

## FINANCIAL SUPERVISION AUTHORITY

## CONSOLIDATED ANNUAL REPORT RS 2013

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 2013 from 2013-01-01 to 2013-12-31  
including consolidated annual financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
date of publication 2014-04-30

<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>
(postal code)	(city)
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<b>677-00-65-406</b>	<b>350527377</b>
(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	
	2013	2012	2013	2012
I. Net revenues from sales of products, goods and materials	938,976	883,876	222,983	211,778
II. Profit (loss) on operating activities	34,446	30,767	8,180	7,372
III. Gross profit (loss)	36,724	39,737	8,721	9,521
IV. Net profit (loss)	25,077	40,660	5,955	9,742
V. Cash flows from operating activities	104,448	67,147	24,804	16,089
VI. Cash flows from investing activities	-63,472	-115,533	-15,073	-27,682
VII. Cash flows from financing activities	-13,938	1,231	-3,310	295
VIII. Total net cash flows	27,038	-47,155	6,421	-11,298
IX. Total assets	1,142,301	1,146,743	275,439	280,501
X. Liabilities and provisions for liabilities	504,590	521,801	121,670	127,636
XI. Non-current liabilities	151,895	136,467	36,626	33,381
XII. Current liabilities	352,695	385,334	85,044	94,255
XIII. Equity	637,711	624,942	153,769	152,865
XIV. Share capital	8,051	8,051	1,941	1,969
XV. Number of shares	8,051,637	8,051,637	8,051,637	8,051,637
XVI. Earnings (losses) per single share (PLN/EURO)	3.11	5.05	0.74	1.21
XVII. Diluted earnings (losses) per single share (PLN/EURO)	3.09	5.05	0.73	1.21
XVIII. Book value per single share (PLN/EURO)	79,20	77,62	19,10	18,99
XIX. Diluted book value per single share (PLN/EURO)	78,48	77,62	18,92	18,99

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 01.01.2013 to 31.12.2013: 4.2110;  
 - arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2012 to 31.12.2012: 4.1736;  
 The balance sheet items were presented based on NBP average exchange rates as of the end of the period:  
 - 31.12.2013: 4.1472;  
 - 31.12.2012: 4.0882.

**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
2014-04-30	Janusz Filipiak	President of the Management Board	
2014-04-30	Piotr Piątosza	Vice-President of the Management Board	
2014-04-30	Paweł Prokop	Vice-President of the Management Board	
2014-04-30	Piotr Reichert	Vice-President of the Management Board	
2014-04-30	Zbigniew Rymarczyk	Vice-President of the Management Board	
2014-04-30	Konrad Tarański	Vice-President of the Management Board	
2014-04-30	Marcin Warwas	Vice-president of the Management Board	

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

Date	Name and surname	Position	Signature
2014-04-30	Maria Smolińska	Head Accountant	

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

**CONSOLIDATED FINANCIAL STATEMENT  
FOR 2013  
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 2013**

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**ACTIVITIES STATEMENT OF THE COMARCH SA CAPITAL GROUP IN 2013**

## **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 consolidated financial report, where Comarch S.A. with its registered office is a parent company, that included consolidated balance sheet as at 31<sup>st</sup> of December, 2013, 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, 2013 to 31<sup>st</sup> of December, 2013, 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, 2013, and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2013,
- 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 capital group.

The report regarding the activities of the Capital Group in 2013 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, 30<sup>th</sup> of April, 2014

**THE REPORT FROM THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE FINANCIAL YEAR 2013**

**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. The city of Krakow, Al. Jana Pawła II 39 A is the office of the company.

The company operates in the form of a joint stock company, formed with a notarial deed on the 30<sup>th</sup> of November, 1994 by notary, Maria Kwiecińska-Stybel in Krakow (Repertory No. A 5209/94). Pursuant to the notice dated the 20<sup>th</sup> of December, 1994, the company was registered in division B, at number RHB 3218 of a commercial register of the District Court for Kraków-Śródmieście, Economic Division of the National Court Register in Krakow. Currently, the 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 company's Tax Identification Number is 677-00-65-406 and was given by the Tax Office, Kraków-Sródmieście in Krakow on 1<sup>st</sup> of August, 2000.

On the 14<sup>th</sup> of July, 2000, the Statistical Office registered the company at REGON no. 350527377.

