326.82
5	Zbigniew Rymarczyk	1,287,984.04	104,259.80	1,392,243.84
6	Konrad Tarański	723,068.19	237,630.60	960,698.79
7	Marcin Warwas	1,572,957.97	63,514.60	1,636,472.57
	<b>Total</b>	<b>12,945,728.49</b>	<b>2,010,815.46</b>	<b>14,956,543.95</b>

### Comarch S.A.'s Supervisory Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	170,000.00	1,007,085.97	1,177,085.97
2	Maciej Brzeziński	42,500.00	0.00	42,500.00
3	Robert Bednarski	30,000.00	0.00	30,000.00
4	Danuta Drobnik	42,500.00	0.00	42,500.00
5	Wojciech Kucharzyk	42,500.00	0.00	42,500.00
6	Anna Ławrynowicz	42,500.00	0.00	42,500.00
7	Anna Pruska	42,500.00	682,727.47	725,227.47
	<b>Total *</b>	<b>412,500.00</b>	<b>1,689,813.44</b>	<b>2,102,313.44</b>

\*) On the 26<sup>th</sup> of June, 2014, at the Ordinary Annual General Meeting, Mr. Robert Bednarski was appointed a member of the Board of Supervisors.

		Paid from the Comarch S.A.'s net profit as a dividend
1	Janusz Filipiak	PLN 4,003,973
2	Piotr Piątosza	PLN 31,430
3	Paweł Prokop	PLN 55,662
4	Piotr Reichert	PLN 15,266
5	Zbigniew Rymarczyk	PLN 48,654
6	Konrad Tarański	PLN 15,266
7	Marcin Warwas	PLN 15,266
8	Elżbieta Filipiak	PLN 1,269,000

Point 3.15.3 b) of this financial statement describes the Managerial Option Program and presents details regarding shares granted in 2014 under the execution of this Program.

### 3.34 Information About Shareholders and Shares Held by Members of the Management Board and the Board of Supervisors

#### 3.34.1. 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 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM.

### 3.34.2. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 2 March 2015 and 27 April 2015

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 fourth quarter of 2014, i.e. the 2<sup>nd</sup> of March 2015 and on the 27<sup>th</sup> of April, 2015, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 27 April 2015		At 2 March 2015	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2,669,315	41.28	2,669,315	41.28
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.98	846,000	27.98
Piotr Piątosza	Vice-President of the Management Board	20,953	0.14	20,953	0.14
Paweł Prokop	Vice-President of the Management Board	37,108	0.49	37,108	0.49
Piotr Reichert	Vice-President of the Management Board	10,177	0.07	10,177	0.07
Zbigniew Rymarczyk	Vice-President of the Management Board	32,436	0.21	32,436	0.21
Konrad Tarański	Vice-President of the Management Board	10,177	0.07	10,177	0.07
Marcin Warwas	Vice-President of the Management Board	10,177	0.07	10,177	0.07
<b>Number of issued shares *</b>		<b>8,125,590</b>	<b>100.00</b>	<b>8,125,590</b>	<b>100.00</b>

### 3.35 Factors and Events of Unusual Nature with Significant Effects on the Achieved Financial Results

#### 3.34.1. Deferred Income Tax Asset

Over 2014, the parent company dissolved in part an asset due to activities in the SEZ that was worth PLN 8.795 million and established as at 31<sup>st</sup> of December, 2013. At the same time, the parent company recognised an asset in the amount of PLN 9.916 million (impact on earnings: PLN +1.121 million). During 2014, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2013 and worth PLN 4.932 million, as well as an asset due to temporary differences was recognised in the amount of PLN 7.033 million. An asset due to tax loss was dissolved in the amount of PLN 0.674 million and recognised in the amount of PLN 0.601 million. The total effect of the above-mentioned operations on the net result of 2014 was PLN +3.149 million.

#### 3.34.2. Valuation of Currency Translation Differences

Fluctuations of PLN versus EUR and USD in 2014 had a less significant effect on revenue and results of the Comarch Group. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of December, 2014, increased by PLN 1.909 million revenue and operating result of the Comarch Group. Other exchange differences decreased by PLN 1.118 million Comarch's result. Total currency translation differences resulted in an increase of PLN 0.791 million in the Comarch Group's net result.

#### 3.34.3. Write-off Revaluing Receivables

In 2014, a write-off revaluing trade receivables due to their loss in value was recognised and worth PLN 19.626 million. It is mostly related to qualifying the receivables worth PLN 13.491 million, from one of the contractors operating on the Russian market, as bad debts. As a result, operating result decreased by PLN 13.491 million.

### **3.36 Events after the Balance Sheet Date**

#### **3.36.1. Dates of Periodical Financial Reports in 2015**

In the current report no. RB-1-2015 dated the 7<sup>th</sup> of January, 2015, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2015:

- 1) QSr 4 2014 on 2<sup>nd</sup> of March, 2015
- 2) QSr 1 2015 on 15<sup>th</sup> of May, 2015
- 3) Consolidated half-year report which includes condensed consolidated financial statement and condensed financial statement for the first half of 2015 - on 28<sup>th</sup> of August, 2015
- 4) QSr 3 2015 on 16<sup>th</sup> of November, 2015
- 5) Annual reports for 2014 on 30<sup>th</sup> of April, 2015
- 6) Consolidated annual reports for 2014 on 30<sup>th</sup> of April, 2015

#### **3.36.2. Sale of Comarch S.A. Shares**

On the 23<sup>th</sup> of December, 2014, a member of Comarch S.A.'s Management Board sold 30 ordinary bearers Comarch S.A. shares for price of PLN 110.10 each. The value of the transaction amounted to PLN 3,303.00. Information was prepared on the 12<sup>th</sup> of January, 2015 in Krakow (current report no. RB-2-2015 dated the 12<sup>th</sup> of January, 2015).

#### **3.36.3. Purchase of Comarch S.A. Shares**

On the 25<sup>th</sup> of July, 2014, a member of Comarch S.A.'s Management Board purchased 187 ordinary bearers Comarch S.A. shares for price of PLN 78 each. The value of the transaction amounted to PLN 14,586.00. Information was prepared on the 12<sup>th</sup> of January, 2015 in Krakow (current report no. RB-3-2015 dated the 13<sup>th</sup> of January, 2015).

#### **3.36.4. Claim Filed by Agency for Restructuring and Modernisation of Agriculture**

In relation to current report no. RB-14-2014 dated the 19<sup>th</sup> of May, 2014, on receiving an accounting note issued by Agency for Restructuring and Modernisation of Agriculture (ARMA) related to the contract dated the 29<sup>th</sup> of April, 2013 (hereinafter referred to as the "Contract"), the Management Board of Comarch S.A. has announced that on 14<sup>th</sup> of January, 2015, it received from Regional Court in Warsaw, the Third Civil Division, a claim filed by ARMA against Comarch S.A., for payment of PLN 34,493,717.28 by way of contractual penalties. According to the court's notice, Comarch S.A. will answer to the claim within 60 days from receiving the claim. At the same time, the Management Board of Comarch S.A. sustains its position that calculation of these penalties has neither justification nor grounds in the provisions of the Contract. Comarch S.A. announces also that, despite the dispute concerning the charged contractual penalties, the Contract is still executed in accordance with the requirements of the SLA. Information was prepared on the 15<sup>th</sup> of January, 2015 in Krakow (current report no. RB-4-2015 dated the 15<sup>th</sup> of January, 2015).

#### **3.36.5. Amendment to the Contract with the Consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. Graphbud sp. z o.o. for the Realization of the Fifth Construction Stage of the Investment in the Special Economic Zone in Krakow**

On the 16<sup>th</sup> of January, 2015, Comarch S.A.'s Management Board received a signed amendment to the contract with the Consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the Realization of the fifth construction stage of the investment in the Special Economic Zone in Krakow. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium (current report no. RB-5-2015 dated the 16<sup>th</sup> of January, 2015).

On the 30<sup>th</sup> of March, 2015, Comarch S.A.'s Management Board received a signed amendment to the contract with the Consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the Realization of the fifth construction stage of the investment in the Special Economic Zone in Krakow. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium (current report no. RB-9-2015 dated the 30<sup>th</sup> of March, 2015).

### **3.36.6. Execution of the Managerial Option Program**

The Management Board of Comarch S.A. announced that acting in execution of the Resolution no. 36 of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, regarding the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. Shares will be offered to the entitled persons according to the provisions of the managerial option program for members of the Comarch S.A. management board who manage the company and the Capital Group, passed with Resolution no. 36 of the Annual General Meeting of the 26<sup>th</sup> of June, 2013 (current report no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015).

The Management Board of Comarch S.A. announced that pursuant to Art. 430-433, 444, 446 and 447 of the Code of Commercial Companies and Partnerships, and article 9 sec. 3-7 of the company's articles of association, in execution of the Resolution no. 36 of the Annual General Meeting dated 26<sup>th</sup> of June, 2013, passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 each and issue price of PLN 1, excluding a stock right of the current company's shareholders, in addition to changes in the company's articles of association within the scope. Information was prepared on the 16<sup>th</sup> of March, 2015 in Krakow (current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015).

### **3.36.7. Purchase of Comarch S.A. Shares**

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearers Comarch S.A shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. Information was prepared on the 2<sup>nd</sup> of March, 2015 in Krakow (current report no. RB-7-2015).

### **3.36.8. Resignation of Managing Persons**

On the 8<sup>th</sup> of April, 2015,

1) Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015,

2) Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

Marcin Dąbrowski, a manager for many years in the telecommunication sector, will be performing duties of the head of the telecommunication sector. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector, will be performing duties of the head of the finance, banking and insurance sector. Information was prepared on the 8<sup>th</sup> of April, 2015 in Krakow (current report no. RB-10-2015).

### **3.36.9. Forward Contracts Concluded after the Balance Sheet Date**

Between the 1<sup>st</sup> of January, 2015 and the 27<sup>th</sup> of April, 2015, Comarch S.A. concluded forward contracts for the sales of EUR 0.5 million, USD 3.5 million and GBP 0.5 million; and for the purchase of EUR 1.0 million of reverse transactions. The total net value of open forward contracts as of the 27<sup>th</sup> of April, 2015 amounted to EUR 9.35 million, USD 9.00 million, CAD 1.05 million and GBP 3.40 million. The open forward contracts as of the 27<sup>th</sup> of April, 2015 were valued at plus PLN 0.741 million. The contracts will be settled within 24 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 Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in euro.

## **3.37 Significant Legal, Arbitration or Administrative Proceedings**

The Comarch Group is the defendant in legal proceedings and is the party to the matters in



disputes but not legal proceedings, in which the potential total amount of third party claims is PLN 74.693 million. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2014 and are worth PLN 12.027 million. They include provisions for claims recognised in 2014 and worth PLN 9.505 million. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims.

### 3.38 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 2014, 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.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Equity	700,693	637,711
Total assets	1,216,555	1,142,301
Solvency ratio	<b>57.60%</b>	<b>55.83%</b>

Over 2014, solvency ratio increased slightly mostly as a result of increase in equity. It remained at a very secure level which ensures the potential possibility of increasing debt significantly (by acquiring external financing) if needed.

Over 2014, all companies in the Group adhered to the credit agreements' conditions. The parent unit's Management Board finds no risk of their violation.

27<sup>th</sup> of April, 2015

#### SIGNATURES OF MANAGEMENT BOARD MEMBERS

<b>NAME AND SURNAME</b>	<b>POSITION</b>	<b>SIGNATURE</b>
Janusz Filipiak	President of the Management Board	
Piotr Piątosza	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Piotr Reichert	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

#### SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

<b>NAME AND SURNAME</b>	<b>POSITION</b>	<b>SIGNATURE</b>
Maria Smolińska	Head Accountant	

# COMARCH

REPORT  
OF COMARCH S.A.'s MANAGEMENT BOARD  
REGARDING  
THE ACTIVITIES OF THE CAPITAL GROUP IN 2014

Krakow, 27<sup>th</sup> of April, 2015

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## 1. Information about Company

### 1.1 Shareholding Structure, Managing and Supervising Entities

#### 1.1.1 Shareholders Holding at Least 5% of the Total Number of Votes at the General Meeting of Comarch S.A.

Comarch S.A.'s share capital consists of 8,125,590 shares at total nominal value of PLN 8,125,590. According to the information possessed by Comarch S.A., as at 31<sup>st</sup> of December, 2014, shareholders holding at least 5% of votes at the company's AGM are Janusz Filipiak and Elżbieta Filipiak.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98
Other members of the company's Management Board	120,998	1.49	158,598	1.05
Other shareholders	4,489,277	55.25	4,489,277	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,190</b>	<b>100.00</b>

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00 in relation to issuance of 73,953 ordinary bearer series K3 shares in order to execute managerial option program for key employees. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM.

#### AFTER THE BALANCE SHEET DATE

As at 27<sup>th</sup> of April, 2015

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98
Other members of the company's Management Board	121,028	1.49	158,628	1.05
Other shareholders	4,489,247	55.25	4,489,247	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,190</b>	<b>100.00</b>

#### 1.1.2 Comarch S.A.'s Board of Supervisors and Management Board

##### a) Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2014:

Name and surname	Position	Comarch S.A. Number of shares / nominal value	Volatech Capital Advisors S.A. (currently Metrum Capital S.A.) Number of shares / nominal value
Elżbieta Filipiak	Chairman of the Supervisory Board	846,000 / PLN 846,000	-
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobnik	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-

Robert Bednarski*	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	50,000 / PLN 50,000

\*) On the 26<sup>th</sup> of June, 2014, at the Ordinary Annual General Meeting, Mr. Robert Bednarski was appointed a member of the Board of Supervisors. Details were published in current report no. RB-21-2014 dated the 26<sup>th</sup> of June, 2015.

#### AFTER THE BALANCE SHEET DATE

None present.

#### b) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> of December, 2014:

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,669,315	PLN 2,669,315
Piotr Piątosza	Vice-President of the Management Board	20,953	PLN 20,953
Paweł Prokop	Vice-President of the Management Board	37,108	PLN 37,108
Piotr Reichert	Vice-President of the Management Board	10,177	PLN 10,177
Zbigniew Rymarczyk	Vice-President of the Management Board	32,436	PLN 32,436
Konrad Tarański	Vice-President of the Management Board	10,147	PLN 10,147
Marcin Warwas	Vice-President of the Management Board	10,177	PLN 10,177

On the 25<sup>th</sup> of July, 2014, a member of Comarch S.A.'s Management Board purchased 187 ordinary bearers Comarch S.A shares for price of PLN 78 each. The value of the transaction amounted to PLN 14,586.00. The company announced details in current report no. RB-3-2015.

On the 23<sup>th</sup> of December, 2014 r. a member of Comarch S.A.'s Management Board sold 30 ordinary bearers Comarch S.A. shares for price of PLN 110.10 each. The value of the transaction amounted to PLN 3,303.00. The company announced details in current report no. RB-2-2015 dated the 12<sup>th</sup> of January, 2015.

#### AFTER THE BALANCE SHEET DATE

As at 27<sup>th</sup> of April, 2015

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,669,315	PLN 2,669,315
Piotr Piątosza	Vice-President of the Management Board	20,953	PLN 20,953
Paweł Prokop	Vice-President of the Management Board	37,108	PLN 37,108
Piotr Reichert	Vice-President of the Management Board	10,177	PLN 10,177
Zbigniew Rymarczyk	Vice-President of the Management Board	32,436	PLN 32,436
Konrad Tarański	Vice-President of the Management Board	10,177	PLN 10,177
Marcin Warwas	Vice-President of the Management Board	10,177	PLN 10,177

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearers Comarch S.A shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. The company announced details in current report no. RB-7-2015 dated the 2<sup>nd</sup> of March, 2015.

On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015. On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

Marcin Dąbrowski, a manager for many years in the telecommunication sector, will be performing duties of the head of the telecommunication sector. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector, will be performing duties of the head of the finance, banking and insurance sector. The company announced details in current report no. RB-10-2015 dated the 9<sup>th</sup> of April, 2015.

Michał Bajcar, Marcin Dąbrowski, Dariusz Duralek, Anna Kleszcz, Andrzej Przewięźlikowski and Maria Smolińska are the company's proxies.

**c) Contracts that May Result in Future Changes in Holdings of Shareholders or Bondholders**

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options program for company's Management Board managing Capital Group in 2014-2016. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the program was limited for 2014. On the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. More details were presented in point 3.15.3 of the financial statement.

**d) Agreements between the Issuer and the Managing Persons, which Plan for Compensation in Case of Resignation or Discharge from the Occupied Post without a Substantial Reason, or when Their Dismissing or Discharge are Caused by Merger through Takeover**

None present.

**e) Value of Paid, Due or Potentially Due Remuneration, Awards or Benefits, including those Resulting from Managerial or Bonus Programmes based on Issuer's Equity, Separately for Each of the Managing and Supervising Persons in the Parent Company**

Information is included in notes 3.15.3 and 3.33 of the consolidated financial statement.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2014	2013	2012	2011	2010	2009	2008
Revenue from sales	1,038,351	938,976	883,876	785,653	761,361	729,403	700,965
Operating profit	98,529	34,446	30,767	38,783	24,819	14,373	45,919
Profit before income tax	92,577	36,724	39,737	39,764	24,979	18,465	244,521
Net profit attributable to the parent company's shareholders	67,894	25,077	40,660	36,257	43,717	32,306	199,126
Profit per share	8.37	3.11	5.05	4.50	5.44	4.06	25.01
Assets	1,216,555	1,142,301	1,146,743	1,022,474	968,105	895,106	915,247
Equity	700,693	637,711	624,942	609,851	584,189	554,316	534,174

In 2014, Comarch Group's sales revenue climbed by 10.6%, i.e. PLN 99.4 million year on year. Operating profit reached PLN 98.5 million and increased by 186% compared to 2013. Net profit attributable to the parent company's shareholders increased by 171% and amounted to PLN 67.9 million. EBIT margin was at 9.5% (3.7% in 2013) and net margin amounted to 6.5% (2.7% in 2013). On the 31<sup>st</sup> of December, 2014, Comarch Group employed 4,211 people, excluding employees of MKS Cracovia SSA. This represented a decrease of 11 people compared to the end of 2013.

As at the end of 2014, the value of Comarch Group's assets increased by PLN 74.3 million, i.e. 6.5% compared to the previous year. Equity grew by 9.9% over 2014 and in large measure due to the net profit gained in 2013.

### 2.2. Employment and Production Capacity of the Group

As at 31<sup>st</sup> of December, 2014, in Comarch S.A. there were 3,339 employees compared to 3,448 persons as at 31<sup>st</sup> of December, 2013, and in the Comarch Group number of employees reached 4,211 persons compared to 4,222 persons as at the 31<sup>st</sup> of December, 2013 (excluding employees of MKS Cracovia SSA due to different type of activity).

Average employment in the Comarch Group, excluding employees of MKS Cracovia SSA, from 2010 to 2014 is presented in tables below:

<b>Number of employees:</b>	2014	2013	2012	2011	2010
- full-time	3,401	3,376	3,048	2,815	2,945
- co-workers	728	738	612	532	532
<b>Total</b>	<b>4,129</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>	<b>3,477</b>

<b>Employees:</b>	2014	2013	2012	2011	2010
- production employees and technical consultants	3,218	3,213	2,785	2,534	2,724
- marketing and sales	528	516	500	442	395
- management and administrative employees	383	385	375	371	358
<b>Total</b>	<b>4,129</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>	<b>3,477</b>

An average employment in MKS Cracovia SSA within 2010-2014 was as follows:

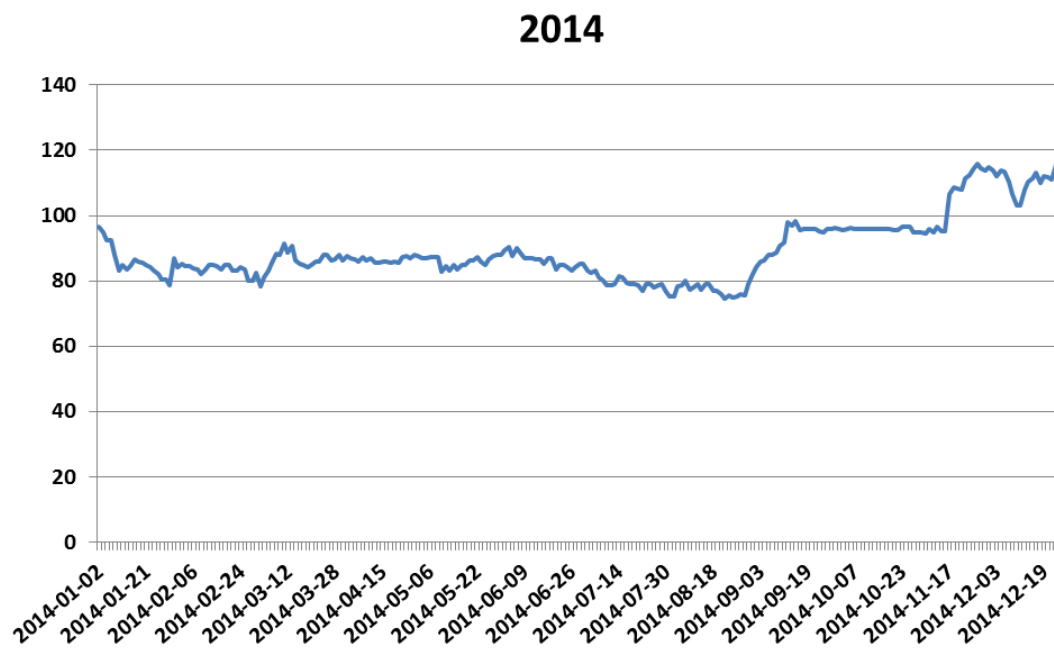
<b>Number of employees:</b>	2014	2013	2012	2011	2010
- full-time	39	38	42	46	44
- co-workers	114	181	146	145	127
<b>Total</b>	<b>153</b>	<b>219</b>	<b>188</b>	<b>191</b>	<b>171</b>

Most of production by Comarch consists in production of company's own, versatile software products and in production of computer software on the basis of customer orders. The basic factor limiting the



production capacity is human resources. As the company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources.

### 2.3. Comarch S.A. Stock Price Performance



Period	The highest	The lowest
Q1 2014	96.70	78.39
Q2 2014	90.50	82.70
Q3 2014	98.44	74.50
Q4 2014	115.80	94.43

In 2014, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange increased by 19.1% from PLN 97.00 to PLN 115.50.

### 3. Products and Services Offered by Comarch in 2014

Comarch is a producer of innovative IT systems for key sectors of economy: telecommunications, finance and banking, public administration, as well as large, small and medium-sized companies. A wide range of the Comarch offer includes ERP-class and financial and accounting systems, CRM systems and loyalty software, sales support, electronic document exchange, electronic banking, teleinformatic network management and billing systems, Business Intelligence, security and protection of data and many other solutions. Apart from providing innovative IT solutions to its customers, Comarch is focused on professional customer service and on providing consulting, advisory and integration services as a uniform package, with which our customers can take full advantage of the possibilities offered by modern IT systems.

#### **TELECOMMUNICATIONS DIVISION**

Comarch is a provider of comprehensive IT solutions for telecommunications. Since 1993 Comarch has helped communication service providers from 4 continents optimize costs, increase business efficiency and transform BSS/OSS operations. Comarch solutions combine rich out-of-the-box functionalities with high configurability and are complemented with a wide range of services. The company's flexible approach to projects and a variety of deployment models help telecoms make networks smarter, improve customer experience and quickly launch digital services, such as cloud and M2M. This strategy has earned Comarch the trust and loyalty of its clients, including the world's leading CSPs: Vodafone, T-Mobile, Telefónica, E-Plus, KPN and MTS.