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

According to the company's statute, the subject matter of the company's activities is:

- Research and development work within the scope of other natural and technical sciences,
- Research and development work within the scope of biotechnology,
- Production of electronic elements,
- Production of electronic printed circuit boards,
- Production of computer and peripheral devices,
- Production of (tele)communication hardware,
- Production of electronic hardware for common use,
- Production of machines and office devices, excluding computer and peripheral devices,
- Service and maintenance of machines,
- Service and maintenance of electronic and optic devices,
- Service and maintenance of electric devices,
- Installation of industry machines, hardware and equipment,
- Wholesale of computers, peripheral devices and software,
- Software activities,
- Advisement within the scope of informatics,
- Activities within the scope of IT hardware management,
- Other activities within the scope of informatics and computer technologies,
- Data processing; hosting and similar activities,
- Web portals activities,
- Other services activities within the scope of information, which were not classified elsewhere,
- Editorial activities within the scope of other software,
- Editorial activities within the scope of computer games,

- Other editorial activities,
- Service and maintenance of computer and peripheral devices
- Service and maintenance of (tele)communication hardware,
- Reproduction of computer data carriers,
- Activities within the scope of wire telecommunication,
- Activities within the scope of wireless telecommunication, excluding satellite telecommunication,
- Wholesale of electronic and telecommunication hardware, as well as their elements,
- Retail of computers, peripheral devices and software undertaken in specialized retail outlets,
- Retail of telecommunication hardware undertaken in specialized retail outlets,
- Retail undertaken through mail-order houses or Internet,
- Road transport of items,
- Warehousing and storage of other items,
- Finance leasing,
- The purchase and sale of real estate properties on its own account,
- Rental and management of owned or leased real estate properties,
- Intermediation within the scope of real estate properties' dealing,
- Rental and lease of machines and office devices, including computers,
- Extramural forms of sports education as well as sport and recreational activities,
- Other extramural forms of education, which were not classified elsewhere,
- Activities supporting education,
- Other activities supporting business activities, which were not classified elsewhere,
- Sports facilities activities,
- Other sports related activities
- Execution of building projects associated with raising buildings,
- Construction activities associated with raising residential and non-residential buildings,
- Activities associated with construction of telecommunications lines and electrical power engineering,
- Activities associated with the construction of remaining objects of civil and water engineering,
- Construction of electric and water-sewer installations, as well as remaining construction installations.

During the audited period, the company operates within IT business related to software.

As at 31<sup>st</sup> of December, 2013, the company's share capital accounted for PLN 8,051,637.00 and was divided into 6,303,237 ordinary shares of nominal value of 1 PLN each and 1,748,400 registered shares of nominal value of 1.00 PLN each. Registered shares are preferential for voting so that 5 votes in the General Meeting correspond with each share.

As at 31<sup>st</sup> of December, 2013, shareholders holding, directly or indirectly by subsidiary entities, at least 5% of the total number of votes in the general meeting of Comarch S.A. are:

- Janusz Filipiak – 32.54% in the company's share capital (41.16% of votes at the AGM),
- Elżbieta Filipiak – 10.51% in the company's share capital (28.12% of votes at the AGM).

Within the financial year there were no changes in the company's share capital and changes in the ownership structure of the share capital resulted from purchase/sale transactions of the company's shares at the Warsaw Stock Exchange.

After the balance sheet date there were the following changes in the company's share capital:

- 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 shares of nominal value of PLN. The shares were acquired by the persons entitled according to the provisions of the managerial option program adopted with the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28<sup>th</sup> of June, 2010.

As at the 31<sup>st</sup> of December, 2013, the Capital Group's equity was 637,711 thousand PLN.

The financial year of the Capital Group is the calendar year.

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 dominant unit's Management Board.

As at the 31<sup>st</sup> of December, 2013, the Comarch S.A. Capital Group consists of the following entities:

- 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 Vietnam Company Ltd. - 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 s.r.o - a subsidiary in 100%,
  - SouthForge 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%.

## COMARCH S.A. CAPITAL GROUP

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- the subsidiaries through Comarch S.A.S.:
    - Comarch R&D S.à r.l. - a subsidiary in 70% through Comarch AG, in 30% through Comarch S.A.
  - the subsidiaries through Comarch AG:
    - Comarch Software und Beratung AG - a subsidiary in 100%\* through Comarch 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 38.57% through Comarch Corporate Finance FIZ, 61.43% 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 S.A. CAPITAL GROUP**

Comarch Corporate Finance FIZ, Krakow	100%	BTFG Audit Sp. z o.o., opinion without objections	31 December 2013	3 March 2014
Bonus Development Sp. z o.o. SKA, Krakow	100%	POLINVEST-AUDIT Sp. z o.o., as at the date of this report there were no opinion	31 December 2013	n/a
iMed24 S.A., Krakow	100%	Deloitte Polska Sp. z o.o. Sp. k., opinion without objections, drawing one's attention	31 December 2013	14 April 2014
Comarch Polska S.A.	100%	BDO, opinion without objections	31 December 2013	2 April 2014
iReward24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2013	2 April 2014
Infrastruktura24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2013	2 April 2014
iComarch24 S.A., Krakow	100%	BDO, opinion without objections	31 December 2013	2 April 2014
Bonus Management Sp. z o.o. SKA, Krakow	100%	POLINVEST-AUDIT Sp. z o.o., as at the date of this report there were no opinion	31 December 2013	n/a
SouthForge Sp. z o.o., Krakow	100%	was not subject to audit	31 December 2013	n/a
CASA Management & Consulting Sp. z o.o. SKA, Krakow	100%	POLINVEST-AUDIT Sp. z o.o., as at the date of this report there were no opinion	31 December 2013	n/a
Bonus Management Sp. z o.o. II Activia SKA, Krakow	100%	POLINVEST-AUDIT Sp. z o.o., as at the date of this report there were no opinion	31 December 2013	n/a
Bonus Development Sp. z o.o. II Koncept SKA, Krakow	100%	POLINVEST-AUDIT Sp. z o.o., as at the date of this report there were no opinion	31 December 2013	n/a
Comarch Software (Shanghai) Co. Ltd., Shanghai (China)	100%	was not subject to audit	31 December 2013	n/a
Comarch S.A.S., Lezennes (France)	100%	Mazars France, as at the date of this report there were no opinion	31 December 2013	n/a
Comarch Luxembourg S.à r.l., Luxembourg	100%	was not subject to audit	31 December 2013	n/a
Comarch Canada, Corp., New Brunswick (Canada)	100%	was not subject to audit	31 December 2013	n/a
Comarch Vietnam Company Ltd., Ho Chi Minh (Vietnam)	100%	was not subject to audit	31 December 2013	n/a
Comarch Oy, Espoo (Finland)	100%	Matti Roima	31 December 2013	31 March 2014
CAMS AG (Switzerland)	51%	was not subject to audit	31 December 2013	n/a
ESA Projekt Sp. z o.o., Chorzów (Poland)	100%	Kancelaria Porad Finansowo - Księgowych dr Piotr Rojek Sp. z o.o., opinion without objections, drawing one's attention	31 December 2013	31 March 2014
Comarch Swiss AG,	100%	UTA Treuhand AG Baden	31 December 2013	21 February 2014

Luzern (Switzerland)				
Opso Sp. z o.o., (formerly: CA Finance Sp. z o.o.), Krakow (Poland)	100%	was not subject to audit	31 December 2013	n/a
Comarch UK Ltd, Londyn (Wielka Brytania)	100%	was not subject to audit	31 December 2013	n/a
Comarch Software und Beratung AG Munich (Germany)	100%*	Akanthus GmbH Wirtschaftsprüfergesellschaft, opinion without objections	31 December 2013	17 March 2014
Comarch Solutions GmbH, Innsbruck (Austria)	100%	B&O Wirtschaftsprüfungs- und Steuerberatungs-GmbH, opinion without objections	31 December 2013	31 January 2014
Comarch Chile SpA	100%	was not subject to audit	31 December 2013	n/a

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

c) 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	Date of the opinion
SolInteractive S.A., Krakow	30.72%	was not subject to audit	31 December 2013	n/a

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.

Over the financial year, membership of the audited Capital Group and consolidated entities, where the parent company prepared the audited consolidated financial statement, did not change, except for companies established and acquired in 2013:

- CAMS AG – a company established on 21<sup>st</sup> of January, 2013,
- Comarch Chile SpA – a company established on 23<sup>rd</sup> of May, 2013.

The companies not included in the consolidated list are: Amea Informatik AG, the company merged with Comarch Swiss AG (acquiring company), as well SoftM France S.a.r.l. and UAB Comarch, both were liquidated.

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

In 2012, the Capital Group achieved net profit in the amount of 37.252 thousand of PLN. The Capital Group's consolidated financial statement for the financial year of 2012 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, 2013.

The Annual General Meeting that approved the financial statement for the financial year of 2012 was held on the 26<sup>th</sup> of June, 2013.

On the 1<sup>st</sup> of July, 2013, in compliance with the law, the consolidated financial statement for the financial year of 2012 was delivered to the National Court Register.

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

The audit of the consolidated financial statement was carried out according to a contract dated the 31<sup>st</sup> of July, 2013, 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 10<sup>th</sup> of March, to the 18<sup>th</sup> of April, 2014, as well as outside the company's office till the date of this opinion.

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.

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.

**4. 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 30<sup>th</sup> of April, 2014.

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

Below is the basic data from the consolidated income statement and total consolidated income statement, 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>2013</u>	<u>2012</u>
Revenues from sales	938,976	883,876
Costs from operating activities	900,118	847,070
Other operating revenues	11,710	16,299
Other operating costs	16,122	22,338
Financial revenues/(costs)	2,316	8,993
Loss in the company's goodwill	0	0
Share in profits/losses of associates	38	23
Income tax	13,470	2,485
Net profit (loss)	23,254	37,252
Total income	22,830	33,695

<u>Profitability ratios</u>	<u>2012</u>	<u>2012</u>
- sales margin	4%	3%
- net margin	2%	4%
- return on equity	4%	6%

Efficiency ratios:

- assets turnover ratio	0.82	0.77
- receivables turnover ratio (days)	133	130
- liabilities turnover ratio (days)	58	54
- inventories turnover ratio (days)	24	22