#### **PRODUCTS**

##### **Sales & Customer Management**

**Comarch CRM for Telecoms** enables managing relationships with a customer. It was especially designed thinking of the needs of the telecommunication business. The solution is designed to integrate well with the existing OSS/BSS architecture. This flexible product for telecom operators provides a complex, centralised customer view and automates key sales, marketing and customer care processes.

**Comarch Online Self-Service** enables customers of all sorts of telecommunications services acquire an exact information 24 hours a day. This complex system enables subscribers and partners to review and analyse financial documents, information on their accounts, activation and deactivation of services and data exchange with a call centre in easy and flexible way. The system supports also operator's marketing by providing a communication channel for, among others, advertisements and promotion.

**Comarch Customer Loyalty Management** enables managing loyalty programs created for both individual and business customers. Thanks to its intuitiveness and fluency of service, it enables defining and administering, among others, client accounts, contracts, rewards and promotions, as well as keeping touch with participants of the programme, logistics management, creating business rules, data analysis, cooperation with partners and integration with external systems.

##### **Billing & Charging**

**Comarch Convergent Charging & Billing** is a modern tool perfectly suited for any type of communication services providers. It lets you charge customers for any type of service in real-time, personalize offers for your customers, and makes it easy to develop new business models in cooperation with various partners, which is essential to drive your business in the current telecommunication world and Internet of Things.

**Comarch Smart BSS** is a complete pre-integrated solution that enables communication service providers to comprehensively manage Request-to-Answer, Order-to-Payment, Usage-to-Payment, Request-to-Change, Termination-to-Confirmation and Problem- / Complaint-to-Solution processes, via customer management and self-care applications. The solution is dedicated for local operators and smaller telecommunication companies, such as Internet suppliers, cable and satellite TV networks or virtual operators.

**Comarch Inter-Partner Billing** enables service providers to exchange settlements and invoices, and share revenue or costs with other service providers. The system also facilitates managing relations with national and multi-national business partners and gives ability to settle by one platform any service type, including voice, data transfer, and premium, in many business models, such as platform delivery, reselling and wholesale.

### **Service Design & Fulfilment**

**Comarch Service Fulfilment** supports processes of creation and delivery of services to a customer starting from customer order, through modelling and adequate orchestrating network operations. The solution enables operators to automate service fulfilment and quicker introduction of new services to the market. The system assumes that new services are built from predefined elements which are managed in service catalogue, thus telecom operators may quicker deliver them to a customer and keep high innovativeness of the offered products. Delivery of services process is performed over existing technical silos, what enables a gradual transformation without significant investment.

**Comarch Product Catalogue** enables simplification of the IT architecture, shortening time-to-market for new products and services and complex management over catalogue and life cycle of products from one month. The software allows to specify offers and products, designate relations between products and define which of them are mutually exclusive or may be sold exclusively within bigger packages. The system specifies potential end-users, location and many more other features. The product is based on TM Forum Information Framework called Shared Information Data model (SID).

**Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Efficiency in using sources, labour costs and fuel usage optimization are achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues.

**Comarch Order Management** is a solution dedicated to automate and thus speed up order-to-cash process, which starts from customer order capture and goes through service, network provisioning and activation and ends at billing the customer. Comarch Order-to-Cash Automation supports shortening time-to-market for new products and services. This is achieved by building the solution around pre-integrated central product catalogue and service catalogue which serve as a single place for defining products. The whole process spans across both business and technical domains, served by Comarch Customer Order Management and Comarch Service Order Management.

### **Network & Service Assurance**

**Comarch Fault Management** enables effective control identification of problems and failures in a telecommunications network serviced by several suppliers (geographical localisation, position in a logical network architecture, standard list of alerts) and enables adequately quick reaction to network defects. Through continuous monitoring of all elements of the network, it displays and efficiently tracks alarms and repairs them at source before they influence the quality of service to the end-user.

**Comarch Service Assurance** enables a telecom operator to monitor complex services, automatically find problem root causes. The system makes telecom service assurance possible to control from one convergent, central application.

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

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

managing service quality by preventing customers from experiencing service problems, thanks to trend analyses and prediction capabilities.

### **Network Management and Planning**

**Comarch Network Planning** enables you to comprehensively and efficiently manage telecom network planning, expansion and optimization processes. The solution enables full control over strategic, administrative and technical processes using only one OSS platform. This ensures unprecedented until now visibility of business processes.

**Comarch Network Inventory** stores the complete information about network resources and presents current, historical and future state of telecommunications/IT networks and facilitates network resource management. The system enables modelling links, planning, designing and configinventing equipment, address assignment and control, resource numbering and preparing reports. It also provides detailed network element information and allows the users to search the database using a wide range of criteria.

**Comarch Service Inventory** is to enable managing the network from service perspective. The product, pre-integrated with Comarch Service Catalogue, describes the services according to the TMF SID model, which identifies Customer Facing Services (CFS) and Resource Facing Services (RFS).

**Comarch Configuration Management** enables service providers to automate the crucial area of network configuration management. The product can be implemented as part of a broader solution for network planning and upgrading – Comarch NG Network Planning.

### **New Sources of Revenue**

**Comarch B2B Sales & Fulfilment** is a dedicated BSS/OSS stack, designed to support service providers in the area of B2B communications. The solution focuses on critical problems related to B2B relationships, such as providing distinct selling approaches for different company sizes, NCsdelivering and supporting large numbers of customized products and services, managing service level agreements (SLAs), and handling complex fulfilment processes. This solution can also support multiple billing scenarios.

**Digital Services Platform** is a partner collaboration and service management platform that enables telecom operators to manage the quality of modern services (Internet of Things, Machine-to-Machine, cloud services, mobile payments, standard telecommunication products based on new technologies), handle the collaboration process between the partners, as well streamline the process of service integration by efficiently distributing tasks between appropriate partners and departments. The solution enables telecom operator to play an active role in various industries such as Smart City, automotive, healthcare and electronics.

**Comarch M2M Connectivity** enables mobile operators to provide Managed Connectivity in multinational, multi-operator environments. The system lets telecoms target various industry verticals with M2M offerings, including: automotive, consumer electronics, FMCG, energy & utilities, finance & banking, healthcare, manufacturing, public services, security, as well as transport & logistics.

**Comarch MVNO/MVNE** is a solution tailored to both MVNO (Mobile Virtual Network Operators) and MVNE (Mobile Virtual Service Enablers) business models. With its help, telecom operators may launch cost-effective services, often aimed at niche customer segments and acquire additional revenue. Comarch MVNO/MVNE can help telecom operators easily manage relations with customers, business partners, the portfolio of offered services, as well as revenue.

### **Intelligent Networks of the Future**

**Comarch SDN/NFV** is a solution coupled Software Defined Networking with Network Function Virtualization. The tool prepares a company successfully face the challenges of the digital era and the Internet of Things. It carries the promise of lower OPEX and CAPEX and higher return on network investment. NFV / SDN enables to transform network nodes into micro-datacentres that can host not only software implemented network function (Virtualized Network Function) but also customer applications.

The network can be transformed into a distributed platform that can dynamically re-shape itself to better service customer applications and allocate its resources according to customer application needs.

**Customer-Centric OSS System** is a platform supporting innovativeness through processes of delivery of services based in products and services catalogues. Transformation of OSS environment in the perspective of customer experience means switching the perspective from network resources to customer experience. The ultimate goal of costly network upgrades lies in providing a better service for end customers. This way, telecom operators may combine technical parameters and other data with how they influence the level of customers' satisfaction.

### **Professional Services**

**Business Consulting** is a service that helps telecoms optimize and automate their business processes and increase their efficiency in OSS and BSS areas by eliminating multi-vendor and cross-organization redundancy and by rethinking IT architectures and configurations. Comarch offer was build based on three basis: rich portfolio of business services, complex responsibility for implementation and business effects, as well as experience and knowledge of the industry.

**Managed Services** is a set of services within modernization of BSS/OSS environment which results in improvement of efficiency of business processes, limitation of costs and keeping a high quality of the provided services. Comarch offers outsourcing system and/or process management which enables customers to optimize the process of services delivery to the end-user and to increase their availability, and at the same time, to reduce operating expenses and labour costs. Comarch products, together with components of third parties and data centre services, guarantee a transformation to a new generation managed services model of and enable providing high quality consulting services within the business and IT.

**BSS/OSS Transformations** are services which enable a telecom operator the personalization and improvement of quality of provided services, as well as directing at the specified set of customers. BSS/OSS transformations support a comprehensive, multilevel transformation of IT environment based on Comarch products and infrastructure, and an open cooperation model. The services enable creation of a unified, standardized architecture of the system in accordance with the KPI indicators of the telecom operator.

**End-to-End Project Delivery** is a suit of Comarch services which ensure that a telecom operator obtains a software which integrates effectively with the existing IT environment and includes both systems and components from the external suppliers and own Comarch solutions. The suit provides designing from the very beginning of some business processes and ensures comprehensive and secure data migration, as well as continuous and efficient work of systems, and later on also support in solving the problems related to the maintenance, training for selected employees and system update.

## **FINANCE, BANKING AND INSURANCE DIVISION**

For over 17 years Comarch delivers systems for financial institutions, in particular for banks, brokerage houses, insurers and entities managing assets and funds. As one of the biggest producers of software in Poland and Central and Eastern Europe, Comarch may be proud of many lines of products, reach scope of competences, and most of all, large group of satisfied customers, among others: Aviva, Allianz, Alior Bank, Aegon, ING, UniCredit, UNIQA, ERGO, Delta Lloyd Life, Generali and Raiffeisen. Our offer comprises both own finished solutions, dedicated solutions, and advisory and integration works.

### **PRODUCTS**

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

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

**Comarch Core Banking** is a state-of-the-art central system designed for cooperative banks, commercial banks and bank start-ups wishing to gain a sustainable competitive advantage. It enables the end-to-end management of financial products such as loans, deposits, current accounts and members' shares. The solution comes with a general ledger which automatically records accounting events. It is also equipped with a product simulator that allows observing the performance of a new offer according to selected scenarios.

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

**Comarch CRM & Loyalty for Banking** is a set of tools to comprehensively support all the processes associated with building and maintaining customer relationships. The platform enables the measurement of advisors' performance and the effective management. The tools designed for banks and other financial institutions put great emphasis on customer relationship reinforcement based on the strategy of professional communication. The solution includes modules: Comarch Virtual Marketplace (possibility to integrate with Comarch Beacon), Comarch Campaign Management and Comarch Customer Relationship Management – Branch Office.

**Comarch Custody 2** is a state-of-the-art reference system for end-to-end servicing of bank operations related to securities trading. The solution is targeted at financial institutions of all sizes. It provides support for basic and advanced processes, including the basic bookkeeping of client portfolio statuses and own positions, full automation of communication, as well as cross-border settlements and security management. It focuses on various types of operations conducted in an active financial institution, including settlement of market transactions, management of corporate actions, a wide range of bank reporting as well as communication with clearing houses, clients and partners in line with the latest standards for data exchange (SWIFT, ISO 20022).

**Comarch Exchange Trading** It provides efficient processing of orders and transactions in line with the requirement of best execution, flexible register and configuration modules, client service support, multi-currency financial services for brokerage accounts, automated bookkeeping of securities, and accounting services. It guarantees compliance with the reporting requirements of capital market regulatory institutions and security issuers, as well as the full and transparent reporting of investment results for clients. It enables operational risk management and reporting for its own needs. It consists of the core brokerage system, a web-based application and a mobile application.

**Comarch Factoring** is an online platform for banks offering factoring services and non-bank financial institutions designed for end-to-end processing of factoring transactions. The tool is fully automated and highly flexible; therefore, it is easily integrated into the ERP systems used by the clients. It supports numerous processes, including invoice purchasing, fee management, payments, reporting to insurance companies and receivables monitoring. Its accounting module provides complete and automated accounting services.

**Comarch Insurance Front-End** is a platform that aims at integrating multiple business systems and providing an intuitive and ergonomic work interface, consistent for agents, branch and call centre employees, and partners, agencies, multi-agencies and brokers. The platform includes the following solutions: Comarch Mobile Insurance Advisor, Comarch Mobile Claims Adjuster, Comarch Insurance Agent Portal, Comarch Insurance Customer Relationship Management and Comarch Insurance

Customer Portal. All systems are designed to satisfy the needs of business users, and they work both online and offline. It is the platform's significant advantage taking into account the mobility of insurance agents and claim adjusters.

**Comarch Life Insurance** is a management system for individual and group life insurance in insurance companies. The solution allows the efficient management of all areas of insurance business, including defining products, offer presentation, underwriting, policy operations, processing of claims, fund management, settlements, reserve calculation and reporting. Thanks to its modular structure and unique flexibility, the system can be tailored to individual customer's needs and requirements, including the individual life cycle of business processes and the specific nature of a particular insurance company.

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

**Comarch NonLife Insurance** is a system dedicated to insurance companies providing property insurance and other types of personal insurance. The solution enables consistent and flexible management of all areas of an insurance company's operations. It is designed for front-office employees who contact customers directly (during offer presentation, policy processing, claim handling and debt collection) and for back-office departments such as finance, accounting, actuarial and reinsurance.

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

**Comarch Wealth Management** is a multi-module platform for private banking and wealth management. It supports client wealth management processes as part of personal services and a self-service channel, including the analysis of a client's financial situation, risk profile assessment, financial planning, strategic asset allocation, recommendations for financial products and investment performance reporting. It consists of the following modules: Comarch Investment Advisor, Comarch Client Front-End, Comarch Client Reporting, Comarch Portfolio Management, and Comarch Performance Attribution & Risk.

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

## **COMARCH TECHNOLOGIES DIVISION**

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

Own R&D centre and launching the production line (IoT Lab) guarantees the highest quality of the produced electronics and conformity with the current trends and the industry standards.

### **PRODUCTS**

#### **INTERNET OF THINGS**

**Comarch IoT Platform** is a flexible cloud-based platform to manage smart and mobile devices. The platform enables configuration, management and monitoring of the communication between devices in

network. It results in an increase in efficiency of process management and a decrease in both operating and of used resources.

**Comarch beacon** is a small transmitter that broadcasts a continuous signal via Bluetooth Low Energy. The device, through a dedicated mobile application, allows to connect individually with a customer using such its functionalities as: contextual messaging, communication in real time, indoors and outdoors.

**Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforces in the field. The system enables improvement of efficiency in the context of available resources by assigning work orders to those employees who are more competent and of locations in the field, thus contributes to the labour costs and fuel usage optimization.

## MOBILITY

**Application development** is a service consisting in the designing of mobile applications according to the customer's requirements, while using knowledge and experience within security of the network and logistics, as well intuitiveness of the application when in contact with a customer.

**User Experience Consulting** consists in a comprehensive behaviour and users' profiles survey carried out in order to design intuitive and end-user friendly applications.

**Quality control and testing** is a complex planning and managing the testing process of mobile applications.

**Certification tools** enable effective management of device and application certification processes. Additionally, they allow for verification of compliance with folded standards and provide continuous support to organizations during the evolution of the standards.

## CYBER SECURITY

### Consulting

- **Comarch Cyber Security Solution** provides professional services within preparation and implementation of security policy, as well as carrying out an IT audit in an entity. New feature is implementation of C<sup>2</sup>SOC (Comarch Cyber Security Operations Centre) service which is used for early detection and elimination of cyberattacks which would influence the customer's business. C<sup>2</sup>SOC is available 24 hours a day, whole year.

### Identity and Access Management

- **Comarch Identity and Access Manager DRACO** is a software enabling management the identity and access to IT systems of an entity. It was built from scratch having in mind single sign-on (SSO), role-based access control and users' accountability.

### Public Key Infrastructure

- **Comarch CertificateAuthority** manages creation, storage and distribution of PKI certificates, which are used to securely share data over a network whilst verifying the identity of a certain entity.
- **Comarch CertificateWorkshop** along with Comarch Certificate Authority covers a complete PKI certificate lifecycle, starting from a request for certificate issuance up to its extension, termination or cancellation.
- **Comarch SOPEL** provides Public Key Infrastructure (PKI) libraries and services related to the electronic signature operations. The electronic signature is used to confirm the user's identity, software or hardware, and gives transaction authorization.



## Authentication & Authorization Methods

- **Comarch Smart PKI Devices** are cryptographic devices which verify the identity of their owners and provide secure access to any sensitive data. Comarch's Smart PKI Devices portfolio includes smartcards, smart tokens and smart card readers serviced also with biometric technology.
- **Comarch SmartElliptic Devices** are the unique protectors embedded with certificates and private keys based on the Elliptic Curves Cryptography (ECC) mechanism for future-proof secure systems. Unlike today's most commonly used algorithms, the ECC mechanism delivers a higher security level along with shorter cryptographic keys. Comarch Smart Elliptic Devices family comprises of Comarch tPro and Comarch Smart Token ECC devices.
- **Comarch OTPSolutions** provides strong methods of user authentication and authorization based on the one-time password generation and challenge-response mechanisms. The one-time password mechanism is the most popular and simple form of the two-factor authentication used to protect networks against unauthorized access. Comarch OTP Solutions offer comprises of Comarch Smart Token OTP and Comarch Mobile ID solutions.

## Security Assurance

- **Comarch SecureAdmin** is a tool dedicated for management, remote monitoring and internal access to resources on servers. In addition, it is equipped with a mechanism for configuration of the limit of session's time and an automatic notification about an unauthorised attempt to access to a server.
- **Comarch FrozenObject** monitors and reports changes in the selected elements of the company's systems and applications.
- **Comarch CentralLog** is a solution used to gather logs coming from IT systems in an entity. The gathered data are filtered, processed online and hosted for audit purposes.

## OUTSOURCING

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

## DESIGN & PROTOTYPING

In our IoT Lab, we build functional prototypes which follow the highest industry standards in safety, security and user experience. Our rapid prototyping technology process includes design, manufacturing and final product assembly, along with thorough testing and validation.

## QUALITY ASSURANCE

Comarch provides quality assurance services of IT systems. The quality assurance services comprise preparation of a specification including an analysis of a customer's requirements, designing of the test scenarios and preparation of documentation, test automation and their execution, carrying out analysis in order to improve, as well as after audit inspection.

## SHORT SERIES MANUFACTURING

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

## **EMBEDDED SYSTEMS**

Comarch offers visionary system and product solutions within embedded systems. Experience gained during performance of international projects related to consumer electronics, and automobile, medical, finance and banking industries guarantees conformity of the offered solutions with the current trends and the industry standards.

## **ERP DIVISION**

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

**Comarch ERP XL** – for years it has been the most desired system of the ERP class in Poland and is used by more than 4,500 medium and large enterprises from different industries. The solution fulfils specific requirements of manufacture, trading and service enterprises. The system is also available in a service model (SaaS).

**Comarch ERP Optima** – an application for micro, small and medium enterprises which offers sales management, management, accounting services and personnel and payroll management. Along with an additional Accountant Office module and iKsięgowość24 Accountant Office Social portal, Comarch ERP Optima is a tool for managing and advertising the accountant offices and tax counselling offices. The application is also available in a service model (SaaS).

**Comarch ERP iFaktry24** – an innovative application for on-line invoicing, managing a warehouse and simplified accountancy, it is available through an internet browser or an application installed on computers with Windows 8 and 8.1 systems. A solution dedicated to micro and small enterprises. Its main advantages are the ease of use, a complete process automation, a possibility to integrate it with an accountant office, Wszystko.pl portal and Comarch ERP e-Shop. The application is only available in a service model (SaaS).

**Comarch Retail** – an independent system for managing a retail sale, enables a company to manage a retail store chain efficiently and comprehensively, starting from its main office through back-up facilities to the point of sale (POS).

**Comarch ERP Mobile** – a package of mobile applications which supports the ERP system: Comarch ERP Optima, Comarch ERP XL and Comarch ERP Altum. The package includes: Comarch ERP Mobile Sales Manager and Comarch ERP Mobile Sales. Comarch ERP Mobile Sales Manager is a web application which enables companies to manage mobile personnel and their sales results via one application, run on any type of device: smartphone, tablet, laptop or PC. It enables companies to monitor work results and the current locations of the personnel and routes registered by them. Comarch ERP Mobile Sales is an application of SEA type, enabling users to work on a smartphone or tablet with Android platform, support the field personnel, amongst others, sales representatives and sales assistants in e-shops.

**Comarch WMS** – a solution which enables companies do manage a High Bay Warehouse. The package includes: Comarch WMS Management and Comarch WMS Warehouse. Comarch WMS Management is a tool dedicated to management of a company warehouse logistic, among others, by defining warehouse structure, handling carriers, giving warehouse orders, monitoring the warehouse's work. It is a web application which can be run on any type of device: smartphone, tablet, laptop or PC. Comarch WMS Warehouse supports the operation of warehouses on data collectors with an option to work on-line. The application allows users to receive, issue, move and take inventory of goods.

**Comarch Business Intelligence** – it is a system based on a technology of data warehouse which is dedicated to small and medium enterprises and international corporations. The solution supports decision-making processes and handling tasks relating to reporting. It offers support to the following industries: financial and insurance, FMCG, service and production.

**iBard24** – an easy to use, multifunctional tool for, amongst others, automatic backup, file synchronization between devices and team work on documents. iBard24Service allows users to have constant access to company data from any device and place 24/7. A huge advantage of the application is the high level of security of the stored data: double encoding and their storage in a certified Comarch Data Centre in Poland. iBard24 is available in four languages (Polish, English, German and French).

**iKsięgowość24** – accountancy and bookkeeping services for enterprises, provided by more than 1,000 accountant offices which use Comarch ERP Optima.

**Comarch ERP Contractor Desk** – B2B platform allowing users to, amongst others, order goods on the Internet. A logged on contractor has access to the history of their orders, payments, claims, can view a realization status of service and production orders. The application works with Comarch ERP XL, Comarch ERP XL and Comarch ERP Altum.

**Comarch ERP e-Sklep** – a software for an internet shop for small and medium companies fully integrated with the Comarch ERP management systems, price comparison applications, Allegro and Wszystko.pl auction websites, and also with on-line payment services.

**Wszystko.pl** – a trading platform (operating so far in www.iMall24.pl domain), it enables a company to sale directly on the Internet from the invoicing and warehouse system used by enterprises. Every company that has purchased the Comarch ERP management software can sell its products via this application.

**Comarch Software und Beratung AG Systems** is a line of ERP and financial and accounting systems for small and medium enterprises operating on the German market:

- **Comarch ERP Enterprise** – a new generation ERP system for active enterprises operating on international markets with the use of Internet. It is equipped with an ergonomic user interface, a built-in WorkFlow module, and it is optimized to reflect business processes and organization structure in a most efficient way,
- **Comarch Financials Enterprise** – a new generation of a financial and accounting system, developed as an addition to the Comarch ERP Enterprise system, it enables an enterprise to manage finance of modern structure,
- **Comarch ERP Suite** – classic ERP system, which offers proven and adjusted to industry peculiarity functional solutions for a wide spectrum of users,
- **Comarch Financials Suite** – enhanced, certified financial and accounting system, using control module and electronic document storage, enabling an enterprise to work in an international environment, with respect to different accounting standards (US GAAP, IFRS),
- **Comarch Financials Schilling** - a classic financial and accounting system,
- **Comarch Financials DKS** – a financial and accounting system expanded for clients operating on the Austrian market, also equipped with a control and HR module,
- **Comarch HR** – a system dedicated to HR and payroll management, it supports work time and recruiting processes management,
- **Comarch ECM** – a system for electronic storage and management of documents, which enables users to implement a fully electronic document circulation in a company,
- **Comarch eBilanz** – an application for electronic submission of financial reports to the governmental authorities in Germany, works with different financial and accounting systems.

## **PUBLIC DIVISION**

Comarch specialises in designing, implementing and integrating modern IT systems for public administration, developing comprehensive turnkey solutions and creating network hardware infrastructure. In view of the changes taking place in Polish public administration, Comarch has developed a series of e-government solutions. They are designed for roles specific to public sector institutions. Comarch solutions are designed and developed according to the latest international standards and are implemented by the best specialists. The most important solutions implemented in public sector are:

**Comarch Workflow** - It supports the electronic (and paper) flow of documents in companies and institutions (industry-specific versions have been developed for particular entities).

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

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

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

**Comarch e-Office** - Comarch e-Office is a platform of online public services with a set of modules that allow local public administration bodies to execute tasks set by the legislator. Intuitive tools allow for independent management of the application and ensure support for content creation and publication. Comarch e-Office includes the following modules, among others: Digital Office, Public Information Newsletter, Information Portal, and Intranet.

**Comarch Egeria** - This ERP class Integrated IT System supports organization management and decision-making processes. It features a high configuration capacity and flexibility, which allows it to be adjusted to the individual needs of each client. The system is offered to different types of companies and institutions (government and local level administration, health care, utilities, etc.).

**Comarch Egeria e-Health** - Comarch Egeria e-Health is a system designed to handle the administrative part of health care facilities. Its modular construction makes it easy to be adapted to current needs and can be gradually expanded. The system is prepared to work with data from working time recorders, data collectors and fiscal printers. For your convenience, the system is divided into the following areas: Finance and Accounting, Personnel Management, warehouse management and CRM. The system supports also defining the medical procedures and calculating the cost of treatment.

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

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

**Comarch ERP Egeria Mobile Virtual University** - The solution allows students to gain academic knowledge with the use of mobile devices. Students have the access to: personalized messages, news, history, ratings, schedule offers, educational institutions and so on.

**Comarch Egeria Leasing** - This integrated IT system gives support to companies that provide financial services (including leasing). The system supports the sale of financial products with calculators templates and tools which facilitate customizing offers and adjusting them to changing market requirements.

**ERP Comarch Egeria Leasing Partner Care** - The main functionality of the Leasing Partner Care system is the possibility of entering offers and object data for customers of leasing companies. The system provides customer support (e.g. by providing the repayment schedule) and allows for adding a

lease insurance option to the offer. The last stage is pre-valuation, that is a process where specific conditions in configuration of a product are checked.

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

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

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

**Comarch Mobile Inventory** is a solution enabling full support for the process of inventory of fixed assets recorded in the COMARCH ERP Egeria system using mobile devices. The inventory process comprehensively supports various steps of the process: downloading data from Comarch ERP Egeria, verification of fixed asset data (including photographs), their adaptation or adjustment, settlement within spreadsheets, submitting a request to change an asset. The application works both online and offline and after completion of the inventory, allows you to organize your fixed assets in the system. Comarch Mobile Inventory works with Motorola MC40 terminal, a standard tablet, phone with Android version 4.1 or higher, and Motorola CS3000 Series reader, which enables comprehensive service of the inventory process.

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

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

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

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

**Comarch IT Cost & Risk Analysis** – This is a tool for determining the total costs of providing IT support and comparing it to the alternative of having no IT support. The system calculates the costs and risks related to migrating support for business processes. It provides valuable information related to the

profitability of providing IT support including: ROI, NPV, and IRR. It presents a simulation for processes, systems and entire models of providing IT support.

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

**Comarch Database Archive** - This is a tool used for optimizing archived data and the planned management of it. The system facilitates creating new data partitions by selecting them from active partitions and correctly rebuilding database structures, partition disconnection and archiving, and authorization of data deletion and restoration.

**Comarch SOC (System Operation Centre)** - The system supports security incident management and security services responsible for offices and industrial buildings (which require continuous and discreet surveillance at the professional level), as well as a critical infrastructure (objects such as airports, petrol stations).

**COMARCH CSI (Cyber Security Intelligence)** - The modular system designed to detect threats related to cyber security through intelligent analysis of a large amount of information from multiple data sources.

**COMARCH Secure Admin** - The main objective of this solution is the control of administrators. Secure Admin is a single point through which administrators acquire access to the managed systems and which is monitored fully, for example through keeping records of the entered orders or making print screens every interval. An important value of this solution is also its preventive ability, that is, each administrator is aware that 100% of their actions are monitored and audited.

**COMARCH C3ISR (C4ISR)** is fully integrated and automated support system of MBS class, including whole functionality of ISR systems. Acquiring, gathering, processing, analysis, data distribution in functionality divided into: command support system (C2I), acquiring and gathering information and distinctive data, processing and analysis of information and distinctive data, exchange of data and distribution.

**Classifies Information Protection Systems** - Comarch offers a system to provide cryptographic protection of classified information, which is sent with the use of the IP protocol (certification to the level of "restricted"). The system consists of two groups of devices: IP encoders and HSM (Hardware Security Module). Safe communication is accomplished through the creation of a secure virtual private network (VPN) with the use of IPsec and the mechanisms of the Public Key Infrastructure (PKI).

**Comarch eRecording** - Comarch eRecording is a comprehensive and coherent solution, which combines the convenience of classic audio / video recorders with sound systems and a dedicated application to control the process of audio / video registration. The system allows for recording meetings or public appearances together with related metadata and comments, which guarantees efficient search for a recording during the playback. Additional sources for the registered data may be external multimedia data and remote transmission conducted by a video terminal. Comarch eRecording provides, together with a recording, multimedia player independent from the device's platform.

**Comarch Video Terminal** - Comarch Video Terminal is a client of video conference that supports popular connection standards and audio-visual transmission. It is also a suitable complement for Comarch eRecording, as it provides point-to-point connection, as well compilation of multi-party calls based on the standards and infrastructure of video conferencing bridges of leading suppliers.

## **SERVICES DIVISION**

In the services sector, Comarch designs, implements and integrates innovative IT solutions for loyalty programs, marketing campaign management, employee motivation management, electronic data interchange and business information, manages documents and their flow within the company and sales

process management using support systems and mobile applications. The offer also includes a comprehensive range of IT infrastructure management for services companies.

Services Sector currently employs about 900 employees and implements projects on five continents in 35 countries, starting from Poland through all European countries, Arab countries, Malaysia and the Philippines up to the United States, Canada, Dominican Republic, Brazil and Chile. Among our clients are BP Global, Carlsberg, Heathrow Airport, Heineken, JetBlue Airways, Metro Group, OMV, Diageo (producer of such brands as Johnnie Walker, Smirnoff and Baileys), Red Bull and Tesco.

### **Solutions to manage loyalty programs and marketing activities**

**Comarch CRM&Marketing** is a comprehensive portfolio of solutions and professional services that facilitate the design, operation and management of loyalty programs and multi-channel marketing campaigns. They also allow analysis of data relating to the loyalty program and monitoring customer activity in social media.

In the area of CRM & Marketing, Comarch has realized over 80 loyalty projects in 29 countries, e.g., for such companies as BP, Heineken, Heathrow Airport, JetBlue Airways, Pepsi and Statoil. These programs cover 215 million members and process 4.7 million transactions per day.

Comarch CRM&Marketing includes the following solutions and services:

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

**Comarch Loyalty Management Travel Edition** - is a version of the product dedicated to companies in the transport and tourism sector, particularly airlines. The platform supports airline loyalty programs for all types of carriers, both for individual clients (Frequent Flyer Programs), as well as B2B. The system supports the creation of sector-specific rules for points accrual and redemption, defining Elite Tiers and privileges, as well as a separate module that automates the process of adding new partners and exchanging data with them.

**Comarch Campaign Management** - is a system designed to manage multi-stage marketing campaigns, automate their execution, and monitor and analyse the performance of individual marketing campaigns. The solution enables marketers to simplify planning and to run personalized communications with customers through multiple channels, provides control over marketing costs and allows campaign testing. The system also helps to coordinate and track tasks of particular team members.

**Comarch Customer Engagement** - is a solution for the management of commitment and customer loyalty. The system can function either as an adjunct to other solutions, or as a stand-alone model. The solution allows users to define a variety of engaging tasks (educational, social, entertainment) for users, for which they are rewarded with badges or a higher level or position in the ranking.

**Comarch Smart Analytics** - is a Business Intelligence system that allows the simultaneous acquisition and use of information about customers, their behaviour or preferences. For the analysis to be maximally reliable and to most faithfully reflect the behaviour of the market, the tool retrieves data from loyalty systems, CRM, marketing campaign management, as well as from other sources such as accounting systems, revenue registration or controlling systems.

**Comarch Social Mining** - is a system that allows the user to monitor the behaviour of a loyalty or gamification program participant on social media by analysing posts, comments and amount of the provider's shared content, including verification of its popularity. Additionally, the system collects the participants' personal data, which allows for an even more personalized marketing communication in terms of loyalty programs.

Within CRM&Marketing we also offer **Managed Services**:

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

**Creative Services** - are professional and comprehensive services, which, thanks to the focus on the visual and conceptual side of implementation, boost participants' engagement and motivation. Characteristic elements of creative services include: designing an involving strategy scheme, setting out the basic principles and mechanisms of an engagement program, developing unique graphic design (mobile, web, TV spots, brochures, posters), managing a program that engages clients.

**Program Management Services** – dedicated and highly experienced program managers will manage and coordinate your loyalty program by executing operational tasks and software application administration, as well as by providing expert guidance for future improvements and further growth. The range of services provided by Comarch includes support in program organization, setup and selection of marketing service providers and fulfilment partners, managing on-going relationships with strategic program partners and subcontractors, ongoing administration of software applications involved in program operations, reporting of program KPIs and service performance, fraud detection and prevention, overall communication management, as well as configuration and administration of the program web portal.

**Customer Analytics** - is a service in which Comarch provides support and assistance in the gathering, analysis and interpretation of data for the construction of customer-focused business strategies. We specialize in building customer segmentation models, analysis of data from loyalty programs, analysis of customer migration and customer activation strategies, development of predictive models and scoring, database marketing and analysis of customer satisfaction.

#### **Management Solutions for motivation of employees**

**Comarch Enterprise Engagement Platform** - a comprehensive solution for the management of motivation, commitment of employees and business partners. The system enables the definition and design of engaging, diverse tasks (education, sales, entertainment and social media) for employees for the execution of which they are rewarded with badges or a higher level or position in the ranking.

#### **Electronic Data Interchange solutions**

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

Comarch EDI was indicated in the 2014 Gartner MQ report. The platform has been selected by more than 35,000 users from 35 countries exchanging more than 300 million documents per year (e.g. Metro, Leroy Merlin, Unilever and BP). EDI ensures:

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

Comarch EDI solutions:

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

- Support for sales and purchase invoices



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

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

**Comarch EDI e-Market** – Comarch EDI e-Market is an e-commerce solution that mainly allows companies to effectively cooperate with smaller business partners. It provides:

- Customization of the application's layout
- Definition of individual product catalogues
- Determination and calculation of discounts
- Entering a variety of promotions
- Ordering of products/Shopping cart
- Reporting

**Comarch EDI Logistics** – is a professional solution for process optimization in the supply chain. It provides effective communication with logistic operators, ensuring fast and secure flow of information and access to the current status of logistics operations.

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

**Comarch EDI Mobile** – Mobile application for quick and easy ordering of products by scanning barcodes. Another feature is the ability to optimize the reception of deliveries through a combination of EDI documents (DESADV) with a logistic label (SSCC).

#### **Solutions for document and process management**

**Comarch ECM (Enterprise Content Management)** allows for the comprehensive management of documents and business processes to provide faster performance, better control of the data and work, as well as a high level of safety in the company's critical information. Comarch offers a broad portfolio of solutions and services that enable the design, implementation, commissioning and management of the document aspect of business processes, such as the process of accounts payable, purchase processes, HR processes, contract management and master data management.

Comarch ECM has a base of over 600 customers in 15 countries on 4 continents. In the implemented solutions there are stored more than 1.2 billion documents, and OCR modules process more than 1.5 million invoices and other financial documents per month. Comarch ECM solutions were chosen by such companies as ING, Carrefour, Eurocash Group, Rossmann, Valeo, T-Mobile and Technicolor.

As part of Comarch ECM the following modules are offered:

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

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

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

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

**Comarch ECM Contract Management** allows for the implementation of a secure unified register of commercial agreements, whereby employees in the purchasing or accounting departments will be able to quickly locate and verify the provisions of the agreement. The workflow engine enables the implementation of an electronic contract approval process so that while accelerating the process it increases its safety and reduces the risk to members of the board authorized to sign contracts.

**Comarch ECM Master Data Management (MDM)** – allows the user to organize the process of adding and modifying clients' or products' data, and also eliminates the chaotic email or paper communication that imposes double data entry.

**Comarch ECM Facility Management** allows the user to create a central archive, so that employees have quick access to investment or administrative records, regardless of their location.

**Comarch ECM Quality Assurance** allows the user to organize all quality documents in the enterprise as a central knowledge base, and thus make it easier to access and quickly retrieve key quality documentation, not only in the quality department but also for staff in other departments.

**Comarch ECM Manufacturing Management** - this implementation provides support for technical and production documentation, whose main advantage is fast and easy access for production department employees.

#### **Solutions to support sales and distribution**

**Comarch SFA (Sales Force Applications)** are mobile and web solutions dedicated to running and optimizing business processes, including those related to sales, logistics and customer service. Our portfolio includes systems for sales support and sales representatives' work management, integration solutions and communication services with business partners, as well as web-based applications for managing sales and trade marketing, marketing, and promotions.

Comarch SFA consist of more than 4.5 thousand users of Mobile Sales Force Apps, 20 million generated delivery orders and more than 15 million transmitted documents. Comarch SFA solutions have been implemented in companies such as Carlsberg, Diageo (producer, e.g., of Johnnie Walker, Smirnoff and Baileys), Red Bull, Nivea, Energizer and BioMed.

Comarch SFA platform include:

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

**Comarch SFA Online Manager, Comarch SFA Online Administrator and Comarch SFA Mobile Manager** - are applications for managers and business administrators who manage sales forces in the organization. Applications provide the functionality associated with the reporting and control of sales and medical representatives who operate in the area and use Mobile Sales Force Applications.

**Comarch SFA Online Sales Support Applications** - is a sophisticated B2B platform that integrates business partners - manufacturers, distributors and shops. It provides comprehensive communication,

reporting and support for sales and marketing organizations. As part of the system, Comarch SFA also provides applications for managers and business administrators who manage sales forces in the organization. The platform also includes e-commerce and call centre modules.

**Comarch SFA Trade Promotion Management** - a support module for planning and settlement of trade promotions and promotional budgets. It offers the ability to easily define long- and short-term promotional activities with selected customers, to take stock of the effectiveness of these activities and to use the historical data to analyse and find the best solutions to increase sales.

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

### **IT Infrastructure Management – Comarch ICT**

Comarch ICT allows for complete control of the enterprise IT infrastructure. The combination of competence with many years' experience in the fields of telecommunications, outsourcing and data centres is a guarantee of the realization of specific implementations based on the best global standards and technology partnerships with leaders in the IT market. These solutions guarantee data security, promoting the development of IT processes within the organization, as well as internal and external communication. The most important services provided by Comarch in the area of ICT are Data Centre, IT Outsourcing and Integration and IT Networks.

### **Comarch Data Centre**

Comarch has 15 years' experience in the provision of data centre services. These are modern data processing and storage facilities used as an alternative for companies to expanding their IT infrastructure resources. They allow clients to benefit from the use of a specially designed space, without the need to build it and without creating expensive infrastructure. We accompany the client at all stages of the project, starting from preparation of the initial concept, through design solutions, their implementation and migration, to maintenance and management.

Comarch has 13 Data Centres around the world, with 5 petabytes of data stored for customers in more than 50 countries.

**IaaS (Infrastructure as a Service)** - Infrastructure as a Service consists of renting infrastructure - a specified amount of servers, computing power and storage space. Choosing the IaaS model enables a flexible and scalable selection of IT infrastructure resources based on the current needs of the company. As part of IaaS Comarch provides:

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

**PaaS (Platform as a Service)** - PaaS Comarch delivers a complete hardware platform system with a complete range of Managed Services that support the client application. As part of PaaS Comarch delivers:

- Equipment (arrays and servers) co-located in the centre(s) of the Comarch Data Centre
- All necessary third-party licenses
- Administration and management of the operational layer (e.g., operating system, database)
- Management of the network layer and the safety systems
- Provision of redundant telecommunications links
- Monitoring of the entire solution, 24x7
- One level SLA for the entire system

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

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

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

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

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

### **Comarch IT and Outsourcing**

Comarch IT Outsourcing is a group of continuous services, whose task is to provide comprehensive IT support to the customer, ranging from full support to the end user (service desk and station care), through the administration of LAN/WAN, server infrastructure and security, to the management of IT processes in accordance with the best ITIL practices. In addition, we provide customers with continuous services performed remotely or directly at the customer's location, which are related to advanced server systems, database and matrix, and therefore the most critical systems for the client's business and the most demanding in terms of availability and reliability.

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

**Comarch Business Continuity** - is a group of services designed to provide customers with high-availability systems, minimize the consequences of accidents and disasters, and the possibility to enable a quick return to the pre-failure state. Based on Comarch office space in Krakow and Warsaw, we offer customers a spare office for their key employees. The high-availability solution is a service for those customers for whom even a few minutes' critical system failure is a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the validity of the data stored and processed in IT systems. In addition, within this group of services we also provide audit services for various IT areas.

### **Comarch IT Networks**

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

**Comarch Network Managed Services (CNMS)** - is a concept of solutions designed to create and maintain data networks, including WAN/LAN/WLAN. CNMS is a comprehensive solution for the

construction or modernization of existing transmission networks, as well as the management and administration of these networks. In addition, we provide solutions for network security.

**Comarch Contact Centre (CCC)** - This is a comprehensive package of solutions that supports customer relationship management, and internal communications of organizations, as well as many other areas of business. The solution proposed by Comarch facilitates efficient management of information in the enterprise and allows the user to optimize the customer service process using customer-owned systems. Within the proposed solution, we provide both the supply of the necessary hardware layer - such as servers, gateways, phones or headphones - as well as an integrated application layer, equipped with business logic modules. On request, Comarch Contact Centre can also be provided in a service model, allowing for availability of Comarch Contact Centre customer resources. The customer, under this solution, gains access to the Contact Centre infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer itself provides only CC agents and internet access.

**Comarch NOC (Network Operations Centre)** - Comarch NOC is a comprehensive solution that provides a single point of contact with the client, providing technical support for monitoring and Service Desk in the areas of IT infrastructure and business applications for all types of businesses and institutions. Thanks to the built-in functionality of an automated and reliable system in place to monitor the IT services offered by Comarch, the service can be helpful both for administrators and IT managers.

## **COMARCH HEALTHCARE**

Comarch Healthcare provides complex solutions for health service. Since 2008 it has been carrying out a range of research and development projects, whose main aim is to develop comprehensive products for modern healthcare institutions.

The Comarch Healthcare offer includes:

- e-Care Platform - solution for remote medical care
- Information systems for comprehensive management of healthcare institution
- Information systems and application which help radiologists in their work
- Modern information solutions for processing, storage and creation of Electronic Health Record electronic medical documentation

During the development of products and solutions of Comarch Healthcare offer, the primary areas of focus are the ergonomics and intuitiveness and, at the same time, the highest standards of data security.

**The e-Care Platform** was designed for remote medical care, i.e. to monitor patients' health state outside hospital environment. This solution enables doctors to receive and process data from measuring devices, which monitor the relevant vital parameters, and enables patients to have remote contact with doctors. The platform includes, amongst others:

- Comarch PMA –Personal Medical Assistant
- Comarch HMA – Home Medical Assistant
- Comarch e-Care Centre Software
- Centre of Remote Medical Care
- Comarch Teleradiology

**Comarch OptiMED – a complex information system for Managing a hospital** - is equipped with a range of modules needed for the IT implementation in hospitals, both in medical (so-called "white") and administration divisions (so-called "grey"). Comarch OptiMED is a modern solution in the field of comprehensive IT systems designated for hospitals management. Module architecture of the system can be adjusted to each organization structure of a hospital, irrespective of its infrastructure, wards, operating rooms, a hospital peculiarity or its specific equipment. The OptiMED system can be connected to compatible peripheral systems (e.g. department of medical imaging).

**Comarch OptiMED24 – software for medical centres** - is a tool for managing an outpatient clinic and for storing a medical health records. The main modules and functionalities of the system are responsible for managing:

- Settlements with the Polish National Health Fund (NFZ)
- Registration of patients
- Appointments and consultations management
- Analysis and reports
- Public collectors

Comarch OptiMED24 is an extremely flexible solution, thanks to its open architecture it can be integrated with the solutions responsible for managing an administrative division (e.g. Comarch ERP Optima), with business analytic systems (Comarch BI) and with products of the RIS and LIS class. One of the latest functionality of Comarch OptiMED24 is the integration with on-line portal which promotes doctor. OptiMED and OptiMED24 software complement each other, constituting a comprehensive offer for all size organization units in the healthcare sector

**Comarch RIS – a system for managing radiological laboratory** - is of key value for efficient operating of a radiological laboratory. Apart from the standard functionalities of this class systems, i.e. examination register, description of results, reporting and administration, the system also offers a range of additional functionalities which, to a large extent, improve the work of every radiological laboratory, such as:

- extended configuration of roles and authorization of individual system users
- time table and organizer module

The Comarch solution can be also integrated with outside systems of the HIS and PACS classes (HL7 protocol). Thanks to this functionality, Comarch RIS allows users to create and send complete electronic documentation of a patient.

**Comarch medNote – the most ergonomic application for doctors** - It is the most ergonomic and intuitive system for managing Electronic Health Records for Sole Medical Practitioner. Its idea is based on context work with forms resembling printed versions of medical documents. Comarch medNote, in terms of the way it is used, resembles more a well-known text editor than a complicated medical application.

**Comarch Holter** is a solution designed for precise registering and analysis of cardiology parameters. Depending on the ECG Module used, it allows doctors to obtain from 7 up to 12 leads ECG along with respiration signal. The solution consists of two elements – Comarch PMA Mobile Holter device and application for analysis of ECG readings – Comarch Holter.

**Comarch EHR** is an informative system used to view electronic documentation in all type of medical institutions. The system aggregates medical documents created in other systems which cooperate with each other, creating a clear and easily available secure archive of documents. Documents sent to Comarch EHR are presented in a chronologically ordered record of a patient. Each record has a reference which provides a fast overview of a document, based on which it was generated. In addition, only entries from a specific type of examination or carried out in specific institutions, wards, or carried out by a specific doctor at specific time can be viewed in a given record.

**Comarch BI** - A solution of a Business Intelligence class is dedicated to the medical sector and designed for cost control, real-time monitoring of institution profitability and advanced data analysis coming from source systems. It is an irreplaceable tool which provides necessary data constituting the basics for making strategic decisions relating to a business aspect of the functioning of medical institutions.

## **SPORTS ACTIVITY**

MKS Cracovia SSA carries out sport activity by participating in professional league and contests in several sport disciplines, with football and ice hockey being the key ones. The objective of investing in the company is promotion of Comarch brand. It is an element of marketing strategy of the Comarch Group, aimed at creating image of Comarch as the first-choice integrator for large and medium-sized enterprises in Poland.

Revenues from sport activity of MKS Cracovia SSA include revenues on account of advertising services and other services, as well as revenues from tickets for sport events organised by the company.

## 4. Position of the Group in the IT Market and Information about Markets and Sources of Supply

Due to the type of IT systems offered by Comarch, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of Comarch's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. The Comarch's offer is dedicated to both Polish and foreign customers. Currently, the Comarch's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe. Sale in the Comarch Group is highly diversified, with no dependency on one major client. In 2014, the share of none of the customer exceeded 10% of the sale in Comarch Group's sales.

Due to the specific nature of the industry, in which Comarch manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In 2014, no customer provided products and merchandise at the value exceeding 10% of Comarch Group's proceeds on sale.

In 2014, share of none of the product provider exceeded 10% of the value of Comarch Group sales.