Liquidity/net working capital

- debt rate	44%	46%
- degree of covering assets with equity	56%	54%
- net working capital (in thousands of PLN)	273,317	232,401
- liquidity ratio	1.77	1.60
- cash to current liabilities ratio	1.62	1.44

An analysis of the above amounts and ratios indicates the following tendencies in 2013:

- increase in sales margin, decreases in net margin and return on equity,
- increases in receivables turnover ratio, liabilities turnover ratio and inventories turnover ratio,
- decrease in debt rate and at the same time increase in degree of covering assets with equity,
- 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, 2013 and includes:

- consolidated balance sheet as at the 31<sup>st</sup> of December, 2013, with total assets, total equity and liabilities amounting to 1,142,301 thousand PLN;
- consolidated income statement for the period from the 1<sup>st</sup> of January, 2013 to the 31<sup>st</sup> of December, 2013, with the net profit for the year amounting to 23,254 thousand PLN;
- total consolidated income statement for the period from the 1<sup>st</sup> of January, 2013 to the 31<sup>st</sup> of December, 2013, with the total income for the year amounting to 22,830 thousand PLN;
- changes in consolidated equity for the period from the 1<sup>st</sup> of January, 2013 to the 31<sup>st</sup> of December, 2013 showing an increase in the value of equity in the amount of 12,769 thousand PLN;
- consolidated cash flow statement for the period from the 1<sup>st</sup> of January, 2013 to the 31<sup>st</sup> of December, 2013 showing an increase in cash and cash equivalents in the amount of 27,038 thousand PLN;
- additional information and annotations including information on applied accounting standards.

The structure of assets, equity and liabilities, and items that create the financial result is presented in the consolidated financial statement.

The audit covered the period from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December, 2013 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:

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

Principles of preparing the consolidated financial statements

This consolidated financial statement for the 12 months ended 31 December 2013 was prepared pursuant to the International Financial Reporting Standards (IFRS).

Specification of the Capital Group's entities

When specifying the scope and methods of consolidation, as well as the relations of dependency, IFRS principles were applied.

Financial year

This consolidated financial statement was prepared as at the same balance sheet date and for the same financial year as the financial statement of the parent company – Comarch S.A. Financial statements for the consolidated subsidiaries and an associate were prepared as at the same balance sheet date as the parent company. The financial year of the consolidated subsidiaries and associate ended on the 31<sup>st</sup> of December, 2013.

Consolidation method

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.

After summing; corrections and consolidating eliminations were made, which include:

- acquisition value of shares held by the parent company in the subsidiaries and that part of the subsidiaries' net assets corresponding to the share of the parent company in the property of these entities,
- mutual receivables and liabilities of the consolidated entities,
- significant revenue and costs related to operations between consolidated entities.

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.

### **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. Methods of assets, liabilities and equity valuation, the establishment of financial result and the method of consolidated financial statement preparation were completely and correctly 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.

Commentary notes to the items: property, plant and equipment, intangible assets, investment, liabilities and provisions correctly present increases and decreases as well as the reasons for these changes during the financial year.

Restriction in possibility of administration of the particular assets that are presented in the balance sheet was presented due to hedges made in the interest of creditors.

The parent company presented correctly particular items of assets, equity and liabilities, income statement. Consolidated balance sheet, consolidated income statement, consolidated total income statement, changes in consolidated equity, consolidated cash flow statement as well as additional notes, information and commentary that are the integral part, clearly present all information that is compliant with requirements specified in the IFRS.

The Management Board prepared and attached the report regarding the activities of the Capital Group in 2013 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, 30<sup>th</sup> of April, 2014

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2013

All amounts are expressed in thousands of PLN unless otherwise indicated

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## I. Consolidated Balance Sheet

	Note	31 December 2013	31 December 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.3	360,825	357,715
Goodwill	3.4	44,061	44,061
Other intangible assets	3.5	79,720	96,401
Non-current prepayments	3.6	904	904
Investments in associates	3.7	49	244
Other investments		106	48
Deferred income tax assets	3.21	28,985	27,791
Other non-current receivables		1,639	1,844
		<b>516,289</b>	<b>529,008</b>
<b>Current assets</b>			
Inventories	3.8	53,687	62,307
Trade and other receivables	3.12	362,404	399,840
Current income tax receivables		1,527	408
Long-term contracts receivables	3.17	32,264	10,165
Available-for-sale financial assets	3.10	6,685	1,616
Other financial assets at fair value – derivative financial instruments	3.11	1,644	1,059
Interest and shares		112	22
Cash and cash equivalents	3.13	167,689	142,318
		<b>626,012</b>	<b>617,735</b>
<b>TOTAL ASSETS</b>		<b>1,142,301</b>	<b>1,146,743</b>
Share capital	3.14	8,051	8,051
Other capitals	3.15	145,205	142,332
Exchange differences	3.29	2,670	3,090
Net profit for the current period		25,077	40,660
Retained earnings		445,340	427,490
		<b>626,343</b>	<b>621,623</b>
Minority interest	3.15	11,368	3,319
<b>Total equity</b>		<b>637,711</b>	<b>624,942</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	3.18	110,751	94,892
Other liabilities		599	-
Provision for deferred income tax	3.21	40,545	41,575
Provisions for other liabilities and charges	3.22	-	-
		<b>151,895</b>	<b>136,467</b>
<b>Current liabilities</b>			
Trade and other payables	3.16	194,042	232,316
Current income tax liabilities		11,237	7,323
Long-term contracts liabilities	3.17	33,416	17,045
Credit and loans	3.18	20,700	36,325
Financial liabilities	3.11	-	180
Provisions for other liabilities and charges	3.22	93,300	92,145
		<b>352,695</b>	<b>385,334</b>
<b>Total liabilities</b>		<b>504,590</b>	<b>521,801</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,142,301</b>	<b>1,146,743</b>