## 5. Sales Structure

### 5.1 Revenues from Sales- Geographical Structure (in thousands of PLN)

	2014	%	2013	%	2012	%
Domestic	557,483	53.7%	543,620	57.9%	516,577	58.4%
Export	480,868	46.3%	395,356	42.1%	367,299	41.6%
<b>Total</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>

In 2014, the Group's export sales increased by PLN 85.5 million, i.e. 21.6%. An increase in domestic sales was PLN 13.9 million, i.e. 2.6%.

Geographical sales structure (market structure):

	2014	%	2013	%	2012	%
Poland	557,483	53.7%	543,620	57.9%	516,577	58.4%
DACH	216,336	20.8%	188,877	20.1%	192,017	21.7%
Remaining countries	264,532	25.5%	1,509	0.2%	1,611	0.2%
<b>Total</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>

The Group's sales in DACH region increased by PLN 27.5 million, i.e. 14.5% compared to those in the previous year. Sales to other regions increased by PLN 58.1 million, i.e. 28.1%. The share of sales to other countries grew from 22.0% in 2013 to 25.5% in 2014.

**5.2 Revenues from Sales – Market Structure (PLN'000)**

	2014	%	2013	%	2012	%
Telecommunication, Media, IT	263,344	25.4%	218,268	23.2%	202,331	22.9%
Finance and Banking	138,744	13.4%	142,168	15.1%	229,439	26.0%
Trade and Services	117,798	11.3%	102,377	10.9%	71,615	8.1%
Industry & Utilities	94,109	9.1%	94,006	10.0%	70,189	7.9%
Public Sector	171,952	16.5%	157,786	16.8%	101,762	11.5%
Small and Medium Enterprises – Poland	99,463	9.6%	84,294	9.0%	74,049	8.4%
Small and Medium Enterprises - DACH	102,356	9.8%	100,904	10.8%	114,681	13.0%
Medicine	31,049	3.0%	24,026	2.6%	7,994	0.9%
Other	19,536	1.9%	15,147	1.6%	11,816	1.3%
<b>Total</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>

Over 2014, sales to customers in the TMT sector amounted to PLN 263.3 million and increased by PLN 45.1 million, i.e. 20.7% compared to 2013. Thus, their share in total sales was at the level of 25.4%. There was a decrease of PLN 3.4 million, i.e. 2.4% in the demand in the finance and banking sector and sales to customers in this sector constituted 13.4% of total sales compared to 15.1% in the previous year. Sales to the industry and utilities sector has remained at a similar level (an increase of PLN 0.1 million) and their share in total sales was 9.1%. Customers in the public sector acquired products and services in the amount of PLN 172.0 million which is higher by PLN 14.2 million, i.e. 9.0% more than in the previous year. Sales to customers in the trade and services sector grew by PLN 15.4 million, i.e. 15.1%. Sales to the small and medium sized enterprises in Poland increased by PLN 15.2 million, i.e. 18.0% and in DACH region there was an increase of PLN 1.5 million, i.e. 1.4%. Their share in total sales diminished from 10.8% to 9.8%. Sales to customers in the medicine sector increased during the year and finally amounted to PLN 31.0 million (an increase of PLN 7.0 million compared to sales in 2013). Their share in the Group's total sales amounted to 3.0%. Sales to other customers increased by PLN 4.4 million, i.e. 29.0%. The market sales structure has remained at the stable level throughout the 2014, except for the third quarter when the share of sales in the public sector was at a higher level due to the delivery of computer hardware of significant value to one of the customers in this sector.

**5.3 Products Sales Structure (PLN'000)**

	2014	%	2013	%	2012	%
Services	736,227	70.9%	676,329	72.0%	580,946	65.7%
Proprietary software	132,413	12.8%	91,706	9.8%	106,178	12.0%
Third party software	51,979	5.0%	79,495	8.5%	136,231	15.4%
Finished goods	41,576	4.0%	295	0.0%	0	0.0%
Hardware	45,080	4.3%	65,237	6.9%	41,481	4.7%
Other	31,076	3.0%	26,209	2.8%	19,040	2.2%
<b>Total</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>

Over 2014, the demand for services offered by the Comarch Group and for proprietary software increased. Sales of services increased by PLN 82.3 million, i.e. 12.6% and sales of proprietary software increased by PLN 22.7 million, i.e. 20.7%. Sales of third party software decreased by PLN 32.1 million, i.e. 38.2% and their share in total revenue was 5.0%. Sales of finished goods increased significantly (an increase of PLN 41.2 million) and constituted 4.0% of total sales. Sales of computer hardware decreased by PLN 19.7 million, i.e. 30.4% and reached the amount of PLN 45.1 million. Other sales increased by PLN 4.9 million, i.e. 18.6%. The products sales structure has remained at the stable level throughout the 2014, except for the third and fourth quarters, when the share of sales of finished goods was at a higher level due to the delivery of finished goods of significant value to one of the customers in the public sector.



## 6. Factors Essential for Development of the Comarch Group

### 6.1 Internal Factors

- a) Increase in export sales and significance of foreign sales,
- b) Position and reputation of the company affecting the nature of clients acquired;
- c) Commercial operations of Comarch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
  - lower costs, especially variable costs related to a single contract,
  - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
  - broader and more diversified circle of clients, which means a broader scale of activities;
- e) Attractive training policy and attractive work conditions offered for employees of the company;
- f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through MKS Cracovia SSA;
- g) Necessity of continuous investment in human resources to maintain the company's competitive edge in future years;
- h) High levels of investment expenditure designated for research and development activity, and development of new products and IT services;
- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

### 6.2 External Factors

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the *cloud computing* model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) Growing competition on the local labour market in IT sector in Krakow and other locations where the company conducts its business;
- h) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- i) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN, GBP/PLN, EUR/USD and RUB/PLN and which affect the profitability of export sales;
- j) The political situation in the Eastern Europe, in particular in Ukraine and Russia, which influences the demand for IT products and services on this market, as well as the financial credibility of the customers in this region.

## 7. Other Significant Factors, including Risks and Threats

The Group is exposed to the following main types of financial risk:

### 7.1 Credit Risk

The parent company 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's sales to a significant number of customers in different branch of economy, in different world's regions.

## **7.2 Risk of Change in Interest Rates**

The Comarch Group is exposed to the risk of changes in interest rates related to cash and cash equivalents, as well as long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR and EURIBOR index. The Comarch Group has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

## **7.3 Risk of Fluctuation in the Exchange Rates**

The Comarch Group 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, GBP/PLN, CAD/PLN, RUB/PLN and USD/PLN. At the same time, part of the parent company's costs are also expressed in, or related to, exchange rates for foreign currencies. In individual cases, the parent company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change of credit's currency). 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, liabilities due to investment credits as well as cash as at the balance sheet date.

## **7.4 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.

# **8. Perspectives of Development in the Group and Anticipated Financial Situation in 2015**

In 2014, the company observed significant increase in demand for IT products and services. Thus, its backlog grew and ensures full use of its productive capacity in the following periods. Economic situation in Poland and abroad will still have a detrimental impact on situation on the IT market and the financial results achieved by the Comarch Group in 2015. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of an annually increasing client base; most of these being international companies. It allows for the limitation of activities' risk during a period of economic slowdown. Dynamically developing activity of Comarch in international markets should additionally increase sales volume and enhance the image of Comarch S.A. among international corporations, thus strengthening the competitive position of Comarch. Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. Growth in demand for delivery of IT solutions in services model is a chance for company, as Comarch S.A. holds wide suits of own products, own infrastructure, as well as human and capital resources and it may flexibly fit to business models required by customers.

The most important risks related to the Group's operations are:

- a) risks related to R&D work (developing proprietary software products);
- b) risks related to assessment of time requirements for long-term contracts;
- c) risks related to failure to observe contract terms and conditions and contractors taking advantage of the provided performance guarantees;

- d) risk of foreign legal and political environment related to execution of export contracts;  
 e) risk of decreased possibility (difficulty) of controlling and monitoring financial standing of foreign contractors;  
 f) risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees;  
 g) Risk of Fluctuation in the Exchange Rates.  
 The Group does not expect of significant changes in its financial situation.

## 9. Financial Analysis

### Balance Sheet

<b>ASSETS</b>	<b>31 December 2014</b>	<b>%</b>	<b>31 December 2013</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Non-current assets</b>						
Property, plant and equipment	390,958	32.1%	352,949	30.9%	38,009	10.8%
Investment real estates	16,119	1.3%	7,876	0.7%	8,243	104.7%
Goodwill	40,735	3.3%	44,061	3.9%	-3,326	-7.5%
Other intangible assets	70,317	5.8%	79,720	7.0%	-9,403	-11.8%
Non-current prepayments	537	0.0%	904	0.1%	-367	-40.6%
Investment in associates	567	0.0%	49	0.0%	518	1 059.2%
Other investment	106	0.0%	106	0.0%	0	0.0%
Deferred income tax assets	32,134	2.6%	28,985	2.5%	3,149	10.9%
Other receivables	0	0.0%	1,639	0.1%	-1,639	-100.0%
	<b>551,473</b>	<b>45.3%</b>	<b>516,289</b>	<b>45.2%</b>	<b>35,184</b>	<b>6.8%</b>
<b>Current assets</b>						
Inventories	47,919	3.9%	53,687	4.7%	-5,768	-10.7%
Trade and other receivables	328,449	27.0%	362,404	31.7%	-33,955	-9.4%
Current income tax receivables	3,132	0.3%	1,527	0.1%	1,605	105.1%
Long-term contracts receivables	53,105	4.4%	32,264	2.8%	20,841	64.6%
Available-for-sale financial assets	0	0.0%	6,685	0.6%	-6,685	-100.0%
Other financial assets at fair value – derivative financial instruments	13	0.0%	1,644	0.1%	-1,631	-99.2%
Stock or shares	1	0.0%	112	0.0%	-111	-99.1%
Cash and cash equivalents	232,463	19.1%	167,689	14.7%	64,774	38.6%
	<b>665,082</b>	<b>54.7%</b>	<b>626,012</b>	<b>54.8%</b>	<b>39,070</b>	<b>6.2%</b>
<b>Total assets</b>	<b>1,216,555</b>	<b>100.0%</b>	<b>1,142,301</b>	<b>100.0%</b>	<b>74,254</b>	<b>6.5%</b>

As of the end of 2014, the value of Comarch Group's assets increased by PLN 74.3 million, i.e. 6.5%. Non-current assets increased by PLN 35.2 million, i.e. 6.8%, as compared to the previous year, mostly as a consequence of an increase in property, plant and equipment from PLN 352.9 million to PLN 391.0 million (an increase of 10.8% compared to the previous year). The share of particular items of non-current assets in the total structure of assets has remained at a similar level to that in 2013. An increase of PLN 39.1 million, i.e. 6.2% in current assets is mostly a result of increases of PLN 64.8 million, i.e. 38.6% in cash and cash equivalents and in long-term contracts receivables (an increase of PLN 20.8 million, i.e. 64.6%). At the same time, there was a significant decrease in trade and other receivables (a decrease of PLN 34.0 million, i.e. 9.4%), available-for-sale financial assets (a decrease of 100.0%) and other financial assets at fair value – derivative financial instruments (a decrease of PLN 1.6 million, i.e. 99.2%). The share of particular items of current assets in the total structure of assets has remained at a similar level to that in 2013.

<b>EQUITY</b>	<b>31 December 2014</b>	<b>%</b>	<b>31 December 2013</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Capital attributable to the company's shareholders</b>						
Share capital	8,125	0.7%	8,051	0.7%	74	0.9%
Other capitals	148,226	12.2%	145,205	12.7%	3,021	2.1%
Exchange differences	6,917	0.6%	2,670	0.2%	4,247	159.1%
Net profit for the current period	67,894	5.6%	25,077	2.2%	42,817	170.7%
Retained earnings	457,146	37.6%	445,340	39.0%	11,806	2.7%
	<b>688,308</b>	<b>56.6%</b>	<b>626,343</b>	<b>54.8%</b>	61,965	9.9%
Minority interest	12,385	1.0%	11,368	1.0%	1,017	8.9%
<b>Total</b>	<b>700,693</b>	<b>57.6%</b>	<b>637,711</b>	<b>55.8%</b>	62,982	9.9%
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	121,593	10.0%	110,751	9.7%	10,842	9.8%
Other liabilities	83	0.0%	83	0.0%	0	-
Financial liabilities at fair value – derivative financial instruments	1,404	0.1%	0	0.0%	1,404	-
Other financial liabilities	138	0.0%	516	0.0%	-378	- 73.3%
Deferred income tax liabilities	38,298	3.1%	40,545	3.5%	-2,247	-5.5%
	<b>161,516</b>	<b>13.3%</b>	<b>151,895</b>	<b>13.3%</b>	<b>9,621</b>	<b>6.3%</b>
<b>Current liabilities</b>						
Trade and other liabilities	140,217	11.5%	193,633	17.0%	-53,416	-27.6%
Current income tax liabilities	10,712	0.9%	11,237	1.0%	-525	-4.7%
Long-term contracts liabilities	48,507	4.0%	33,416	2.9%	15,091	45.2%
Credit and loans	20,522	1.7%	20,700	1.8%	-178	-0.9%
Financial liabilities at fair value – derivative financial instruments	1,369	0.1%	0	0.0%	1,369	-
Financial liabilities	380	0.0%	409	0.0%	-29	- 7.1%
Provisions for other liabilities and charges	132,639	10.9%	93,300	8.2%	39,339	42.2%
	<b>354,346</b>	<b>29.1%</b>	<b>352,695</b>	<b>30.9%</b>	<b>1,651</b>	<b>0.5%</b>
<b>Total liabilities and charges</b>	<b>515,862</b>	<b>42.4%</b>	<b>504,590</b>	<b>44.2%</b>	<b>11,272</b>	<b>2.2%</b>
<b>Total equity and liabilities</b>	<b>1,216,555</b>	<b>100.0%</b>	<b>1,142,301</b>	<b>100.0%</b>	<b>74,254</b>	<b>6.5%</b>

Over the course of 2014, the share structure of equity and liabilities has not changed significantly. Equity grew over the year 2014 by 9.9%, mostly as a result of the high net profit generated in 2013. There was a slight increase in the minority interest (PLN 12.4 million compared to PLN 11.4 million in 2013). At the same time, exchange differences increased by PLN 4.2 million, i.e. 159.1%. The share of equity in total equity and liabilities grew slightly (57.6% in 2014 compared to 55.8% in 2013). Total liabilities and charges constituted 42.4% in total equity and liabilities compared to 44.2% in the previous year. Their value increased by PLN 11.3 million, i.e. 2.2%, compared to that in the previous year, mostly as a consequence of an increase in non-current credit and loans (an increase of 9.8%), long-term contracts liabilities (an increase of 45.2%) and provisions for other liabilities and charges (an increase of 42.2%). There was a significant decrease in trade and other liabilities, i.e. a decrease of 27.6% from PLN 193.6 million to PLN 140.2 million in 2014. The share of other items of total liabilities and charges has not changed significantly.

<b>Debt analysis</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Debt ratio	11.68%	11.51%	11.44%	11.38%	10.11%
Debt/equity ratio	20.65%	20.99%	21.11%	19.38%	17.03%

Debt/equity ratio decreased from 20.99% to 20.65% and debt ratio increased from 11.51% to 11.68%. The Group is financed with internal means in 57.6% and with external means in 42.4%.

	2014	%	2013	%	Change	Change %
<b>Revenue</b>	<b>1,038,351</b>	<b>100.0%</b>	<b>938,976</b>	<b>100.0%</b>	<b>99,375</b>	<b>10.6%</b>
Cost of sales	-730,975	-70.4%	-729,103	-77.6%	-1,872	0.3%
<b>Gross profit</b>	<b>307,376</b>	<b>29.6%</b>	<b>209,873</b>	<b>22.4%</b>	<b>97,503</b>	<b>46.5%</b>
Other operating income	8,774	0.9%	11,710	1.2%	-2,936	-25.1%
Sales and marketing costs	-111,386	-10.7%	-98,932	-10.5%	-12,454	12.6%
Administrative expenses	-75,519	-7.3%	-72,083	-7.7%	-3,436	4.8%
Other operating expenses	-30,716	-3.0%	-16,122	-1.7%	-14,594	90.5%
<b>Operating profit</b>	<b>98,529</b>	<b>9.5%</b>	<b>34,446</b>	<b>3.7%</b>	<b>64,083</b>	<b>186.0%</b>
Finance revenue -net	-4,959	-0.5%	2,316	0.2%	-7,275	-314.1%
Share of profit / (loss) of associates	-993	-0.1%	-38	0.0%	-955	2 513.2%
<b>Profit before income tax</b>	<b>92,577</b>	<b>8.9%</b>	<b>36,724</b>	<b>3.9%</b>	<b>55,853</b>	<b>152.1%</b>
Income tax expense	-23,681	-2.3%	-13,470	-1.4%	-10,211	75.8%
<b>Net profit for the period</b>	<b>68,896</b>	<b>6.6%</b>	<b>23,254</b>	<b>2.5%</b>	<b>45,642</b>	<b>196.3%</b>
<b>Attributable to:</b>						
<b>Shareholders of the parent company</b>	<b>67,894</b>	<b>6.5%</b>	<b>25,077</b>	<b>2.7%</b>	<b>42,817</b>	<b>170.7%</b>
<i>Interests not entitled to control</i>	<i>1,002</i>	<i>0.1%</i>	<i>-1,823</i>	<i>-0.2%</i>	<i>2,825</i>	<i>-155.0%</i>

In 2014, the Comarch Group's sales revenue climbed by 10.6%, i.e. PLN 99.4 million year on year. Operating profit reached PLN 98.5 million (an increase of 186.0% compared to 2013). Net profit attributable to the parent company's shareholders increased by 170.7% and amounted to PLN 67.9 million.

<b>Profitability analysis</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Margin on sales	29.60%	22.35%	22.12%	24.45%	23.14%
EBIT margin	9.49%	3.67%	3.48%	4.94%	3.26%
Gross margin	8.92%	3.91%	4.50%	5.06%	3.28%
Net margin	6.54%	2.67%	4.60%	4.61%	5.74%

In 2014, Comarch Group's activity was profitable. Margin on sales and EBIT margin significantly grew, successively to the levels of 29.6% and 9.5%. Gross margin and net margin significantly increased and reached the best results in the past five years, respectively 8.9% and 6.5%.

<b>Liquidity analysis</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Current ratio	1.88	1.77	1.60	1.98	2.21
Quick ratio	1.59	1.53	1.41	1.78	1.98
Cash to current liabilities ratio	0.66	0.48	0.37	0.70	0.81

In 2014, Comarch Group maintained very good financial liquidity. In the Management Board's opinion, Comarch Group has no problems with meeting contracted financial liabilities on-time. Temporarily free funds are invested by the Group in safe financial instruments like bank deposits and shares in financial investment funds.

<b>Turnover analysis</b>	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Current assets turnover ratio	1.56	1.50	1.43	1.44	1.38
Receivable turnover ratio (days)	115	140	163	135	136
Inventories turnover ratio (days)	131	109	107	140	121
Liabilities turnover ratio (days)	177	185	209	189	184
Liabilities turnover excluding liabilities due to investment credit ratio (days)	142	147	162	139	140

Turnover ratios confirm the effective use of Comarch Group's funds. In 2014, the current assets turnover ratio slightly increased, inventories turnover ratio increased, liabilities and receivables turnover ratios decreased compared to the previous year.

### **Methods of Calculation of Financial Ratios**

#### **Debt Ratios**

$$\text{Debt Ratio} = \frac{\text{Credits and Loans}}{\text{Total Assets}}$$

$$\text{Debt/Equity Ratio} = \frac{\text{Credits and Loans}}{\text{Equity attributable to Shareholders}}$$

#### **Profitability Ratios**

$$\text{Return on Equity} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Equity attributable to Shareholders}}$$

$$\text{Return on Sales} = \frac{\text{Gross Profit}}{\text{Revenue}}$$

$$\text{EBIT Margin} = \frac{\text{Operating profit}}{\text{Revenue}}$$

$$\text{Gross Margin} = \frac{\text{Profit before Income Tax}}{\text{Revenue}}$$

$$\text{Return on Sales (profit attributable to shareholders)} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$$

#### **Liquidity Ratios**

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Trade and Other Receivables+} \\ \text{+Cash and Cash Equivalents+} \\ \text{+Available-for-Sale Assets}}{\text{Current Liabilities}}$$

$$\text{Cash to Current Liabilities Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}}$$

**Turnover Analysis**

$$\text{Current Assets Turnover Ratio} = \frac{\text{Revenue}}{\text{Current Assets}}$$

$$\text{Receivables Turnover Ratio} = \frac{(\text{Trade and Other Receivables}) * 360}{\text{Revenue}}$$

$$\text{Inventories Turnover Ratio (days)} = \frac{\text{Inventories} * 360}{\text{Costs of Sold Goods and Materials}}$$

$$\text{Liabilities Turnover Ratio (days)} = \frac{(\text{Liabilities} + \text{Liabilities due to Long-term Contracts}) * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Services, Goods and Materials}}$$

$$\text{Liabilities Turnover Ratio excluding Liabilities due to Bonds and Investment Credit (days)} = \frac{(\text{Liabilities} + \text{Credits and Loans}) * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Services, Goods and Materials}}$$

**10. Credits, Loans, Suretyships, Guarantees and Significant Off-Balance Sheet Items****10.1 Investment Credits**

Credits acquired by Comarch S.A.:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.25 million, i.e. PLN 1.065 million.
- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. It was taken out

by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 6.042 million, i.e. PLN 25.75 million.

- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate amounted to WIBOR1M+0.95%. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29<sup>th</sup> of May, 2012, an annex was concluded which extended it till 2015. At 31<sup>st</sup> of October, 2014, the credit was repaid in total.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.13 million. The crediting period may last 8 years at a variable interest rate amounted to EURIBOR1M+1.2%. The real estate mortgage in the amount of EUR 6.19 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 3.482 million, i.e. PLN 14.838 million.
- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+1.3%. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.873 million, i.e. PLN 3.72 million.
- f) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+1.3%. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 5.729 million, i.e. PLN 24.419 million.
- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+1.4%. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. RB-5-2014 dated the 20<sup>th</sup> of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of December, 2014, value of the credit taken out amounted to EUR 10.557 million, i.e. PLN 44.997 million.
- h) A nonrevolving operating credit from bank Pekao S.A. with its registered office in Warsaw for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. RB-6-2014 dated the 21<sup>st</sup> of March, 2014 The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate amounted to WIBOR1M+0.6%. It should be drawdown by 30<sup>th</sup> of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A.,



declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit (current report no. RB-9-2014 dated the 9<sup>th</sup> of April, 2014). At 10<sup>th</sup> of October, 2014, credit was repaid in total, i.e. PLN 27.416 million.

Credits acquired by subsidiaries of Comarch S.A.:

- i) In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15.89 million and as at 31<sup>st</sup> of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate amounted to WIBOR1M+1.3%. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to PLN 9.079 million.
- j) In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6 million, and its crediting period is until 2018. The loan was drawdown on the 25<sup>th</sup> of July, 2013. This credit has a variable interest rate amounted to EURIBOR3M+1.6%. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 4.345 million, i.e. PLN 18.519 million.

As at the 31<sup>st</sup> of December, 2014, the Group had liabilities due to credits and loans in the amount of PLN 114.789 million.

In 2014, companies in the Comarch Group had no problems with meeting contracted liabilities in relation with credit agreements. The parent company's Management Board expects no problems in meeting them in the future.

## 10.2 Current Credit Lines (Variable Interest)

As at 31<sup>st</sup> of December, 2014, Comarch Group has the credit limits in current account in the amount of PLN 49.262 million.

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of 10 million PLN. It can be used by the 13<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10 million. It can be used by the 28<sup>th</sup> of September, 2015. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24.262 million. It can be used by the 31<sup>st</sup> of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- d) Credit limit in current account in bank Millennium S.A. with its registered office in Warsaw in the amount of PLN 5 million. It can be used by the 11<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in bank Millennium S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.

## 10.3 Loans

### 10.3.1. Loans Taken by Companies in the Comarch Group

On the 27<sup>th</sup> of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to 0.34 million PLN and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate (approx. 5.63%). The loan is not secured. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to PLN 0.121 million.

In the second quarter of 2013, CA Consulting S.A., a subsidiary of Comarch S.A., signed a loan agreement with IBM Polska sp. z o.o for financing of delivery of IBM hardware in relation to an IT project performed by the company. The loan amounts to PLN 1.138 million and drawdown was made in the second quarter of 2013. Loan will reach its maturity date in April, 2014. It has a fixed interest rate. The loan is secured with a surety granted by Comarch S.A. In the second quarter of 2014, loans were repaid in total.

### 10.3.2. Loans Granted to Companies in Comarch Group

As at 31<sup>st</sup> of December, 2014, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company	Due date	Value	Currency	Interest (variable interest rate)	Value in PLN
OOO Comarch	30.06.2016	150,000.00	USD	2.33%	526,080.00
Comarch Chile SpA	30.06.2016	50,000.00	USD	2.42%	175,360.00
	30.06.2016	50,000.00	USD	2.33%	175,360.00
	31.12.2016	50,000.00	USD	2.33%	175,360.00
	31.12.2016	100,000.00	USD	2.33%	350,720.00
	31.12.2016	100,000.00	USD	2.33%	350,720.00
Comarch R&D S.à r.l.	31.12.2016	250,000.00	EUR	2.30%	1,065,575.00
	31.12.2016	300,000.00	EUR	2.31%	1,278,690.00
iMed24 S.A.	31.12.2017	5,120,000.00	PLN	4.70%	5,120,000.00
ESAProjekt Sp. z o.o.	31.12.2017	1,750,000.00	PLN	4.72%	1,750,000.00
	31.12.2016	2,000,000.00	PLN	4.05%	2,000,000.00
Bonus Development Sp. z o.o. SK-A	31.12.2028	3,858,729.00	PLN	3.47%	3,858,729.00
<b>Total</b>					<b>16,826,594.00</b>

The value of the revaluation write-off of the loans amounts to as follows: for OOO Comarch (PLN 526,080), for Comarch R&D S.à r.l. (PLN 1,065,575 and PLN 1,278,690). The total value of revaluation write-off amounts to PLN 2,870,345.

### **10.3.3. Loans Granted to Members of the Management Board and Members of the Supervisory Board**

As at 31<sup>st</sup> of December, 2014, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

As at 31<sup>st</sup> of December, 2014, there are no unpaid loans granted by other companies in the Comarch Group to managing and supervising persons of the company. Till the date of the publication of the statement loans were repaid in total.

### **10.3.4. Loans Granted to Employees of Comarch Group**

As at 31<sup>st</sup> of December, 2014, there are no unpaid housing loans granted to employees in the Comarch Group.

## **10.4 Suretyships**

a) Due to conclusion of a subcontracting agreement by CA Consulting S.A., a subsidiary of Comarch S.A. in relation to a contract with a client, Comarch S.A. granted a surety for obligations of CA Consulting S.A. The surety was granted up to the amount of liabilities of CA Consulting S.A. resulting from subcontracting agreement, i.e. to the maximum amount of PLN 6,698,434.82 and USD 1,356,861.70, and it is valid till the moment when all payments resulting from the agreement are completed, i.e. 28<sup>th</sup> of May, 2014.

b) Due to conclusion of a loan agreement by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations resulting from this agreement. The surety was granted up to the amount of PLN 1,416,662.70 and is valid till all payment obligations related to the loan agreement are completed, i.e. the 30<sup>th</sup> of April, 2014.

c) Due to granting a trade credit to CA Consulting S.A., a subsidiary of Comarch S.A., for sales of products and services in the amount of PLN 2 million, Comarch S.A. granted a surety for future obligations of CA Consulting S.A. resulting from using the trade credit. The surety was granted up to the amount of PLN 2 million and was valid till the 28<sup>th</sup> of February, 2014.

d) Due to conclusion in August, 2010, of a contract with a customer, issuer has granted a guarantee for the customer. This guarantee has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG, a subsidiary of Comarch S.A. The value of the guarantee equals the value of the contract, i.e. approximately EUR 54,580,752. The financial conditions, that the guarantee was provided on, do not differ from the market conditions.

e) Due to DnB Bank Polska S.A. granting a credit line for bank guarantees to CA Consulting S.A., a Comarch S.A. subsidiary, on the 13<sup>th</sup> of May, 2010, the issuer granted a surety for the benefit of DnB Bank Polska S.A. in order to guarantee the fulfilment of any obligations resulting from the credit agreement by CA Consulting S.A. The value of the surety equals PLN 3,000,000 and is valid for the whole term of the agreement.

f) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5.495 million.

g) Due to Bank Pekao S.A. granting a loan in the amount of 15,888,666.42 PLN to iMed24 S.A., a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals 23,832,999.63 PLN and is valid until the 31<sup>st</sup> of December, 2021.

h) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1<sup>st</sup> of January, 2012, the parent company granted a surety in order to guarantee the

fulfilment of any obligations resulting from the contract. The value of the surety equals EUR 147,669 and is valid until the 31<sup>st</sup> of March, 2015.

i) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 807,680 and in addition, GBP 86,400 annually for SLA, and it is valid for the whole term of the agreement.

j) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,681,747 and is valid for the whole term of the contract.

k) Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion, i.e. till March, 2020. Contract's value amounts to EUR 3,504,513.

l) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through Sächsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 0.26 million increased by interest for the period from the granting of the subsidy to its return. Taking the debt is valid till the 30<sup>th</sup> of August, 2018.

m) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6 million, on the 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9 million and is valid till the 15<sup>th</sup> of May, 2020.

n) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351,316.50 and is valid for the whole term of the contract.

o) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807,329 and is valid till the end of this project.

p) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 235,611.08 and is valid till the termination of the Project.

q) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,243,479.50 and is valid for 12 years after the contract completion.

r) Due to conclusion of a contract for fuel cards service signed by ESAPROJEKT sp. z o.o., a subsidiary of Comarch S.A., on the 20<sup>th</sup> of December, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by ESAPROJEKT sp. z o.o. At the 20<sup>th</sup> of December, 2014, the guarantee was renewed. The surety was granted up to the maximum amount of PLN 100 thousand and is valid till the 19<sup>th</sup> of November, 2015.

s) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was

granted up to the amount of the signed agreement, i.e. approximately EUR 10,000 monthly and is valid till the termination of the contract.

t) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838,425 and is valid till the termination of the contract.

u) On the 31<sup>st</sup> of May, 2014, surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of obligations by subsidiaries: iReward24 S.A., iMed24 S.A., Ca Consulting S.A. and Comarch Polska S.A. granted by Comarch S.A. expired. On the 1<sup>st</sup> of June, 2014, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of obligations by subsidiaries: iMed24 S.A. and CA Consulting S.A. resulting from this contract signed with this entity. The total value of the sureties equals PLN 100 thousand (PLN 50 thousand for each company) and they are valid till the 31<sup>st</sup> of May, 2015

v) Due to conclusion of a nonrevolving operating credit agreement between Comarch S.A. with Bank Pekao S.A., on the base to which Bank Pekao S.A. granted to Comarch S.A. financing of amount PLN 35 million, Comarch Polska S.A., a subsidiary of Comarch S.A., granted a surety for the liabilities of Comarch S.A. resulting from the project. The surety was granted up to the amount of PLN 35 million and is valid till all payment obligations related to the loan agreement are completed, i.e. the 10<sup>th</sup> of October, 2014.

w) Due to granting to Comarch Polska S.A., a subsidiary of Comarch S.A., operating credit limit for sales of products and services by a supplier, on the 29<sup>th</sup> of September, 2014, Comarch S.A. granted a surety for liabilities of Comarch Polska S.A. resulting from the agreement. The surety was granted up to the amount of PLN 3,300,000 and expired on the 23<sup>th</sup> of December, 2014, when Comarch Polska S.A. repaid in total all obligations resulting from the agreement.

x) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,240,759 and is valid till the termination of the project.

y) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5 million and is valid till the moment when all obligations resulting from the agreement will be made.

## **10.5 Bank Guarantees and Significant Off- Balance Sheet Items**

On 31<sup>st</sup> of December, 2014, 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 60.327 million, whereas it was PLN 70.774 million on 31<sup>st</sup> of December, 2013.

On 31<sup>st</sup> of December, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 0.019 million, whereas it was PLN 0.639 million on 31<sup>st</sup> of December, 2013.

On 31<sup>st</sup> of December, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch Software und Beratung Group was EUR 0.47 million (PLN 2.003 million), whereas it was EUR 0.289 million (PLN 1.197 million) on 31<sup>st</sup> of December, 2013.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30<sup>th</sup> of June, 2016) and iMed24 S.A. (valid till 31<sup>st</sup> of December, 2018).

## **11. The Most Important Events in 2014 and after the Balance-Sheet Date**

### **11.1 Contracts the Most Significant for the Comarch Group's Activities**

The most important contracts signed by the Comarch Group in 2014 are:

#### **11.1.1. Contract with the Ministry of Justice**

On the 21<sup>st</sup> of March, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch and Ministerstwo Sprawiedliwości (Ministry of Justice). The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System. The contract's net value amounts to PLN 75,864,983.74 (gross value: PLN 93,313,930.00). The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. Company announced details in current report no. RB-6-2014 dated the 11<sup>th</sup> of March, 2014.

#### **11.1.2. Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.**

On the 25<sup>th</sup> of April, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch (hereinafter referred to as the "Comarch Polska") and Comarch S.A. The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System in relation to the contract concluded between Comarch Polska S.A. and Ministry of Justice which was announced by Comarch S.A. in the current report no. 6/2014 of the 21<sup>st</sup> of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. RB-11-2014 dated the 25<sup>th</sup> of April, 2014.

### **AFTER THE BALANCE SHEET DATE**

#### **11.1.3. Amendment to the Contract with Consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o, for the Realization of the Fifth Construction Stage of the Investment in the Special Economic Zone in Krakow**

On the 16<sup>th</sup> of January, 2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium. On the 30<sup>th</sup> of March, 2015, Comarch S.A. announced that has received a new signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium (current reports no. RB-5-2015 dated the 16<sup>th</sup> of January, 2015 and RB-9-2015 dated the 30<sup>th</sup> of March, 2015).

## **11.2 Other**

### **11.2.1. Accounting note from Agency for Restructuring and Modernisation of Agriculture**

On 16<sup>th</sup> of May, 2014, Management Board of Comarch S.A. received the accounting note issued by Agency for Restructuring and Modernisation of Agriculture (ARMA), which amounts to PLN 32,455,497.28. The subjective accounting note in accordance with its contents, was issued by ARMA by way of contractual penalties for delay-default SLA level in one month (August 2013) the provision of services under the contract of 29<sup>th</sup> of April, 2013. The company announced details in current report no. RB-14-2014 dated the 19<sup>th</sup> of May, 2014.

### **11.2.2. Recommendation of Comarch S.A.'s Management Board Regarding Dividend**

On the 22<sup>nd</sup> of May, 2014, The Management Board of Comarch S.A. announced that they shall recommend to the company's General Shareholders' Meeting pass the net profit achieved by Comarch

S.A. in financial year from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013 in the amount of PLN 45,584,120.35 in whole to supplementary capital (current report no. RB-15-2014).

### **11.2.3. Correction of the Selected Financial Data Presented in the Consolidated Report for the Three Quarters of 2014**

On the 24<sup>th</sup> of November, 2014, corrected consolidated quarterly report of the Comarch Group for the three quarters of 2014 was published. The company announced details in current report no. RB-23-2014 dated the 24<sup>th</sup> of November, 2014.

## **AFTER THE BALANCE SHEET DATE**

### **11.2.4. Claim Filed by Agency for Restructuring and Modernisation of Agriculture**

The Management Board of Comarch S.A. has announced that on 14<sup>th</sup> of January, 2015, it received from Regional Court in Warsaw, the Third Civil Division, a claim filed by ARMA against Comarch S.A., for payment of PLN 34,493,717.28 by way of contractual penalties. According to the court's notice, Comarch S.A. will answer to the claim within 60 days from receiving the claim. At the same time, the Management Board of Comarch S.A. sustains its position that calculation of these penalties has neither justification nor grounds in the provisions of the Contract. Comarch S.A. announces also that, despite the dispute concerning the charged contractual penalties, the Contract is still executed in accordance with the requirements of the SLA.

### **11.2.5. Resignation of Managing Persons**

On the 8<sup>th</sup> of April, 2015, Mr. Piotr Piątosza, head of telecommunication sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015. On the 8<sup>th</sup> of April, 2015, Mr. Piotr Reichert, head of finance, banking and insurance sector, resigned from the post of Vice-President of the Comarch S.A.'s Management Board without giving any reasons; effective as of the 30<sup>th</sup> of April, 2015.

Marcin Dąbrowski, a manager for many years in the telecommunication sector, will be performing duties of the head of the telecommunication sector. Andrzej Przewięźlikowski, a manager for many years in the trade and services sector, will be performing duties of the head of the finance, banking and insurance sector. The company announced details in current report no. RB-10-2015 dated the 9<sup>th</sup> of April, 2015.

## **12. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside the Group of Related Parties, as well as a Description of their Financing, as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned**

The Comarch Group does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, the Group will consistently aim at increase in international sales, especially in Western Europe. The sales will be executed directly to the final client (through Comarch S.A. or another company from the Comarch Group) or through partner companies.

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, and bank credits.

### **12.1. Capital Investment**

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. RB-4-2014 dated the 28<sup>th</sup> of January, 2014).

On the 24<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered.

On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7<sup>th</sup> of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register. On the 5<sup>th</sup> of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change was registered in the proper register on the 9<sup>th</sup> of September, 2014.

With the notarial deed of the 6<sup>th</sup> of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19<sup>th</sup> of March, 2014.

As of the 17<sup>th</sup> of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25<sup>th</sup> of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17<sup>th</sup> of April, 2014, it was registered in the proper register.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 13<sup>th</sup> of June, 2014, AGM of Comarch Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110. On the 10<sup>th</sup> of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SK-A was registered in the proper register.

On the 3<sup>rd</sup> of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 2<sup>nd</sup> of September, 2014, a purchase agreement for shares in a Brazilian company was signed. Comarch AG acquired 800 shares for BRL 800 and holds 80% of shares, Comarch SuB AG acquired 200 shares for BRL 200 and holds 20% of shares. Current company's name is Comarch Sistemas LTDA. In the third quarter of 2014, the company did not operate.

On the 11<sup>th</sup> of November, 2014, Comarch Software Spain S.L.U was registered in Madrid in Spain.



On the 18<sup>th</sup> of December, 2014, Comarch Yazilim A.S. was registered in Istanbul in Turkey.

On the 5<sup>th</sup> of February, 2014, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Petaling Jaya in Malaysia.

On the 16<sup>th</sup> of April, 2015, Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

## 12.2. Real Estates

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounts to PLN 62,268 thousand. In the fourth quarter of 2013, Comarch S.A. began construction works. On the 16<sup>th</sup> of January, 2015, in current report no. RB-5-2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium. On the 30<sup>th</sup> of March, 2015, in current report no. RB-9-2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium. The planned completion date is in the second quarter of 2015.

In Łódź, design works are performed and related to a new office building. In April, 2014, Group obtained a building permit. Realization of a designed investment is planned for the second quarter of 2015.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. Decision on commencing of the investment will depend on the current business condition in the following periods.

## 13. Activities in Special Economic Zone

On the 22<sup>nd</sup> of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow ("SEZ"). According to the regulation of the Council of Ministers of the 14<sup>th</sup> of October, 1997 on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least EUR 2 million, were granted the following tax allowances:

- a) During the first 6 years of commercial operations in the zone, the income from such activity is free from income tax
- b) After this period of time, but not later than until the date specified in the permit, half of the income obtained is free from income tax.

The allowance was applicable for the income tax from legal entities from the income obtained from the activity specified in the permit.

As a result of Poland joining the European Union, an act was passed on 2<sup>nd</sup> of October, 2003 that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1<sup>st</sup> of January, 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the

company has incurred/shall incur since obtaining the permit, i.e. 22 March 1999, until 31<sup>st</sup> of December, 2006.

The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from 14<sup>th</sup> of September, 2004 on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8<sup>th</sup> of February, 2005 that changed the Ordinance on the Krakow Special Economic Zone (Journal of Laws No. 32 Item 270) and with Par. 2 of the latter Ordinance taken into consideration.

Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On 1<sup>st</sup> of July, 2004, it received a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). At the same time, the period of time for which the permit for Comarch S.A. was issued was extended to the 31<sup>st</sup> of December, 2017 in the changed permit.

The company holds also another permit for operating in the special economic zone in Krakowski Park Technologiczny, issued in 2007, valid till the 31<sup>st</sup> of December, 2017. In 2013, the company obtained another permit for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the company emphasises that on the 23<sup>rd</sup> of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

Pursuant to IAS 12, unused tax relief as at 31<sup>st</sup> of December, 2013, constitutes a deferred income tax asset. The limit of the unused investment relief as at 31<sup>st</sup> of December, 2013, discounted as at the permit date, is 7.67 million PLN. 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).

## **14. Resolutions of the AGM and the Board of Supervisors**

### **14.1. Corporate Governance Principles**

Pursuant to the rule number 3) included in the third part, pt. 1 of the "Corporate Governance Principles", Comarch S.A.'s Management Board announced in the current report no. EBI 2/2014 that on the 26<sup>th</sup> of May, 2014 Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2014 in which projects of the resolutions at the AGM, to be held on the 26<sup>th</sup> of June, 2014, are given positive opinions.

Pursuant to the rule number 1) included in the third part, point 1 of the "Corporate Governance Principles", Comarch S.A.'s Management Board conveyed in current report no. EBI 1/2014 2013 activities' report of Comarch S.A.'s Supervisory Board and assessment of the company's situation in 2013 including assessment of the company's internal system control and risk management in the company.

### **14.2. Annual General Meeting – 26.06.2014**

Convention of the AGM, Agenda of the Meeting and Information on Participation in the Company's General Meeting

On the 26<sup>th</sup> of May, 2014, pursuant to article 398, 399 § 1, article 402<sup>1</sup> and 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 11:00 o'clock on the 26<sup>th</sup> of June, 2014, at Aleja Jana Pawła II 41e in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, the company's Management Board has presented information on participation in the company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 10<sup>th</sup> of June, 2014,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The company's website and e-mail address.

The company announced details in current reports no. RB-16-2014 dated the 25<sup>th</sup> of May, 2014, RB-16-2014\_K dated the 26<sup>th</sup> of May, 2014, RB-17-2014 dated the 6<sup>th</sup> of June, 2014 which included a request from Mrs. Elżbieta Filipiak, a shareholder of Comarch S.A., to include in the agenda of the next Annual General Meeting of Comarch S.A., a resolution on changing in part a resolution no. 36 of the ordinary annual general meeting of the company of the 26<sup>th</sup> of June, 2013 regarding to the managerial option programme, a resolution on granting additional bonus for members of the company's Management Board, a resolution on dismissal of a member of the Supervisory Board, a resolution on appointment of a member of the Supervisory Board, a resolution on change in remuneration for members of the company's Supervisory Board, as well as RB-18-2014 dated the 25<sup>th</sup> of June, 2014 whereat Mrs. Elżbieta Filipiak submitted draft of a resolution related to additional monetary bonuses for members of the company's Management Board.

#### a) Content of the Resolutions Passed at the AGM

On the 26<sup>th</sup> of June, 2014, the AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board regarding the activities of the company in 2013;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2013;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2013, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2013 - 31.12.2013;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2013 - 31.12.2013;
- annulling in part and changes in the resolution no. 36 of the annual general meeting of the 26<sup>th</sup> of June, 2013 regarding to managerial option program;
- granting additional bonuses to the Management Board;
- election of a member of the Supervisory Board;
- changes in remuneration of the Supervisory Board members.

The full content of the resolutions was published on 26<sup>th</sup> of June, 2014, in the current report no. 19/2014 and on 30<sup>th</sup> of June, 2014, in the current report no 19/2014\_K and on the 26<sup>th</sup> of June, 2014, in current report no. RB-21-2014.

#### b) Resolution of the AGM Regarding Dividend for 2013

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2013-31 December 2013 net profit in the amount of PLN 45,584,120.35 will be divided as follows:

1. PLN 12,188,385.00 will be paid as dividend.

Persons who were the company's shareholders on the 31<sup>st</sup> of July, 2014 (dividend's day), got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,125,590 shares and was paid out on the 18<sup>th</sup> of August, 2014.

2. The remaining part of the net profit in the amount of PLN 33,395,735.35 was passed in total to supplementary capital. Company announced details in current report no. RB-20-2014 dated the 26<sup>th</sup> of June, 2014.

c) **The List of Shareholders Participating the Annual General Shareholders Meeting**

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2014, Elżbieta Filipiak and Janusz Filipiak held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak – 1,099,640 registered preference shares which gave 4,671,640 votes at the AGM, which constituted 41.75% of the all votes at this AGM and which constituted 30.90% of the total number of votes;
2. Elżbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 37.81% of the all votes at this AGM and which constituted 27.98% of the total number of votes.
3. AMPLICO OFE - 640,000 registered shares which gave 640,000 votes at the AGM, which constituted 5.72% of the all votes at this AGM and which constituted 4.23% of the total number of votes.

The total number of votes from all emitted Comarch S.A. shares is 15,119,190. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2014 held shares giving 11,188,286 votes. Company announced details in current report no. RB-22-2014 dated the 27<sup>th</sup> of June, 2014 and in current report no. RB-22-2014/K on the same date.

## **15. Operations on Comarch S.A Shares**

### **15.1. Purchase/Disposal Transactions on Comarch S.A. Shares**

On the 25<sup>th</sup> of July, 2014, a member of Comarch S.A.'s Management Board purchased 187 ordinary bearer Comarch S.A shares for price of PLN 78 each. The value of the transaction amounted to PLN 14,586.00. The company announced details in current report no. RB-3-2015 dated the 13<sup>th</sup> of January, 2015.

On the 23<sup>th</sup> of December, 2014, a member of Comarch S.A.'s Management Board sold 30 ordinary bearer Comarch S.A shares for price of PLN 110.10 each. The value of the transaction amounted to PLN 3,303.00. The company announced details in current report no. RB-2-2015 dated the 12<sup>th</sup> of January, 2015.

#### **AFTER THE BALANCE SHEET DATE**

On the 20<sup>th</sup> of January, 2015, a member of Comarch S.A.'s Management Board purchased 30 ordinary bearer Comarch S.A shares for price of PLN 104.10 each. The value of the transaction amounted to PLN 3,123.00. The company announced details in current report no. RB-7-2015 dated the 2<sup>nd</sup> of March, 2015.

### **15.2. Managerial Option Program for Members of the Management Board and Other Key Employees**

a) **for 2011-2013**

On 28<sup>th</sup> of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. The objective of the programme was to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option was at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as follows:

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,

- for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
- for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,

where the average capitalisation of the company in the given year was the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day. In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

The difference between the average capitalisation 2011 and the average capitalisation in 2010 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees were not issued in 2012.

The difference between the average capitalisation 2012 and the average capitalisation in 2011 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees will not be issued in 2013.

The difference between the average capitalisation in 2013 and the average capitalisation in 2012 is positive, as a result, shares for members of the Management Board and Key Employees were issued in 2014.