## II. Consolidated Income Statement

	Note	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>Revenue</b>	3.23	<b>938,976</b>	<b>883,876</b>
Cost of sales	3.24	(729,103)	(688,379)
<b>Gross profit</b>		<b>209,873</b>	<b>195,497</b>
Other operating income	3.25	11,710	16,299
Sales and marketing costs		(98,932)	(85,396)
Administrative expenses		(72,083)	(73,295)
Other operating expenses	3.26	(16,122)	(22,338)
<b>Operating profit</b>		<b>34,446</b>	<b>30,767</b>
Finance revenue/(costs)-net	3.27	2,316	8,993
Share of profit/(loss) of associates	3.7	(38)	(23)
<b>Profit before income tax</b>		<b>36,724</b>	<b>39,737</b>
Income tax expense	3.28	(13,470)	(2,485)
<b>Net profit for the period</b>		<b>23,254</b>	<b>37,252</b>
<b>Attributable to:</b>			
<b>Equity holders of the company</b>		<b>25,077</b>	<b>40,660</b>
Minority interest	3.15	(1,823)	(3,408)
		<b>23,254</b>	<b>37,252</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	3.30	3.11	5.05
- diluted		3.09	5.05

## III. Total Income Consolidated Statement

	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>Net profit (loss) for the period</b>	<b>23,254</b>	<b>37,252</b>
<b>Other total income</b>		
Currency translation differences from currency translation in related parties	(424)	(3,557)
<b>Other total income</b>	<b>(424)</b>	<b>(3,557)</b>
<b>Sum of total income for the period</b>	<b>22,830</b>	<b>33,695</b>
Attributable to the company's shareholders	24,657	37,155
Attributable to the minority	(1,827)	(3,460)

*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 2012</b>	<b>8,051</b>	<b>142,007</b>	<b>6,595</b>	<b>36,257</b>	<b>407,444</b>	<b>9,497</b>	<b>609,851</b>
Transferring result for 2011	-	-	-	(36,257)	36,257	-	-
Dividend paid	-	-	-	-	(14,760)	-	(14,760)
Changes in ownership structures in MKS Cracovia SSA, CA Consulting S.A. and Comarch R&D S.à r.l.	-	-	-	-	1,679	(1,679)	-
Equity from taking over shares not giving control	-	-	-	-	(3,130)	(1,039)	(4,169)
Capital from valuation of the managerial option	-	325	-	-	-	-	325
<i>Currency translation differences<sup>1</sup></i>	-	-	(3,505)	-	-	(52)	(3,557)
<i>Profit for the period<sup>2</sup></i>	-	-	-	40,660	-	(3,408)	37,252
Total income recognised in equity (1+2)	-	-	(3,505)	40,660	-	(3,460)	33,695
<b>Balance at 31 December 2012</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>
<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
<i>Currency translation differences<sup>1</sup></i>	-	-	(420)	-	-	(4)	(424)
<i>Profit for the period<sup>2</sup></i>	-	-	-	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>

Dividend in total amount of 13.1 million PLN includes dividend in the amount of 12.08 million PLN paid by parent company to its shareholders on originally scheduled day, i.e. on the 19th of August, 2013, and dividend in the amount of 0.29 million PLN paid by CASA Management and Consulting sp. z o.o. SK-A on the 11th of July, 2013, and other dividends in the amount of 0.74 million PLN paid on the 23rd of August, 2013 by subsidiaries to general partners outside Group.