In execution of the Resolution no. 23 of the Annual General Meeting dated 28<sup>th</sup> of June, 2010, regarding the managerial option program for key employees, on the 13<sup>th</sup> of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. RB-2-2014 dated the 13<sup>th</sup> of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20<sup>th</sup> of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares, in addition to changes in the company's articles of association within the scope (current report no. RB-3-2014 dated the 20<sup>th</sup> of January, 2014 and RB-8-2014 dated the 4<sup>th</sup> of April, 2014).

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered an increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. RB-7-2014 dated the 3<sup>rd</sup> of April, 2014).

The Management Board of Comarch S.A. received resolution no. 424/14 of the Management Board of the National Deposit for Securities dated the 25<sup>th</sup> of April, 2014 in relation to the conditional registration of series K3 shares. The Management Board of the National Deposit for Securities decided to register 73,953 ordinary bearer series K3 Comarch S.A. shares of a nominal value of 1 PLN each and mark them with the code PLCOMAR00012, providing that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares were introduced, providing that the above-mentioned bearer series K3 shares will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that decision mentioned above was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. The company announced details in current report no. RB-10-2014 dated the 25<sup>th</sup> of April, 2014.

With the resolution no. 540/2014 dated the 6<sup>th</sup> of May, 2014, the Management Board of the Warsaw Stock Exchange decided that 73,953 ordinary bearer series K3 Comarch S.A. shares of nominal value of PLN 1 each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 8<sup>th</sup> of May, 2014, providing that on the 8<sup>th</sup> of May, 2014, they will be registered by the National Deposit for Securities and marked with the code "PLCOMAR00012". The company announced details in current report no. RB-12-2014 dated the 6<sup>th</sup> of May, 2014. On the 6<sup>th</sup> of May, 2014, the Operating Department of the National Deposit for Securities announced that on the 8<sup>th</sup> of May, 2014, 73,953 Comarch S.A. shares will be registered in the National Deposit for Securities, ISIN code: PLCOMAR00012, (resolution no. 424/14 dated the 25<sup>th</sup> of April, 2014 of

the KDPW S.A. Management Board). The company announced details in current report no. RB-13-2014 dated the 6<sup>th</sup> of May, 2014.

**b) for 2014-2016**

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options program for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme was to additionally motivate members of the company's Management Board by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's Management Board. The value of the Option was to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the program (beginning with 2014) and the issue price of shares offered to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the program was limited for 2014. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013, where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of 2013 Board of Supervisors established a list of members of the company's Management Board participating the Program and Individual Option Ratios. Total value of Individual Option Ratios for all members of the company's Management Board amounted to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of members of the Management Board and single option factors for each subsequent year.

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the programme. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option programme (once by result and second by dilution).

The determined Option's value amounted to PLN 3.021 million and it was recognised as cost in the income statement.

Acting in execution of the Resolution no. 36 of the Annual General Meeting, dated the 26<sup>th</sup> of June, 2013, on the managerial options program for company's Management Board managing Capital Group, on the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. Shares will be offered to the entitled persons according to the provisions of the managerial option program for members of the company's Management Board managing company and Capital Group, passed with Resolution no. 36 of the Annual General Meeting of the 26<sup>th</sup> of June, 2013 (current raport no. RB-6-2015 dated the 16<sup>th</sup> of February, 2015).

The Management Board of Comarch S.A. announced that pursuant to Art. 430-433, 444, 446 and 447 of the Code of Commercial Companies and Partnerships, and article 9 sec. 3-7 of the company's articles of association, in execution of the Resolution no. 36 of the Annual General Meeting dated 26<sup>th</sup> of June, 2013, passed the resolution no. 1 dated the 16<sup>th</sup> of March, 2015, regarding an increase in the share capital by way of emission of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 each and issue price of PLN 1, excluding a stock right of the current company's shareholders, in addition to changes in the company's articles of association within the scope. The company announced details in current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015).

## **16. Transactions on Shares of Subsidiaries and Associates of Comarch S.A.**

None present except for those mentioned in point 20.3 of the statement.

### **AFTER THE BALANCE SHEET DATE**

None present except for those mentioned in point 20.4 of the statement.

## **17. Other Events in 2014 and after the Balance Sheet Date**

### **17.1. Dates of Periodical Financial Reports in 2014**

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. RB-1-2014 dated the 13<sup>th</sup> of January, 2014, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2014.

### **17.2. Registration an Increase in Share Capital of MKS Cracovia SSA**

On the 28<sup>th</sup> of January, 2014, the Management Board of Comarch S.A. received a decision from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 7<sup>th</sup> of January, 2014, on registration of an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00. As a consequence, Comarch S.A. holds 66.11% of shares in the share capital of MKS Cracovia SSA which entitle to 66.11% of votes at the company's general meeting. The company announced details in current report no. RB-4-2014 dated the 28<sup>th</sup> of January, 2014.

### **17.3. Creation of a Mortgage on Assets Owned by Comarch S.A.**

On the 19<sup>th</sup> of March, 2014 Comarch S.A.'s Management Board received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on registration of a mortgage, dated the 13<sup>th</sup> of February, 2014, and related to a real estate located in the Special Economic Zone in Krakow and owned by Comarch S.A. The company announced details in current report no. RB-5-2014 dated the 19<sup>th</sup> of March, 2014.

### **AFTER THE BALANCE SHEET DATE**

### **17.4. Dates of Periodical Financial Reports in 2015**

In the current report no. RB-1-2015 dated the 7<sup>th</sup> of January, 2015, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2015:

- 1) Q4 2014 - on 2<sup>nd</sup> of March, 2015
- 2) Q1 2015 - on 15<sup>th</sup> of May, 2015
- 3) Q3 2015 - on 16<sup>th</sup> of November, 2015
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2015 - on 28<sup>th</sup> of August, 2015
- 5) Annual report for 2014 - on 30<sup>th</sup> of April, 2015
- 6) Consolidated annual report for 2014 - on 30<sup>th</sup> of April, 2015

### **17.5. Forward Contracts Concluded after the Balance Sheet Date**

Between the 1<sup>st</sup> of January, 2015 and the 27<sup>th</sup> of April, 2015, Comarch S.A. concluded forward contracts for the sales of EUR 0.5 million, USD 3.5 million and GBP 0.5 million; and for the purchase of EUR 1.0 million of reverse transactions. The total net value of open forward contracts as of the 27<sup>th</sup> of April, 2015

amounted to EUR 9.35 million, USD 9.00 million, CAD 1.05 million and GBP 3.40 million. The open forward contracts as of the 27<sup>th</sup> of April, 2015 were valued at plus PLN 0.741 million. The contracts will be settled within 24 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 Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in euro.

## **18. Characteristic of Policy of the Development Direction in the Comarch Group**

The strategic development directions in the Comarch Group are:

- development of international sales, especially focusing on mature markets in Western Europe (in particular in the DACH region) and both Americas,
- constant development of its own technologically advanced products, high expenses for R&D,
- development of products and IT services for medicine,
- development of sales of IT products and services as cloud computing,
- diversification of an offer through sales of products and services to customers in many economic sectors,
- continuation of development works within IT solutions for e-Health sector which should become one of the main sources of customers for the Comarch Group in the future,
- strict cooperation with global customers in international markets,
- constant investment in human resources,
- development of a modern production base in Poland and abroad.

## **19. Achievements within Research and Development**

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally. Therefore, the main strategic objectives of the company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to PLN 111.4 million, thus reached almost 11% of revenue in 2014. Comarch allocated there internal funds as well as acquired actively European funds.

### **Comarch S.A.**

In 2014, Comarch S.A. continued “Efficient, Ergonomic and Secure Systems of Browsing and Transmission of Medical Images” in the e-Health field (contracts for financing signed in 2012) within the Operational Programme Innovative Economy 1.4.



**COMARCH**UNIA EUROPEJSKA  
EUROPEJSKI FUNDUSZ  
ROZWOJU REGIONALNEGO

## Fundusze Europejskie – dla rozwoju innowacyjnej gospodarki

In addition, in 2014, Comarch continued the project: "Innovative Platform for Market Research Analysis" funded through the **IniTech initiative**. The project is implemented on the basis of the agreement for financing with the National Centre for Research and Development (NCBiR). In the second half of 2013, a new agreement was signed and it is for financing of a project „Social Business Intelligence Module” within the **Demonstrator Plus**, pilot undertaking „Support of Research and Development in Demonstrative Scale”.

Within the 7<sup>th</sup> **Framework Programme** of the European Union, Comarch S.A. continued as a partner, agreement for financing of the “Shaping the Future of Electronic Identity” (FutureID) project and agreement for financing of the project „Situation AWARE Security Operations Centre” (SAWSOC).

**iMed24 S.A.**

Within the Operational Programme Innovative Economy 1.4 iMed24 S.A. continued work on the Comprehensive e-Medicine Platform project.

**ESAProjekt sp. z o.o.**

Within the 7<sup>th</sup> Framework Programme of the European Union, ESAProjekt sp. z o.o. continued the project SAWSOC (Situation AWARE Security Operations Centre). The agreement for its financing was signed in the second half of 2013.

**20. Capital Affiliations****20.1. Organisational Structure of the Comarch Group**

On 31<sup>st</sup> of December, 2014, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG\*),
    - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
  - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Technologies Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),

- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
  - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - “Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA (66.67% votes held by Bonus Management sp. z o.o. SKA, 33.33% votes held by MKS Cracovia SSA),
  - Bonus Development sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Management sp. z o.o. II Activia SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. II Koncept SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A.),
    - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
    - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

(\* including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group)

On 31<sup>st</sup> of December, 2014, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.10% votes held by CCF FIZ, 11.27% votes held by Bonus Management sp. z o.o. Activia SKA),
- Volatech Capital Advisors S.A. (currently Metrum Capital S.A.) (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

The associated companies are not consolidated. Shares are valued with equity method.

## 20.2. Changes in Ownership and Organisational Structure in 2014

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. RB-4-2014 dated the 28<sup>th</sup> of January, 2014).

On the 24<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered.

On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7<sup>th</sup> of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register. On the 5<sup>th</sup> of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of PLN 1 each. The change was registered in the National Court Register on the 27<sup>th</sup> of June, 2014. On the 5<sup>th</sup> of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change was registered in the proper register on the 9<sup>th</sup> of September, 2014.

With the notarial deed of the 6<sup>th</sup> of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19<sup>th</sup> of March, 2014.

As of the 17<sup>th</sup> of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SKA from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25<sup>th</sup> of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SKA holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17<sup>th</sup> of April, 2014, it was registered in the proper register.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SKA passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SKA passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 11<sup>th</sup> of June, 2014, AGM of Bonus Management Sp. z o.o. SKA passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30<sup>th</sup> of June, 2014.

On the 13<sup>th</sup> of June, 2014, AGM of Comarch Management Sp. z o.o. SKA passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110.

On the 10<sup>th</sup> of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SKA was registered in the proper register.

As of the 30<sup>th</sup> of June, 2014, Comarch Vietnam Company Limited was dissolved.

On the 3<sup>rd</sup> of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 2<sup>nd</sup> of September, 2014, a purchase agreement for shares in a Brazilian company was signed. Comarch AG acquired 800 shares for BRL 800 and holds 80% of shares, Comarch SuB AG acquired 200 shares for BRL 200 and holds 20% of shares. Current company's name is Comarch Sistemas LTDA. In the third quarter of 2014, the company did not operate.

On the 13<sup>th</sup> of October, 2014, a plan of merger between ESAPROJEKT sp. z o.o. and iMed24 S.A. was presented to the District Court for Katowice - East in Katowice, the Eighth Economic Division of the National Court Register.

On the 17<sup>th</sup> of October, 2014, a name change was registered from Southforge sp. z o.o. to Comarch Technologies sp. z o.o.

On the 20<sup>th</sup> of October, 2014, a change of office of ESAProjekt Sp. z o.o. was registered. Current office of the company is located in Katowice (formerly in Chorzów).

On the 11<sup>th</sup> of November, 2014, Comarch Software Spain S.L.U was registered in Madrid in Spain.

On the 18<sup>th</sup> of December, 2014, Comarch Yazilim A.S. was registered in Istanbul in Turkey.

### **20.3. Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date**

On the 8<sup>th</sup> of January, 2015, the District Court for Kraków – Śródmieście in Kraków, the Eleventh Economic Division of the National Court Register issued a decision on the appointment of an expert to examine the merger plan for ESAPROJEKT sp. z o.o. and iMed24 SA, which was subsequently rectified by decision of the 20<sup>th</sup> of January, 2015.

On the 19<sup>th</sup> of January, 2014, a name change was registered from Volatech Capital Advisors S.A. to Metrum Capital S.A.

On the 5<sup>th</sup> of February, 2014, Comarch SRL was registered in Milan in Italy.

On the 2<sup>nd</sup> of April, 2015, Comarch Malaysia SDN.BHD. was registered in Petaling Jaya in Malaysia.

On the 16<sup>th</sup> of April, 2015, Espace Connecté Inc. (Comarch Smart City) was registered in Montreal in Canada.

### **20.4. Characteristics of Companies in the Comarch Group**

The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, XI 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 revenues, 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.

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;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Technologies Oy, Comarch UK Comarch Chile SpA and Comarch Sistemas LTDA acquire IT contracts in foreign markets and execute them in their entirety or in part;
- Comarch Software Spain S.L.U. and Comarch Yazilim A.S. did not operate in 2014;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,

- Comarch Polska S.A. acquire IT contracts in domestic markets and execute them in their entirety or in part;
- 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. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- ESAProjekt sp. z o.o. is a leading Polish producer and complex IT solution provider for medicine sector,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SKA, CASA Management and Consulting sp. z o.o. SKA, CAMS AG, Bonus Management sp. z o.o. SKA and Bonus Management sp. z o.o. II Activia SKA conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SKA and Bonus Development sp. z o.o. II Koncept SKA are activities related to real estates;
- iMed24 S.A. produces and sells IT software related to medicine, provides medical and diagnostic services;
- iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
- Infrastruktura24 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 is a sport joint stock company;
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activities related to sports;
- Opso sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) was liquidated. Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

## **PARENT COMPANY**

Company: **Comarch Spółka Akcyjna COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 350527377  
 NIP (Polish Identification Tax Number): 677-00-65-406

The parent company - shares of the company are admitted to trading in the Warsaw Stock Exchange and are held, according to the knowledge of the company as at the date of preparation of this report, by Janusz Filipiak (32.85% of shares), Elżbieta Filipiak (10.41% of shares), members of the Management Board (1.49%).

The company has branches in Krakow, Warsaw, Poznań, Gdańsk, Wrocław, Katowice, Gliwice, Rzeszów, Bielsko-Biała, Białystok, Łódź, Lublin and Tirana.

## **SUBSIDIARIES**

Company: **Comarch AG COMARCH**  
 Address: Chemnitzer Str. 59b, 01187 Dresden, Germany  
 VAT ID: DE 206 522075

The company's share capital is EUR 15,000,000.00. It consists of 15,000,000 ordinary bearers' shares of nominal value of EUR 1 each, held by Comarch S.A. Total number of votes resulting from Comarch AG shares amounts to 15,000,000. Comarch S.A. holds 100% shares and votes at the company's general annual meeting. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch AG is Comarch S.A.'s subsidiary.

Company: **Comarch Software und Beratung AG (Comarch SuB) COMARCH**  
 Address: Messerschmittstr. 4,  
 80992 Munich, Germany  
 VAT ID: DE129457436

Comarch AG holds 6,213,072 shares of Comarch SuB, which constitute 100% of the company's share capital. This gives 6,213,072 or a 100% share of the total votes at the company's annual general meeting. As at the 31<sup>st</sup> of December, 2013, the Comarch SuB Group included: Comarch Solutions GmbH. These companies are active on the IT market mostly in Germany and Austria, offering their products and services to three business segments: ERP, finance and integration of systems for medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SuB is Comarch S.A.'s subsidiary (through Comarch AG).

Company: **Comarch Solutions GmbH COMARCH**  
 Address: Innsbruck - Müllerstr. 1, 6020 Innsbruck, Austria  
 VAT ID: ATU46234800

The company's share capital is EUR 50,000.00. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SuB is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch SAS COMARCH**  
 Address: 17 rue Paul Langevin  
 59260 Lezennes, France  
 VAT ID: FR 20500252606

Comarch S.A. holds 100% of Comarch SAS shares, that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch SAS amounts to EUR 2,500,000. On the 3<sup>rd</sup> of July, 2014, there was a decrease down to EUR 0 in the share capital in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000. Comarch SAS creates and implements IT systems. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch SAS is Comarch S.A.'s subsidiary.

Company: **Comarch R&D S.à r.l COMARCH**  
 Address: 100A, allée Saint Exupéry  
 38330 Montbonnot-Saint Martin, France  
 VAT ID: FR 69507984557

Comarch SAS holds 70% of Comarch R&D S.à r.l. shares, that constitute 70% of the share capital and 70% of votes at the meeting of shareholders. The share capital of Comarch R&D S.à r.l. amounts to EUR 7,500 and consists of 750 shares of nominal value of EUR 10 each. Comarch SAS purchased the above-mentioned shares with internal means for the total price of EUR 5,250. Comarch SA holds 30% of Comarch R&D S.à r.l. shares, that constitute 30% of the share capital and 30% of votes at the meeting of shareholders. The subject matter of activities of Comarch R&D S.à r.l. is creation and implementation of IT systems, as well as advisement within the scope of IT systems. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch R&D S.à r.l. is Comarch S.A.'s subsidiary (through Comarch SAS and directly: 30%).

Company: **Comarch Luxembourg S.à r.l COMARCH**  
 Address: Route d'Arlon 23,  
 L-8008 Strassen,  
 Grand Duchy of Luxembourg  
 VAT ID: LU24700126

Comarch S.A. holds 100% of Comarch Luxembourg S.à r.l. shares, that constitute 100% of the share capital and 100% of votes at the meeting of shareholders. The share capital of Comarch Luxembourg S.à

r.l. amounts to EUR 500,000 and consists of 500,000 shares of nominal value of EUR 1 each. Total number of votes at the company's general meeting amounts to 500,000. The subject matter of activities of Comarch Luxembourg S.à r.l. is creation and implementation of IT systems. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Luxembourg S.à r.l. is Comarch S.A.'s subsidiary.

Company: **Comarch, Inc. COMARCH**  
Address: 10 W. 35th St.  
9450 W. Bryn Mawr Ave  
Suite 325  
Rosemont, IL 60018  
VAT ID: 52-2207301

The company sells Comarch software and services in the US market. The company's share capital is USD 40,000. Comarch S.A. holds 100% of interest in the company's share capital and 100% shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch, Inc. is Comarch S.A.'s subsidiary.

Company: **Comarch Panama, Inc. COMARCH**  
Address: Obarrio, 53th Street  
Hi-Tech Plaza, 8th floor, Office A  
Panama City, Panamá  
Telephone/fax: +507 263 25 69  
VAT ID: RUC 698712-1-468218 DV95

The company's share capital is USD 360,000 and is divided into 360,000 shares of nominal value of USD 1 each. The company sells and produces IT systems in the Central and Southern America market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Panama, Inc. is Comarch S.A.'s subsidiary (through Comarch, Inc.).

Company: **Comarch Sistemas LTDA COMARCH**  
Address: R. Fernando de Albuquerque 31,  
01.309-030 Consolacao - Sao Paulo, Brasil  
VAT ID: 20.035.102/0001-50

The company's share capital is BRL 1,000 and is divided into 1,000 shares of nominal value of BRL 1 each. Comarch AG holds 80% of Comarch Sistemas LTDA shares that constitute 80% of the share capital and 80% of votes at the meeting of shareholders and Comarch Software und Beratung AG holds 20% of Comarch Sistemas LTDA shares. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Sistemas LTDA is Comarch S.A.'s subsidiary (through Comarch Software und Beratung AG).

Company: **Comarch Canada, Corp. COMARCH**  
Address: 44 Chipman Hill  
Suite 1000  
Saint John NB E2L 2A9, Canada  
VAT ID: GST/HST 81055 8403 RT0001

The company's share capital is CAD 50,000 and is divided into 50,000 shares of nominal value of CAD 1 each. Comarch S.A. holds 100% of shares and votes of the company. The company sells and produces IT systems in the Central and Southern America market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Canada, Corp. is Comarch S.A.'s subsidiary.

Company: **Comarch Middle East FZ-LLC COMARCH**  
 Address: PO. Box 500398 Dubai, United Arab Emirates  
 Register no.: 19879

The company's share capital is AED 200,000 and is divided into 200 shares of AED 1,000 each (as at 31<sup>st</sup> of December, 2013, AED 1 is worth circa PLN 0.82). Comarch S.A. purchased all the shares for cash at nominal value. The company sells Comarch products in the Middle East and partially supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Middle-East FZ-LLC is Comarch S.A.'s subsidiary.

Company: **Comarch Malaysia SDN. BHD. COMARCH**  
 Address: B-3A-06 Block B West, PJ8 Service Suites  
 No 23 Jalan Barat, Seksyen 8  
 46050 Petaling Jaya  
 Register no.: 1138689-D

The company's share capital is MYR 2. Comarch S.A. acquired 1 share of MYR 1. It is being performed an increase in share capital up to MYR 500,000. The company has not been operating yet. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Malaysia SDN.BHD. is Comarch S.A.'s subsidiary.

Company: **Comarch Software Spain S.L.U. COMARCH**  
 Address: Calle Caléndula, 93, Miniparc III Edificio E, Alcobendas 28109, Madrid,  
 VAT ID: B87128849

The company's share capital is EUR 250,000 and is divided into 25,000 shares of nominal value of EUR 10 each. Comarch S.A. holds 100% of interest in the company's share capital and 100% shares in votes at the AGM of the company. On the 11<sup>th</sup> of November, 2014, company was registered and did not operate in 2014. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software Spain S.L.U. is Comarch S.A.'s subsidiary.

Company: **Comarch Yazilim A.S. COMARCH**  
 Address: Matbuat Sok. Durukan Apt. No:17/6 Esentepe, Şişli/ Stambul, Turkey  
 VAT ID: 2110683747

The company's share capital is TRY 100,000 and is divided into 100,000 shares of nominal value of TRY 1 each. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. Company did not operate in 2014. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Yazilim A.S. is Comarch S.A.'s subsidiary.

Company: **Comarch S.R.L. COMARCH**  
 Address: Piazza Quattro Novembre 7, 20124 - Milan (MI), Italy  
 VAT ID: 08967390967

The company's share capital is EUR 50,000. Comarch S.A. holds 100% of the company's shares. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch S.R.L. is Comarch S.A.'s subsidiary.

Company: **Comarch LLC COMARCH**  
 Address: 18/7 Kutuzova Str., 01133 Kiev, Ukraine  
 VAT ID: 329182826556

The company's share capital is UAH 20,500 (as at 31<sup>st</sup> of December, 2014, UAH 1 is worth circa PLN 0.2246). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. The registered company is a one-person limited liability company. It sells Comarch products in Ukraine and partially



supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch LLC is Comarch S.A.'s subsidiary.

Company: **OOO Comarch COMARCH**  
Address: Prechistensky Pereulok 14 building 1, 119034 Moscow, Russia  
VAT ID: INN/KPP 7704545099/770401001

The company's share capital is worth RUB 1.2 million and is divided into 1 share of nominal value of RUB 1,200,000 (as at 31<sup>st</sup> of December, 2014, RUB 1 is worth circa PLN 0.0602). The company's share capital was paid in total in cash. The company sells Comarch products in Russia and partially supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, OOO Comarch is Comarch S.A.'s subsidiary.

Company: **Comarch Software (Shanghai) Co. Ltd. COMARCH**  
Address: Room 3610-2, Block 11, No.3855 Shangnan Road Pudong New Area, Shanghai, China  
VAT ID: 310115690128967

The company's share capital is worth USD 200,000 and Comarch S.A. holds it in total. The company currently is not operating. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software (Shanghai) Co. Ltd. is Comarch S.A.'s subsidiary.