## V. Consolidated Cash Flow Statement

	12 months 2013	12 months 2012
<b>Cash flows from operating activities</b>		
Net profit (loss)	23,254	37,252
Total adjustments	91,670	37,813
Share in net (gains) losses of related parties valued using the equity method of accounting	38	23
Depreciation	64,495	53,326
Exchange gains (losses)	(2,240)	(2,379)
Interest and profit-sharing (dividends)	2,255	(3,308)
(Profit) loss on investing activities	682	(1,384)
Change in inventories	9,837	(14,412)
Change in receivables	20,579	(41,848)
Change in liabilities and provisions excluding credits and loans	(5,366)	45,334
Other adjustments	1,390	2,461
Net profit less total adjustments	114,924	75,065
Income tax paid	(10,476)	(7,918)
<b>Net cash from operating activities</b>	<b>104,448</b>	<b>67,147</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(40,018)	(67,836)
Proceeds from sale of property, plant and equipment	1,340	-
Purchases of intangible assets	(14,797)	(28,727)
Proceeds from disposal of investment in real estates and intangible assets	26	183
Expenses for purchase of financial assets	(6,523)	(24,919)
Proceeds from sales of available-for-sale financial assets	-	803
Granted non-current loans	(9,013)	(1,112)
Paid non-current loans	2,498	909
Interest	1,962	3,313
Other proceeds from financial assets	1,530	1,629
Expenses for investment in real estates	(19)	(22)
Other investment proceeds	563	421
Other investment expenses	(1,021)	(175)
<b>Net cash used in investing activities</b>	<b>(63,472)</b>	<b>(115,533)</b>
<b>Cash flows from financing activities</b>		
Payment in relation to shares issue	-	-
Proceeds from credits and loans	75,955	33,442
Repayments of credits and loans	(72,688)	(13,102)
Interest	(3,998)	(3,997)
Dividends and other payments to owners	(12,077)	(12,077)
Expenses due to profit sharing but other than those to owners	(1,026)	(2,603)
Payments of liabilities in relation to finance lease agreements	(139)	-
Other financial proceeds	215	4
Other financial expenses	(180)	(436)
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>(13,938)</b>	<b>1,231</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	<b>27,038</b>	<b>(47,155)</b>
Positive (negative) exchange differences in cash and bank overdrafts	142,269	192,896
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>(1,667)</b>	<b>(3,472)</b>
- including limited disposal	<b>167,640</b>	<b>142,269</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>2,041</b>	<b>969</b>

## 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, 2013, 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 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),
    - SoftM France S.à r.l. with its registered office in Oberhausbergen in France (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 Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (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 s.r.o. with its registered office in Bratislava in Slovakia (100%),
- SouthForge 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 (38.57% votes held by CCF FIZ; 61.43% 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. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),

- Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Development sp. z o.o. II Koncept SK-A 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, 2013, an associate of the parent company is:

- through Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty: SolInteractive S.A. with its registered office in Krakow in Poland (18.52% votes held by CCF FIZ).

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

## 1.2 Changes in Ownership and Organisational Structure in 2013

On the 21<sup>st</sup> of January, 2013, CAMS AG with its registered office in Luzern in Switzerland was registered. CASA Management and Consulting Sp. z o.o. SK-A holds 51% of shares, other shares are held by natural persons. The company's share capital amounts to 0.1 million CHF and it was paid in total in the first half of 2013.

On the 25<sup>th</sup> of January, 2013, a share increase in Bonus Management Sp. z o.o. II Activia SK-A was registered. On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 1,542,700.00 through issue of 19,700 shares of nominal value of PLN 1.00 each.

On the 12<sup>th</sup> of February, 2013, an increase in iMed24 SA's share capital from 1.6 million PLN to 1.75 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register.

On the 29<sup>th</sup> of May, 2013, an increase in iMed24 SA's share capital from 1.75 million PLN to 2.05 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 18<sup>th</sup> of July, 2013, an increase in iMed24 SA's share capital from 2.05 million PLN to 2.45 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 3<sup>rd</sup> of September, 2013, Extraordinary Annual General Meeting of iMed24 S.A. passed a resolution on an increase in the company's share capital to PLN 2,850,000.00.

On the 20<sup>th</sup> of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares. MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20<sup>th</sup> of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6<sup>th</sup> of March, 2013; current report no. 6/2013 dated the 14<sup>th</sup> of March, 2013), Comarch S.A. held 62.16% of votes at the company's general meeting.

On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). The capital was paid in total on the 11<sup>th</sup> of December, 2013. After the registration, Comarch S.A. will hold 66.11% votes at the company's AGM. The formal registration of the increase was on the 7<sup>th</sup> of January, 2014, however due to the fact that the increased capital was paid in total in 2013, and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31<sup>st</sup> of December, 2013.

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's share capital amounts to 0.3 million CHF and was paid in total in the first half of 2013.

On the 26<sup>th</sup> of March, 2013, an agreement between CCF FIZ and Comarch Management Sp. z o.o. SK-A was concluded, on sales of 14,746 shares to be redeemed, for price of PLN 237.35 per share. Total sales price amounted to PLN 3,499,963.10 and was paid. On the 28<sup>th</sup> of May, 2013, an agreement between CCF FIZ and Comarch Management Sp. z o.o. SK-A was concluded, on purchase of own shares to be redeemed. Under this agreement, Comarch Management Sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.2 (paid on the 10<sup>th</sup> of June, 2013). As a result of this transaction, CCF FIZ held 50.06% votes and Comarch S.A. held 49.94% votes at the company's general meeting. Shares purchased to be redeemed don't give any votes. On the 30<sup>th</sup> of August, 2013, Annual General Meeting of Comarch Management Sp. z o.o. SK-A passed resolutions on, among others, a decrease in the company's share capital from PLN 168,868 to PLN 90,110 and a redemption of 78,758 own shares held by the company. They were registered on the 20<sup>th</sup> of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register. On the 2<sup>nd</sup> of September, 2013, an agreement for purchase of own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Comarch Management sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.20. After the transaction, CCF FIZ holds 38.57% of votes and Comarch S.A. holds 61.43% of votes at the company's general meeting. Shares purchased to be redeemed don't give any voting rights.

On the 9<sup>th</sup> of April, 2013, an increase up to 15 million euro in the share capital of Comarch AG was registered.

On the 15<sup>th</sup> of April, 2013, a sole shareholder of Comarch SAS acting through general meeting decided to increase the company's share capital from EUR 1,800,000 to EUR 2,800,000 by issuance of 1,000,000 new shares. The increase was performed on the 22<sup>nd</sup> of April, 2013, and confirmed by CEO of Comarch SAS by their decision approving this increase in the company's share capital.

On the 2<sup>nd</sup> of May, 2013, liquidation of UAB Comarch company with its registered office in Vilnius in Lithuania was registered.

On the 23<sup>rd</sup> of May, 2013, Comarch Chile SpA was registered in Santiago in Chile. The company's share capital amounts to 24 million CLP.

On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 91,863.00 through issue of 5,600 shares of nominal value of PLN 1.00 each. On the 1<sup>st</sup> of October, 2013, it was registered.

On the 1<sup>st</sup> of July, 2013, Extraordinary General Meeting of CASA Management and Consulting sp. z o.o. SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 3,114,000. On the 6<sup>th</sup> of September, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register the increase was registered.

On the 25<sup>th</sup> of October, 2013, Extraordinary Annual General Meeting of Comarch Management sp. z o.o. passed a resolution on an increase in the company's share capital to PLN 250,000.00. On the 2<sup>nd</sup> of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register, the increase was registered.

On the 18<sup>th</sup> of November, 2013, Comarch S.A.'s Management Board announced that the bankruptcy proceedings of SoftM France S.à r.l. was completed (current report no. 24/2013 dated the 18<sup>th</sup> of November, 2013).

On the 17<sup>th</sup> of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SolInteractive S.A. After registration of the increase in share capital of SolInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ 16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17<sup>th</sup> of December, 2013. The registration was registered in the first quarter of 2014.

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

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. 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 (current report no. 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.

With the notarial deed of the 6<sup>th</sup> of February, 2014, 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.

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).

## 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 Co. Ltd (Vietnam), Comarch Oy and Comarch UK acquire IT contracts in foreign markets and execute them in their entirety or in part;
- SouthForge Sp. z o.o. and Comarch Polska S.A. acquire IT contracts in domestic and foreign markets and execute them in their entirety or in part;
- 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;
- 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 solutions (especially in the areas of ERP and ECM) on the Swiss market;
- ESAProjekt Sp. z o.o. is a leading Polish producer and 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. SK-A, CASA Management and Consulting Sp. z o.o. SK-A, CAMS AG, Bonus Management Sp. z o.o. SK-A and Bonus Management Sp. z o.o. II Activia SK-A conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development Sp. z o.o. SK-A and Bonus Development Sp. z o.o. II Koncept SK-A 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;
- Opso Sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) is under liquidation proceedings. 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, 2013 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 2.3.2 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, 2013 comprises the financial statements of the following companies:

	<b>Relationship</b>	<b>Consolidation method</b>	<b>% held by Comarch S.A. in a subsidiary's share capital</b>
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100.00%
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
SoftM France S.à r.l.	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%
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 Oy	subsidiary	full	100.00%
Comarch UK Ltd.	subsidiary	full	100.00%
Comarch Chile SpA	subsidiary	full	100.00%
Comarch s.r.o.	subsidiary	full	100.00%
SouthForge 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

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All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch Management sp. z o.o. SK-A	subsidiary	full	31.36% held by CCF FIZ, 49.94% held by Comarch S.A., 18.70% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	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
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
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

## **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 2013, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch. In the company's opinion, over 2014, 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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired this difference is recognised directly in the income statement. Transactions, settlements and unrealised gains on transactions among the Group's entities are eliminated. Unrealised losses are also eliminated, unless the transactions provide evidence for a loss in the value of a provided asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 31.12.2013: 4.1472,

NBP average exchange rates as at 31.12.2012: 4.0882,

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

NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2012: 4.1736.

### **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.

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**

The Group has 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 are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises 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) are 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 be 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 2013 would have been 0.181 million PLN 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, 2012 indicates that if interest rates had been 50 base points higher/lower net profit for 2012 would have been 0.056 million PLN 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 and USD/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 3.9.