Company: **COMARCH VIETNAM CO. LTD (COMARCH CO., LTD) COMARCH**  
Address: Beautiful Saigon Building 1  
2 Nguyen Khac Vien street, Room 703  
Tan Phu Ward, Dist. 7  
Ho Chi Minh City, Vietnam  
VAT ID: 309743882

The company's share capital is worth USD 300,000 and Comarch S.A. holds it in total. The company was liquidated at 30<sup>th</sup> of June, 2014.

Company: **Comarch Technologies Oy (Comarch Oy) COMARCH**  
Address: Tekniikantie 14  
02150 Espoo, Finland  
VAT ID: FI23730145

The company's share capital is worth EUR 50,000 and is divided into 50,000 shares of nominal value of EUR 1. Total number of votes resulting from all company's shares amounts to 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Comarch Oy is Comarch S.A.'s subsidiary.

Company: **Comarch UK Ltd. COMARCH**  
Address: 19 Eastbourne Terrace Paddington London, W2 6LG, Great Britain  
VAT ID: GB 133 0821 52

The company's share capital is GBP 50,000. Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch UK is Comarch S.A.'s subsidiary.

Company: **Comarch Chile SpA COMARCH**  
 Address: Apoquindo N° 3650, piso 12 Santiago, Chile  
 VAT ID:

The company's share capital is CLP 24 million (as at 31<sup>st</sup> of December, 2014, CLP 1 is worth circa PLN 0.5774). Comarch S.A. holds 100% of the company's shares that entitle to 100% votes. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Chile SpA is Comarch S.A.'s subsidiary.

Company: **Comarch s.r.o. COMARCH**  
 Address: Sumbalova 1a 841 04 Bratislava, Slovakia

The company's share capital is EUR 149,372.63. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch s.r.o. is Comarch S.A.'s subsidiary. Currently, the company does not operate.

Company: **Comarch Technologies sp. z o.o. (SouthForge sp. z o.o.)  
 (Polish law limited liability company)**  
 Address: 31-864 Kraków,  
 Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 300075359  
 NIP (Polish Identification Tax Number): 2090000305

The company's share capital is PLN 50,000 and is divided into 500 shares of PLN 100 each. They entitle to 500 votes at the company's annual general meeting. Comarch S.A. holds 100% shares which entitle to 100% votes at the company's annual general meeting. Comarch Technologies sp. z o.o. acquires and executes contracts related to Comarch Software und Beratung Group's software on Polish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Technologies sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **CA Consulting S.A. (joint stock company)**   
 Address: Al. Jerozolimskie 81, 02-001 Warsaw  
 Regon (Polish National Official Register of Business Entities): 356846563  
 NIP (Polish Identification Tax Number): 678-29-24-039

The company's share capital is PLN 1,050,000 and is divided into 5,250 shares of nominal value of PLN 200 each that give 5,250 votes. Comarch S.A. holds 100% of CA Consulting S.A. shares entitling to 100% votes at the AGM of the company. CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, CA Consulting S.A. is Comarch S.A.'s subsidiary.

Company: **Comarch Management spółka z o. o.  
 (Polish law limited liability company) COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120560832  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-13-76-192

The share capital of Comarch Management sp. z o.o. amounts to PLN 250,000.00 and consists of 2,500 shares of nominal value of PLN 100 each. They entitle to 2,500 votes. Comarch S.A. holds 100% of Comarch Management sp. z o.o. shares entitling to 100% of votes at the shareholders' meeting of the company. The subject matter of activities of Comarch Management sp. z o.o. are investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty (CCF FIZ) (closed investment fund)**  
 Address: 31-038 Kraków, ul. Księcia Józefa 186  
 Regon (Polish National Official Register of Business Entities): 120576141  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 106-00-01-334

Comarch S.A. holds four investment certificates of the fund, purchased within the frame of series A certificates issue for the issue price of PLN 250,000.00 each. The total value of the purchased investment certificates amounted to PLN 1,000,000.00. They constitute 100% of investment certificates issued by the fund and entitle to 100% of votes at meeting of the fund's investors. Comarch S.A. purchased the above-mentioned investment certificates with internal means. Purpose of the fund is investment activity in the scope of new technologies and Internet services that are not Comarch S.A.'s basic activities.

Company: **Comarch Management spółka z o. o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership) COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120578542  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-13-76-542

The share capital of Comarch Management sp. z o. o. SKA amounts to PLN 140,110.00. CCF FIZ holds 13.67% of shares entitling to 21.49% of votes, Comarch S.A. holds 49.94% of shares entitling to 78.51% votes, and 36.39% of shares were purchased by Comarch Management sp. z o. o. SKA to be redeemed. Shares purchased by Comarch Management spółka z o. o. SKA to be redeemed doesn't give any votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Management sp. z o.o. SK-A is Comarch S.A.'s subsidiary (through CCF FZ).

Company: **Bonus Management sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny nr 15  
 Regon (Polish National Official Register of Business Entities): 120641766  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 676-23-69-528

The company's share capital is PLN 2,879,401 and is divided into 2,876,401 shares of nominal value of PLN 1.00. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. II Activia Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny nr 15  
 Regon (Polish National Official Register of Business Entities): 121358009  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 6762430883

The company's share capital is PLN 1,555,200 and is divided into 1,555,200 shares of nominal value of PLN 1.0. CCF FIZ holds 100% of the company's shares which give 100% of votes. The company conducts investment activity on capital market and activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. II Activia SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Bonus Management sp. z o.o. Cracovia Park Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny nr 15


With the notarial deed of the 25<sup>th</sup> of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Its share capital amounts to PLN 800,000 and is divided into 800,00 shares of nominal value of PLN 1 each. Bonus Management spółka z ograniczoną odpowiedzialnością SKA holds 50% of the share capital (66.67% of votes at the company’s AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company’s AGM). Bonus Management sp. z o. o. Cracovia Park SKA conducts investment activity on capital market and activities related to IT Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management sp. z o.o. II Activia SKA is Comarch S.A.’s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny nr 15  
 Regon (Polish National Official Register of Business Entities): 120637434  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 676-23-68-121


The company’s share capital is PLN 5,640,000 and is divided into 5,640,000 shares of nominal value of PLN 1. 50,000 preference series A shares entitle to 100,000 votes and 5,590,000 ordinary shares give 5,590,000 votes. CCF FIZ holds 100% of the company’s shares entitling to 100% votes. The subject matter of activities of Bonus Development sp. z o. o. SKA are activities related to real estates in Comarch. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SKA is Comarch S.A.’s subsidiary (through CCF FIZ).

Company: **Bonus Development sp. z o.o. II Koncept Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: 31-008 Kraków, ul. Rynek Główny nr 15  
 Regon (Polish National Official Register of Business Entities): 121376250  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 6762432161


The company’s share capital is PLN 101,263 and is divided into 101,263 shares of nominal value of PLN 1. CCF FIZ holds 100% of the company’s shares entitling to 100% votes. The subject matter of activities of Bonus Development sp. z o. o. II Koncept SK-A are activities related to real estates in Comarch. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development sp. z o. o. SK-A is Comarch S.A.’s subsidiary (through CCF FIZ).

Company: **iMed24 S.A. (joint stock company)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120652221  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-13-82-502

The company’s share capital is PLN 3,950,000 and is divided into 39,500 shares of nominal value of PLN 100.0, entitling to 28,500 votes. CCF FIZ holds 100.0% of the company’s shares (100.0% votes. On the 13<sup>th</sup> of October, 2014, a plan of merger between ESAPROJEKT sp. z o.o. and iMed24 S.A. was presented to the District Court. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iMed24 S.A. is Comarch S.A.’s subsidiary (through CCF FIZ).

Company: **Comarch Polska S.A. (joint stock company)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120705696  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-13-87-586


The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100.0, entitling to 5,000 votes. CCF FIZ holds 100.0% of the company's shares (100.0% votes). Comarch Polska S.A. conducts an IT project related to financial services. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Polska S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **iReward24 S.A. (joint stock company)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120792583  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-14-02-274

The company's share capital is PLN 750,000 and is divided into 7,500 shares of nominal value of PLN 100.0, entitling to 7,500 votes. CCF FIZ holds 100.0% of the company's shares (100.0% votes). iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iReward24 S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **Infrastruktura24 S.A. (joint stock company)**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120807830  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-14-03-084

The company's share capital is PLN 575,000 and is divided into 5,750 shares of nominal value of PLN 100.0, entitling to 5,750 votes. CCF FIZ holds 100.0% of the company's shares (100.0% votes). Infrastruktura24 S.A. offers services related to data centre for the customers in small and medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Infrastruktura24 S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **iComarch24 S.A. (joint stock company)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Regon (Polish National Official Register of Business Entities): 120871348  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 6751410687

The company's share capital is PLN 500,000 and is divided into 5,000 shares of nominal value of PLN 100.0, entitling to 5,000 votes. CCF FIZ holds 100.0% of the company's shares (100.0% votes). iComarch24 S.A. provides accounting services for domestic subsidiaries in the Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iComarch24 S.A. is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **CASA Management and Consulting sp. z o.o. Spółka Komandytowo-Akcyjna (limited joint-stock partnership)**  
 Address: ul. Szarskiego 18, 30-698 Kraków  
 Regon (Polish National Official Register of Business Entities): 121040023  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 6793020643

The company's share capital is PLN 3,114,000 and is divided into 31,140 shares of nominal value of PLN 100.0, entitling to 31,140 votes. CCF FIZ holds 100.0% of the company's shares (100.0% votes). CASA Management and Consulting sp. z o.o. SK-A conducts investment activity on capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CASA Management and Consulting sp. z o.o. SKA is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **ESAProjekt sp. z o.o. (Polish law limited liability company)**  
 Address: Al. Korfantego 193, 40-153 Katowice  
 Regon (Polish National Official Register of Business Entities): 277650884  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 634-244-38-67

The company's share capital is PLN 123,000 and is divided into 50 shares. CASA Management and Consulting sp. z o.o. SKA holds 100% of shares in ESAProjekt sp. z o.o., entitling to 100% of votes. ESAProjekt sp. z o.o. is a leading Polish producer and IT solution provider for medicine sector. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ESAProjekt sp. z o.o. is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **Comarch Swiss AG (joint stock company)**  
 Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland  
 VAT ID: 472274

The company's share capital is CHF 300,000 and is divided into 300 registered shares of nominal value of CHF 1,000 each. They entitle to 300 votes at the general meeting. 100% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. On the 26<sup>th</sup> of March, 2013, a merger between A-MEA Informatik AG and Comarch Swiss AG, and transferring Comarch Swiss AG's office to Luzern in Switzerland were registered. The company sells the Comarch Group's products especially on German speaking markets, including Switzerland. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Swiss AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **CAMS AG (joint stock company)**  
 Address: Luzern Mühlemattstraße 8, 6004 Luzern, Switzerland  
 VAT ID: CHE-273.360.056

The company's share capital is CHF 100,000 and is divided into 1,000 registered shares of nominal value of CHF 100 each. They entitle to 1,000 votes at the general meeting. 51% of the company's shares were held by Casa Management and Consulting sp. z o.o. SKA. The company sells the Comarch Group's products especially on German speaking markets, including Switzerland. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CAMS AG is Comarch S.A.'s subsidiary (through CCF FIZ and CASA Management and Consulting sp. z o.o. SKA).

Company: **Opso sp. z o.o. (Polish law limited liability company)**  
 Address: 31-864 Kraków, ul. prof. Michała Życzkowskiego 23  
 Regon (Polish National Official Register of Business Entities): 122485307  
 NIP (POLISH IDENTIFICATION TAX NUMBER): 675-147-11-92

The share capital of Opso sp. z o.o. amounts to PLN 205,000 and consists of 100 shares of nominal value of PLN 2,050 each, entitling to 100 votes. Comarch S.A. holds 100% Opso sp. z o.o. shares entitling to 100% votes at the AGM of the company. Opso sp. z o.o. provides catering services. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Opso sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **Miejski Klub Sportowy Cracovia Sportowa Spółka Akcyjna  
(Polish city sports club)**



Address: 30-111 Kraków, ul. Kałuży 1  
Regon (Polish National Official Register of Business Entities): 351553230  
NIP (POLISH IDENTIFICATION TAX NUMBER): 677-20-79-476

The share capital of MKS Cracovia SSA is 21,840,100 PLN and is divided into 218,401 shares. Comarch S.A. holds 144,381 shares or votes at the AGM of MKS Cracovia SSA that constitute 66.11% of the company's share capital. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, MKS Cracovia SSA is Comarch S.A.'s subsidiary.

## **ASSOCIATES**

Company: **Solinteractive S.A. (joint stock company)**



Address: 31-864 Kraków, ul. Prof. Michała Życzkowskiego 29 a  
Regon (Polish National Official Register of Business Entities): 120629191  
NIP (POLISH IDENTIFICATION TAX NUMBER): 676-23-66-843

The company's share capital is PLN 791,000 and is divided into 7,910 shares of nominal value of PLN 100.0, entitling to 12,420 votes. CCF FIZ holds 25.28% of the company's shares, which give 16.10% of votes. Bonus Management sp. z o.o. II Activia SKA holds 17.70% of the company's shares, which give 11.27% of votes. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Solinteractive S.A. is Comarch S.A.'s associate.

Company: **Metrum Capital S.A. (Volatech Capital Advisors S.A.)  
(joint stock company)**

Address: ul. Kałuży 1, 30-111 Kraków  
NIP (POLISH IDENTIFICATION TAX NUMBER): 6772380164

With the notarial deed of the 6<sup>th</sup> of February, 2014, Metrum Capital S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19<sup>th</sup> of March, 2014. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Volatech Capital Advisors S.A. is Comarch S.A.'s associate (directly and through CCF FIZ).

## **21. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions**

None present.

## **22. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before**

The Group has not published the results forecast for 2014.

## **23. Factors and Events of Unusual Nature that Affect the Group Activities and the Achieved Results, as well as Their Appraisal**

### **23.1. Deferred Income Tax Asset**

Over 2014, the parent company dissolved in part an asset due to activities in the SEZ that was worth PLN 8.795 million and established as at 31<sup>st</sup> of December, 2013. At the same time, the parent company recognised an asset in the amount of PLN 9.916 million (impact on earnings: + PLN 1.121 million). During 2014, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2013 and worth PLN 4.932 million, as well as an asset due to temporary differences was recognised in the amount of PLN 7.032 million. An asset due to tax loss was dissolved in the amount of PLN 0.674 million and recognised in the amount of PLN 0.601 million PLN. The total effect of the above-mentioned operations on the net result of 2014 was + PLN 3.148 million.

### **23.2. Valuation of Currency Translation Differences**

Fluctuations of PLN versus EUR and USD in 2014 had a less significant effect on revenue and results of the Comarch Group. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of December, 2014, increased by PLN 1.909 million revenue and operating result of the Comarch Group. Other exchange differences decreased by PLN 1.118 million Comarch's result. Total currency translation differences resulted in an increase of PLN 0.791 million in the Comarch Group's net result.

### **23.3. Write-off Revaluating Receivables**

In 2014, a write-off revaluating trade receivables due to their loss in value was recognised and worth PLN 19.626 million. It is mostly related to qualifying the receivables worth PLN 13.491 million, from one of the contractors operating on the Russian market, as bad debts. As a result, operating result decreased by PLN 13.491 million.

## **24. Changes in Methods of Company Management and Its Capital Group Management**

None present.

## **25. Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year**

They were described in point 12.

## **26. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements**

With resolution no. 1/7/2013, dated the 5<sup>th</sup> of July, 2013, the Supervisory Board of Comarch S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. to audit and review the financial statements of Comarch S.A. Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k., with its registered seat in Warsaw at ul. Jana Pawła II 19, is registered at no. 73 in the list of entities entitled to audit financial statements. Comarch S.A. has used the services of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp.k. within the scope of reviewing the financial statements for the first 6 months of 2006-2009 and 2011-2012, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A for 2006- 2009 and 2011-2012.

A two-year agreement was concluded within the scope of:

a) Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2013 and the first 6 months of 2014;



b) Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A for 2013 and 2014.

Details related to the remuneration of entities entitled to audit financial statements were included in note 45 of the financial statement. The company announced details in current report no. RB-17-2013.

The total net remuneration due on account of reviewing the above-mentioned financial statements was as follows:

<b>Types of services</b>	<b>Remuneration (net value)- paid</b>	<b>Remuneration (net value)- due</b>
<b>2014</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (formerly Deloitte Audyt sp. z o.o.)</b>		
1 Obligatory audit of annual financial statements for 2014	-	PLN 100,000.00
2 Review of half-year financial statement for H1 2014 and additional costs related to consolidation process	PLN 100,000.00	-
3 Other services for Comarch S.A.	PLN 53,230.00	-
<b>2013</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (formerly Deloitte Audyt sp. z o.o.)</b>		
1 Obligatory audit of annual financial statements for 2013	PLN 100,000.00	-
1 Other certifying services (review of half-year financial statement for H1 2013)	PLN 100,000.00	-
2 Consolidation procedures related to Comarch AG Group and Comarch SuB (including procedures related to review of work of local auditor)	PLN 8,000.00	-
3 Obligatory audit of annual financial statements for 2012	PLN 92,150.00	-
4 Additional costs within consolidation procedures and transformation of financial statements according to IFRS	PLN 12,000.00	-

## **27. Systems that Control Employees Shares Programmes**

None present.

## **28. Significant Legal, Arbitration or Administrative Proceedings**

### **28.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities**

None present.

**28.2. Two or More Proceedings Related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10% of Equities and the Issuer's Opinion on the Matter**

None present.

Krakow, 27<sup>th</sup> of April, 2015

<b>Janusz Filipiak</b> President of the Management Board	<b>Piotr Piątosza</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Piotr Reichert</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		

## The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit financial statements, that audited the annual consolidated financial statement for the year 2014 was selected compliant with the law and that the entity and expert auditors who audited this statement perform under conditions to provide an unbiased and independent opinion on the audited annual consolidated financial statement, compliant with the national law.

Krakow, 27<sup>th</sup> of April, 2015

<b>Janusz Filipiak</b> President of the Management Board	<b>Piotr Piątosza</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Piotr Reichert</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		

## The Management Board's statement regarding the reliability of the financial statement

The Management Board of Comarch S.A. states that to the best of our knowledge, the annual consolidated financial statement for the year 2014 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the Group and its financial results. Furthermore, the annual report regarding the Group's activities truly describes the development image and achievements as well as the Group's situation including basic threats and risk.

Krakow, 27<sup>th</sup> of April, 2015

<b>Janusz Filipiak</b> President of the Management Board	<b>Piotr Piątosza</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Piotr Reichert</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		

**REPORT REGARDING THE ACCEPTANCE  
OF CORPORATE GOVERNANCE PRINCIPLES  
IN COMARCH S.A. IN 2014**

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## 1. Corporate Governance Principles that Apply to an Issuer

The Warsaw Stock Exchange Supervisory Board by motion of the WSE Management Board adopted the new corporate governance rules compiled in the "Best Practices of WSE Listed Companies" on 4<sup>th</sup> of July, 2007

<http://www.corp-gov.gpw.pl/assets/library/polish/publikacje/dpsn2010.pdf>

They were changed with the following resolutions of the Warsaw Stock Exchange Supervisory Board: resolution dated the 19<sup>th</sup> of May, 2010 (effective from 1<sup>st</sup> of July, 2010), resolution dated the 31<sup>st</sup> of August, 2011 (effective from 1<sup>st</sup> of January, 2012), resolution dated the 19<sup>th</sup> of October, 2011 (effective from 1<sup>st</sup> of January, 2012) and resolution dated the 21<sup>st</sup> of November, 2012 (effective from 1<sup>st</sup> of January, 2013). Currently binding document may be found at:

[http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre\\_praktyki\\_16\\_11\\_2012.pdf](http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre_praktyki_16_11_2012.pdf)

The Best Practices include four sections:

- I. Recommendations for Best Practices of Listed Companies;
- II. Best Practices of Management Boards of Listed Companies;
- III. Best Practices of Supervisory Board Members;
- IV. Best Practices of Shareholders.

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the company in 2013 as attachment to the annual statement published on 30<sup>th</sup> of April, 2014.

## 2. Recommendations for Corporate Governance Principles not Implemented by the Issuer along with an Explanation of the Circumstances and Reasons surrounding the Decision not to Implement a Particular Principle

### a) Recommendations for Best Practices of Listed Companies

*5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.*

Comarch S.A. has a remuneration policy which specifies form, structure and level of employees' remuneration, including members of management and supervisory boards. Management board's compensation scheme ensures linkage between remuneration, company's financial results and performed services of salaried persons.

A significant part of the rules resulting from the Recommendation of 14<sup>th</sup> of December, 2004, fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30<sup>th</sup> of April, 2009, complementing that Recommendation (2009/385/EC) has been included in the compensation scheme applied at Comarch S.A. They are:

- a) The total remuneration and other benefits for members of the company's management and supervising staff are presented in annual financial statements,
- b) Option programmes are approved at the company's general meeting and detailed information related to the managerial option programme is presented in financial statements,
- c) The compensation scheme specifies variable and non-variable components of the management's remuneration, and a variable component is linked to specified in-advance performance criteria,
- d) The value of termination payments does not exceed the equivalent of two-years of the non-variable component of the remuneration,

e) Shares do not constitute the remuneration form for non-executive directors nor members of the supervisory board,

However, the company's remuneration policy does not include some recommendations of the European Commission, such as:

a) Compensation scheme is not a subject to the prior approval of the annual general shareholders' meeting,

b) The company does not disclose „the remuneration statement” on its website (detailed information in relation with that subject are included in the financial statement),

c) Share-based property rights, when executing share options, may be effective before 3 years from the date of their receiving, and it is not mandatory to hold a specific number of shares during the time of fulfilling the function of a managing person,

d) There is no Remuneration Committee in the company,

Managing persons may be also employed on a labour contract, under provisions specified in regulations binding in the company and Work Code. Values of remuneration for employment contracts of the members of the management board and the amount of the lump sum for the meeting of the management board shall be determined by the Supervisory Board according to an adopted resolution.

Remuneration of the supervisory board are established by a resolution at the company's general shareholders' meeting.

In time to come, the company does not anticipate any changes in applied remuneration policy.

*9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.*

The company makes every effort to ensure balanced share of women and men in performing functions of management and supervisory boards' members in companies. Compliant with Working Rules for employees in Comarch SA, employer is obliged to: „counteract discrimination in employment, in particular in relation to gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation.” Moreover, employees in Comarch S.A. „should be treated equally within the scope of beginning and terminating work, employment conditions, promotion and trainings availability in order to improve professional qualification, in particular regardless of gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation, and regardless whether employed definite or indefinite time, full-time or part-time.” Comarch S.A. policy does not create any barriers in relation to gender, views, sexual orientation, ethnic or race origin within the scope of employing and personal policy. It does not contribute to direct or indirect discrimination due to gender, age, disability, race, religion, nationality, politic beliefs, union affiliation, ethnic origin, creed and sexual orientation.

There are four women within a 7-person membership of the Comarch S.A. Supervisory Board. All seven members of the Comarch S.A. Management Board are men, which is mostly the result of the nature of the activities conducted by the company and the specification of the IT branch, where men constitute a significant majority. It is noteworthy that current members of the Management Board in Comarch S.A. are persons related to the company for many years (over 5 years as management board members) with broad IT technology knowledge and with high qualifications necessary to their held posts. Having that in mind one should assume that in the nearest future there will be no change in women's membership in this management body.

In Comarch S.A. there is a bias towards increasing the number of employed women, qualifications are considered the most important, not gender, as men have equal chances to be employed for the post. Women constitute approximately 28% of Comarch S.A. employees, and 21% of executive posts, which is a high share in total employment, especially considering the technical nature of the IT company.



12. A company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a plenipotentiary, outside the venue of the General Meeting, using electronic communication means

A shareholder may participate in a General Meeting and exercise voting right personally or by proxy. Power of attorney to participate in the General Meeting and to exercise a voting right should be granted in writing or in electronic form. Power of attorney in electronic form does not require safe electronic signature verified with the valid classified certificate. The company does not provide the possibility of voting by correspondence, voting using means of electronic communication or participating in the General Meeting using means of electronic communication, however enables on-line broadcasts of General Meetings over the Internet real-time bilateral communication. Due to the current shareholding structure (relatively little dispersed ownership), in the company's opinion, currently there is no reason to implement voting by correspondence using means of electronic communication.

### 3. Shareholders Holding Directly or Indirectly Significant Shares in Votes at the General Shareholders Meeting as at 27<sup>th</sup> of April, 2015

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98
Other members of the Board	121,028	1.49	158,628	1.05
Other shareholders	4,489,247	55.25	4,489,247	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,465</b>	<b>100.00</b>

### 4. Owners of Securities Entitling them to Special Control Rights as well as a Description of these Rights

Janusz Filipiak, President of the Management Board, holds 893,000 registered share preference votes (1:5). These entitle him to 4,465,000 votes at the company's general shareholders' meeting. Elżbieta Filipiak, Chairman of the Supervisory Board, holds 846,000 registered share preference votes (1:5). These entitle her to 4,230,000 votes at the company's general shareholders' meeting. Paweł Prokop, Vice-President of the Management Board, holds 9,400 registered share preference votes (1:5). These entitle him to 47,000 votes at the company's general shareholders' meeting.

### 5. All Restrictions Relating to Execution of Voting Rights, i.e. Restriction of Voting Rights through Holding a Particular Share or Number of Votes, Time Restrictions regarding Voting Rights or Records according to which, in Collaboration with the Company, Capital Rights Related to Securities are Separated from Securities Holdings

None present.

### 6. All Restrictions Regarding Transferring the Holding Rights of an Issuer's Securities

According to art. 8 point 5 of Comarch S.A.'s Articles of Association  
*„5. Disposing registered shares requires consent of the Management Board provided in writing. In case of refusal of disposing, the Management, within 2 months of filing with the Company of the intention of assigning shares, appoints the purchaser and price of shares. Price of shares may not be lower than average stock exchange price from the three recent months preceding the month of filing, provided that shares of the Company are in stock exchange trading. Otherwise, price of shares may not be lower than the book value per share as of the last balance sheet date. Price is due within one month of the date of resolution of the Management indicating the purchaser of shares.”*

## **7. Principles for the Appointing and Dismissing of Management and their Rights, notably the Right for Decision Making on Shares Issue or Buyout**

### **A) Principles for Appointing and Dismissing**

According to the Articles of Association of the company, the Management Board of the company consists of 2 to 8 persons appointed and dismissed by the Annual General Meeting. Members of the Management Board are appointed for the common term of office of three years. The AGM defines salaries for the Management Board, provided that this competency may be passed on in part or in entirety to the Supervisory Board. The Supervisory Board suspends on important reasons, selected or all members of the Management Board in their duties and delegating members of the Supervisory Board for the period not longer than 3 months for temporary execution of activities of those members of the Management Board who have been dismissed, who resigned or who cannot execute their duties on other reasons.

### **B) Rights according to art. 9, 20 - 22 of the Comarch S.A.'s Articles of Association and the Commercial Companies Code**

- The Management Board may appoint proxies.
- President of the Management Board single-handedly or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised for making statements on behalf of the company and representing the company in Court and off Court.
- In agreements between the company and members of the Management Board and in disputes with them, the company is represented by the Supervisory Board or by a proxy appointed with a resolution of the General Meeting. The Supervisory Board may authorise, by way of a resolution, one or more members of the Supervisory Board to perform such legal actions.
- The Management Board defines internal organisation of the company.
- According to art. 445 and 446 of the Commercial Companies Code, the General Meeting passes a resolution on amendments to the statutes, providing for the authorisation for the management board to increase the share capital within the limits of the authorised capital. According to art. 9 sec. point 5 of the Comarch S.A.'s Articles of Association, within the target capital, the Management Board of the Company may issue shares only in conversion for cash contributions and may not issue preferential shares or allocate personal rights for the shareholder, referred to in Article 354 of the Code of Trade Companies. In the scope of all the issues related to increasing the share capital within the target capital, in particular on excluding or limiting collection right and determining the issue price, obtaining consent of the Supervisory Board is required.

## **8. Description of Principles for Changes in Articles of Association**

A General shareholders' Meeting may pass a resolution regarding changes in articles of association, including an increase or a decrease in share capital, and a resolution on a significant change in the company's subject matter.

## **9. Description of Operating Principles for General Meetings and Their Essential Rights and Shareholders' Rights as well as Modality, in particular Principles resulting from Rules for General Shareholders' Meeting if such Rules were passed, unless these Information Results from Law**

1. Annual General Shareholders' Meetings may be ordinary or extraordinary.
2. An ordinary General Meeting of the Management Board shall be called no later than the end of June each year.
3. General meetings shall be called in accordance with the Polish Commercial Companies Code, the company's Articles of Association and with the Rules for General Shareholders' Meeting dated the 28<sup>th</sup> of June, 2010.
4. Meetings shall take place at the company's headquarters.
5. At least two members of the company's Management Board and at least two members of its Supervisory Board should take part in the Annual General Shareholders' Meeting.
6. If the subject of debate is to concern the financial affairs of the company an auditor shall be present.

7. Representatives of the media may attend the General Shareholders' Meeting as observers.
8. Only persons who are company shareholders 16 (sixteen) days prior the date of the General Meeting are entitled to participate in the General Meeting.
9. Shareholders who are physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote themselves or via a proxy.
10. Shareholders who are not physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote via a person empowered to submit a declaration of intent in their name, or via a proxy.
11. The chairman of the Annual General Shareholders' Meeting conducts debates, takes decisions in matters of the agenda and procedure, and is authorized to interpret the present rules.
12. The duties of the chairman of the Annual General Shareholders' Meeting include:
- Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - Directing the debate: deciding who shall speak and in what order,
  - Receiving proposed and draft resolutions and opening them to debate and,
  - Organizing and conducting the voting.
13. The Annual General Shareholders' Meeting shall choose a three-person returns committee from the candidates notified by the chairman. The returns committee shall ensure that each vote is correctly conducted, supervise the practical aspects of the vote and check, confirm and declare the results. Where the Annual General Shareholders' Meeting is attended by a small number of shareholders a returns committee shall not be selected unless a shareholder or proxy submits a request for a returns committee to be selected. Where a returns committee is not selected its functions shall be performed by the chairman of the Annual General Shareholders' Meeting.
14. The Annual General Shareholders' Meeting shall take decisions in the form of resolutions adopted by open voting except:
- Voting on an issue of selecting or deselecting members of bodies of the company, or liquidators,
  - Motions to prosecute members of bodies of the company or liquidators,
  - In personal matters,
  - At the request of at least one shareholder,
  - In other circumstances stipulated in the regulations currently binding.
15. Shareholders shall notify the chairman of the Annual General Shareholders' Meeting of their candidates for membership of the Supervisory Board in writing or verbally.
16. Proposals for Supervisory Board candidates should be supported in detail with particular emphasis placed on the candidate's education, qualifications and professional experience.
18. The Company may organise the General Meeting in such a way as to enable shareholders to participate at the General Meeting using means of electronic communication.

**10. Membership, Changes in Membership during Last Financial Year and Rules of Operations of the Company's Managing and Supervising Persons as well as Their Committees**

**A) Members of the Comarch S.A.'s Supervisory Board as at 31<sup>st</sup> of December, 2014:**

<b>Name and Surname</b>	<b>Position</b>
Elżbieta Filipiak	Chairman of the Supervisory Board
Maciej Brzeziński	Vice-Chairman of the Supervisory Board
Robert Bednarski*	Member of the Supervisory Board
Danuta Drobnia	Member of the Supervisory Board
Wojciech Kucharzyk	Member of the Supervisory Board
Anna Ławryniewicz	Member of the Supervisory Board
Anna Pruska	Member of the Supervisory Board

*\*) On the 26<sup>th</sup> of June, 2014, at the Ordinary Annual General Meeting, Mr. Robert Bednarski was appointed a member of the Board of Supervisors.*

The Supervisory Board shall undertake constant supervision of all areas of the company's operations. The Supervisory Board shall operate according to the regulations of the Polish Commercial Companies Code, the company's Articles of Association, the Corporate

Governance Principles in force at the company and the Rules for the Supervisory Board dated 30 June 2003 approved at the Annual General Shareholders' Meeting (and amendments). The detailed operations of the Supervisory Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Supervisory Board are:**

1. The Supervisory Board shall contain three to seven people chosen by the Annual General Shareholders' Meeting. The Meeting shall, by a resolution, specify the number of members of the Supervisory Board before voting commences to select candidates for that Board.
2. Supervisory Board members shall be appointed for a common term of office lasting three years.
3. Members of the Supervisory Board shall perform their rights and duties directly and in person. Any member of the Supervisory Board may be dismissed before their term of office has been completed. Members of the Supervisory Board may be re-elected.
4. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.
5. The chairman of the Supervisory Board:
  - a) convenes meetings of the Supervisory Board,
  - b) conducts meetings of the Supervisory Board,
  - c) opens debates at the Annual General Shareholders' Meeting.
6. When the chairman is absent his place shall be taken by the vice-chairman of the Supervisory Board.
7. The Supervisory Board may select supervisory committees from amongst its members for specific sectors of the company's operations. In particular, this shall concern an auditing committee.
8. These committees may sit separately and may vote on resolutions. These may concern the findings of inspections and audits concerning the way the company operates.
9. Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board. The Management Board or another member of the Supervisory Board may demand that the chairman convene a meeting of the Supervisory Board. This demand should be accompanied by a proposed agenda. The chairman of the Supervisory Board shall convene a meeting within two weeks of receiving the demand. If the meeting is not convened in accordance with the procedure stipulated above, the petitioner may himself call the meeting.
10. The agenda of meetings of the Supervisory Board shall be stipulated by the convener and, along with any relevant materials, be sent to members of the Supervisory Board three (3) days before the planned date of the meeting unless circumstances arise to justify shortening this period.
11. The agenda of meetings of the Supervisory Board may only be changed or supplemented.
12. Meetings of the Supervisory Board should be convened at least four times in each financial year.
13. Resolutions of the Supervisory Board shall be adopted by a majority of the votes present. Where there is a tie the chairman shall have the deciding vote.
14. A resolution of the Supervisory Board shall be valid where all its members have been invited and where more than half the members of the Supervisory Board, including the chairman or vice-chairman of the Supervisory Board, are present.
15. Provided all members of the Supervisory Board express their written agreement to this, resolutions of the Supervisory Board may be adopted by written ballot without a meeting being convened.
16. Meetings of the Supervisory Board may also be conducted using resources for remote communication, such as the telephone, facsimile machines, electronic mail and teleconferencing, by using the Internet in another manner and by the use of other telecommunications resources.
17. Members of the Supervisory Board may take part in voting on resolutions of the Supervisory Board by voting in writing via another member of the Supervisory Board.
18. The mode of voting on resolutions by the Supervisory Board specified above is not acceptable in the matters set out in art. 388 paragraph 4 of the Polish Commercial Companies Code. These are:
  - a) The selection of the chairman and vice-chairman of the Supervisory Board,
  - b) The appointment and dismissal of a member of the Management Board,

c) The suspension of a member of the Management Board

19. Members of the Management Board may take part in meetings of the Supervisory Board. The Management Board shall be informed of all dates and agendas of meetings of the Supervisory Board.

20. The Supervisory Board may invite members of the Management Board to take part in a meeting.

21. At each of its meetings the Supervisory Board shall be informed by the company of the current individual and consolidated financial results of the company and of significant matters concerning the company's operations. Where this is justified by the company's situation, this shall include the risk associated with operations and ways to manage this risk.

22. Members of the Management Board shall not take part in those sections of meetings of the Supervisory Board which concern the dismissal, scope of responsibility, or pay and conditions of Management Board members.

23. Meetings of the Supervisory Board shall be minuted. The minutes should include the agenda for debate, the name and surname of all the Supervisory Board members present and the results of the votes on resolutions.

24. The Supervisory Board conducts the overall supervision of the company's operations.

25. The specific competences of the Supervisory Board are as follows:

a) Assessing the company's annual financial statement and the consolidated financial statement of the Comarch capital group;

b) Assessing the Management Board's reports on the company's operations and on the Comarch capital group and, in addition, assessing the Management Board's conclusions on distributing profits and covering losses;

c) Submitting a written report containing the information required by points a) and b) of the present section;

d) Scrutinizing the work of the Management Board in effecting resolutions adopted at the Annual General Shareholders' Meeting;

e) Selecting statutory auditors for the financial statements of the company and of the Comarch capital group. The Supervisory Board may adopt a resolution to apply stricter criteria for the statutory auditor's independence than are demanded by the legal regulations;

f) Appointing and dismissing members of the Management Board, stipulating the compensation attracted by performing the function of member of the Management Board, suspending – for substantial reasons – individual members, or all members, of the Management Board, designating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, or suspending the Management Board itself;

g) Giving consent to increase share capital within the context of authorized capital;

h) Giving consent to acquire and dispose of real estate or shares in real estate;

i) Giving consent to conclude an agreement with an issue underwriter in accordance with the provisions set out in art. 433 paragraph 3 of the Polish Commercial Companies Code;

j) Exercising, in respect of members of the Management Board and on behalf of the company, rights and privileges arising from an employment relationship;

k) Approving the company's growth strategy;

l) Expressing its opinion on draft resolutions for the Annual General Shareholders' Meeting sent to it by the Management Board and shareholders.

26. Once every year the Supervisory Board must adopt a resolution in the matter of its assessment of the company's situation. This document shall be passed on to the Annual General Shareholders' Meeting.

27. To aid it in performing its function, the Supervisory Board has the right to see all the company's documents and may demand reports and explanations from the Executive Board and from company employees. The Supervisory Board may also conduct a review of the state of the company's assets.

28. The Supervisory Board operates as a collective body but may, however, delegate its individual members to particular supervisory activities.

29. Members of the Supervisory Board should hold the interests of the company as their highest priority.

30. Members of the Supervisory Board shall be bound to inform other members of the Supervisory Board of any conflict of interest arising and, following this, not take place in the debate concerning the matter that is subject to a conflict of interest. Where it is uncertain whether a conflict of interest has arisen, the Supervisory Board shall vote on a resolution to resolve this uncertainty.

31. Members of the Supervisory Board shall keep secret all information they acquire in the course of their duties concerning the company's activities and the activities of companies within the Comarch capital group.

32. Within fourteen days of their selection a member of the Supervisory Board shall make a written submission of any economical, familial or other involvements with a shareholder holding five per cent or more of the votes at the Annual General Shareholders' Meeting. The Management Board shall inform the Supervisory Board in writing at that board's next meeting of any case where any entity acquires five per cent or more of the votes at the Annual General Shareholders' Meeting. Where information of this nature is passed to them, the members of the Supervisory Board shall submit – within fourteen days of the sitting of the Supervisory Board at which they were informed – written information concerning any conflict of interest arising. Should the involvements referred to in the present section change, members of the Supervisory Board are obliged – without summoning the company to meet – to provide details of these changes within fourteen days.

33. Members of the Supervisory Board delegated to long-term, individual supervisory duties may not, unless the company gives permission, involve themselves in competing business interests or participate in the business of a competitor company as a partner or associate, or as a member of a body of a joint-stock company. Further, they may not participate in the business of a competitor company in a different legal personality as a member of a company body. Additionally, members of the Supervisory Board are forbidden to participate in a competitor capital group where they hold ten per cent or more of the shares or participation rights, or where they enjoy the right to appoint at least one member of the Management Board.

34. Permission for members of the Supervisory Board delegated to long-term, individual supervisory duties to pursue competing commercial interests shall be granted according to a decision of the Supervisory Board.

35. Duties and Responsibilities of members of the Supervisory Board:

a) Members of the Supervisory Board shall inform the company and Financial Supervision Authority when they or related persons, on their own account, acquire or dispose of shares in the company or when they acquire or dispose of shares in a company, derivatives related to the company's shares and other financial instruments related to these securities, admitted to regulated stock exchange or being in the process of seeking admission to such trading, where this exceeds EUR 5000 in one year or a transaction exceeds EUR 5000. Members of the Supervisory Board shall submit this information within five working days of the date of transaction. Whenever the sum of transactions, mentioned in the section 1, do not exceed EUR 5000 in one year, providing the information mentioned in the section 1 shall be done by 31<sup>st</sup> of January of the year following the year of the transaction.

b) Members of the Supervisory Board delegated to long-term supervisory tasks shall submit a monthly, written report detailing their activities to the Supervisory Board.

c) Members of the Supervisory Board should not resign their positions in mid-term where this would make it impossible for the Supervisory Board to function or where, especially, this would delay the adoption of vital resolutions.

d) Members of the Supervisory Board shall receive compensation according to terms stipulated by the Annual General Shareholders' Meeting.

e) Two members of the Supervisory Board shall participate in the debates at the Annual General Shareholders' Meeting. Members of the Supervisory Board shall themselves select these delegates to represent the Board at the Annual General Shareholders' Meeting.

f) Members of the Supervisory Board should make all efforts to participate in Supervisory Board meetings.

g) Members delegated to long-term, individual supervisory tasks have the right to participate in meetings of the Management Board.

36. The compensation for members of the Supervisory Board delegated to long-term, individual supervisory tasks shall be stipulated by the Supervisory Board.

37. The company shall cover the costs of the Supervisory Board's operation.

38. The Supervisory Board shall use the company's office space, equipment and material.

39. The company's Management Board shall provide the Supervisory Board with administrative and technical support.

## **Committees**

According to a resolution of the Supervisory Board, a new Audit Committee was called and all members of the Supervisory Board became members. According to information possessed by

the company, four members of the Audit Committee fulfil independency conditions and at least one of them is qualified in accountancy and financial review.

Tasks of the Audit Committee are, in particular:

- 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) The Audit Committee make recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

Comarch S.A. provides the Audit Committee with information related to the accountancy policy, finance, company's operating activity and information on settlement methods of significant one-off events. On the Audit Committee's request, the Finance Director participates in its meetings. As at the 31<sup>st</sup> of December, 2014, the Supervisory Board of Comarch S.A. did not call any nomination committee or remuneration committee.

**B) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> December, 2014:**

<b>Name and surname</b>	<b>Position</b>
Janusz Filipiak	President of the Management Board
Piotr Piątosza	Vice-President of the Management Board
Paweł Prokop	Vice-President of the Management Board
Piotr Reichert	Vice-President of the Management Board
Konrad Tarański	Vice-President of the Management Board
Zbigniew Rymarczyk	Vice-President of the Management Board
Marcin Warwas	Vice-President of the Management Board

The Management Board leads the affairs of the company and operates according to the provisions of the Polish Commercial Companies Code, the company's Articles of Association, resolutions of the Supervisory Board, resolutions of the Annual General Shareholders' Meeting, the Rules for the Management Board dated the 15<sup>th</sup> of February, 2010 (update of document dated the 30<sup>th</sup> of June, 2003) and to the generally binding legal regulations. The detailed operations of the Management Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Management Board are:**

1. The Management Board performs its functions jointly and takes resolutions at meetings of the Management Board and in the manner stipulated below.
2. Meetings of the Management Board shall be held at least once every month. In 2014, all meetings of the Management Board were held on the company's premises at the Special Economic Zone in Krakow.
3. A meeting of the Management Board shall be called by the President of the Management Board or, in his absence, a member of the Management Board acting as the President of the Management Board.
4. Where all members of the Management Board are present at a meeting of the Management Board, a meeting of the Management Board may be called informally.
5. The President of the Management Board or, in his absence, the person acting as President of the Management Board, may call a meeting of the Management Board at the request of any member of that Board and with the agenda specified by the member making the request. Meetings of the Management Board called in this way shall, however, not be restricted exclusively to this agenda and may consider other items placed on the agenda.
6. Meetings of the Management Board shall be chaired by the President of the Management Board, a person acting as the President of the Management Board or a person nominated by the President of the Management Board.
7. The Management Board shall take decisions in the form of resolutions adopted by open vote.
8. The chairman shall order a secret vote where even one member of the Management Board taking part in the meeting requests this.
9. Resolutions shall be adopted by an absolute majority of votes.

10. A resolution adopted at a meeting of the Management Board is valid only where at least four members of the Management Board, including the President of the Management Board or the person acting as the President of the Management Board, are present.

11. The Management Board may adopt a resolution outside meetings of the Management Board in the following ways:

a) By written vote – in this case each member of the Management Board votes in writing and gives this to the President of the Management Board or to the person acting as President of the Management Board;

b) By written vote – each member of the Management Board signs the contents of the resolution and gives this to the President of the Management Board or to the person acting as the President of the Management Board;

c) Voting by facsimile or Internet.

d) Votes cast in the manner set forth in a-c) shall be recorded in the book of resolutions and appended to the minutes of the meeting of the Management Board.

e) Where adopted in the manner set out in point c), a resolution shall require the votes of all members of the Management Board to be valid.

12. Non-members of the Management Board may be invited to attend its meetings.

13. All meetings of the Management Board require that minutes be taken. These should include at least:

a) The date and place of the meeting.

b) The agenda of the meeting.

c) The names and surnames of the members of the Management Board present at the meeting.

d) The names and surnames of people invited to the meeting of the Management Board and present at the meeting.

e) The exact content of resolutions.

f) The number of votes cast for and against resolutions including the number of abstentions.

g) The subjects discussed.

h) A written record of dissenting opinions expressed.

i) The signatures of the members of the Management Board present at the meeting.

14. The minutes of Management Board meetings shall be kept in the Minutes Book. The Minutes Book shall be maintained by the CEO secretariat.

15. The minutes of Management Board meetings shall be drawn up immediately by CEO secretariat.

16. Where there is a direct or indirect conflict between the interests of a member of the Management Board and those of the company, that member shall inform the company's Supervisory Board that this is the case.

17. Two members of the Management Board shall participate in the debates of the Annual General Shareholders' Meeting. Members of the Management Board shall themselves decide on which of their number should represent them at the Annual General Shareholders' Meeting.

#### **11. A Description of the Basic Features of the Internal Control and Risk Management Systems the Issuer Uses and How These Relate to the Process of Preparing the Financial Statements**

The company's Management Board is responsible for the company's accounting in accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994 (Journal of Laws, no. 121, pos. 591 with subsequent changes) and compliant with the requirements specified in the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones (Journal of Laws, no. 209, pos. 174 and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws, no. 33, pos. 259).

The audited consolidated financial statements are prepared in all significant aspects compliant with the International Financial Reporting Standards, as approved by the European Union. When specifying the scope and methods of consolidation, as well as the relations of dependency, IFRS principles were applied. Consolidation of the Capital Group's financial statement in relation to the subsidiaries was conducted using the full method by summing all the appropriate items from the dominant unit and the consolidated subsidiaries' financial statements in the full amount. In relation to the associates the equity method was applied. The



value of the share of the dominant unit in the associate was adjusted in the interest of the dominant unit by the increase in the associate's equity occurring within the consolidating period.

When preparing financial statements and consolidated financial statements internal control and risk management at Comarch S.A. are effected in accordance with the company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994, the company maintains documents describing the accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and sets of data. The accounting for all economic events is computerized and uses a system called EGERIA. This system is protected against unauthorized access and access limitations set according to the function a person performs or the post a person occupies.

Both financial statements and consolidated financial statements are prepared jointly by people working in the accountancy, the capital market, the control and the finance departments under the supervision of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited by an expert auditor and half-year financial statements are reviewed by an independent auditor selected by the company's Supervisory Board. Financial statements of some subsidiaries are also audited by independent auditors.