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 EURO and USD 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, 2013 would have been 2.292 million PLN higher/lower. This is made up of an increase/decrease of 1.565 million PLN from financial assets and liabilities expressed in EURO, and an increase/decrease of 0.727 million PLN from financial assets and liabilities expressed in USD. 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 EURO 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, 2013 would have been 3.978 million PLN higher / 3.932 million PLN 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 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.

### **2.5.2 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).

### **2.5.3 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.

### **2.5.4 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 3.4. 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.

### **2.5.5 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 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 2013 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 2013:

- **IFRS 13 "Fair Value Measurement"**-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, 2013),
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters. They were approved by the EU on the 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2013),
- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Government Loans. They were approved by the EU on 4<sup>th</sup> of March, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2013),

- **Amendments to IFRS 7 “Financial Instruments - Disclosures”** – offsetting financial assets and financial liabilities. They were approved by the EU on the 13<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2013),
- **Amendments to IAS 1 “Presentation of Financial Statements”**-sets out items in total income. They were approved by the EU on 5<sup>th</sup> of June, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2012),
- **Amendments to IAS 12 “Income Tax”** - Income Deferred Tax: Recovery of Underlying Assets. They were approved by the EU on the 11<sup>th</sup> of December, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2013),
- **Amendments to IAS 19 “Employee Benefits”** - Improvements to the Accounting for Post-employment Benefits. They were approved by the EU on 5<sup>th</sup> of June, 2012 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2013).
- **Amendments to various standards “Annual Improvements (2012)”** - adopted within the frame of annual improvements process, and issued on the 17<sup>th</sup> of May, 2012 (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34). The purpose of these annual improvements is to clarify guidance or wording. They were approved by the EU on 27<sup>th</sup> of March, 2013. They are mostly applicable for reporting periods beginning on or after 1<sup>st</sup> of January, 2013.
- **IFRIC 20 Interpretation “Stripping Costs of the Production Phase in a Surface Mine”** 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, 2013).

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

***Standards and interpretations issued and approved by the European Union but not yet effective as at the balance sheet date***

As at the balance sheet date, the Comarch Group has not applied the following standards, changes to standards and the interpretations issued and approved by the European Union but not yet effective:

- **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 Statements”, IFRS 11 „Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities” and IFRS 12**

**“Separate Financial Statements”** – Investment Entities, 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 „Impairment of Assets”** – Recoverable Amount 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).

***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 as at the publication date (the following dates of entry into force apply to full version of standards):

- **IFRS 9 “Financial Instruments” and later amendments** (the date of entry into the force has not yet been determined),
- **IFRS 14 „Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to IAS 19 „Employee Benefits”** – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1<sup>st</sup> of January, 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),
- **Interpretation IFRIC 21 „Levies”** (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014).

According to the parent company's calculations, the accounting standards mentioned above and the interpretations and changes to standards would not have any significant impact on the financial statement if applied on 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 entity'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 2012**

On the 26<sup>th</sup> of June 2013, the consolidated financial statement for the financial year of 2012 was approved at the General Shareholders' Meeting. On the 1<sup>st</sup> of July, 2013, 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 2013, 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 2013, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch.

In the company's opinion, over 2014, 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 2013

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2012	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients	584,990	223,524	76,120	3,157	12,205	9,172	-	909,168
<i>including:</i>								
<i>revenues from     sales</i>	568,124	221,009	75,065	342	11,342	7,994	-	883,876
<i>To customers in         Telecommunication,         Media, IT sector</i>	79,698	91,154	31,479	-	-	-	-	202,331
<i>To customers in         Finance and Banking         sector</i>	211,606	3,223	14,610	-	-	-	-	229,439
<i>To customers in Trade         and services sector</i>	37,302	8,604	25,709	-	-	-	-	71,615
<i>To customers in         Industry&amp;Utilities</i>	64,218	3,252	2,719	-	-	-	-	70,189
<i>To customers in Public         sector</i>	101,175	95	492	-	-	-	-	101,762
<i>To customers in small         and medium         enterprises sector</i>	74,049	114,681	-	-	-	-	-	188,730
<i>To other customers</i>	76	-	56	342	11,342	7,994	-	19,810
<i>other operating     revenue</i>	10,575	2,714	914	55	863	1,178	-	16,299
<i>finance revenue</i>	6,291	(199)	141	2,760	-	-	-	8,993
Revenues per segment - sales to other segments	153,318	13,551	21,995	2,139	8,473	2,843	(202,319)	-
Revenues per segment - total*	738,308	237,075	98,115	5,296	20,678	12,015	(202,319)	909,168
Costs per segment relating to sales to external clients	535,191	220,228	71,476	(563)	20,737	22,339	-	869,408
Costs per segment relating to sales to other segments	153,318	13,551	21,995	2,139	8,473	2,843	(202,319)	-
Costs per segment - total*	688,509	233,779	93,471	1,576	29,210	25,182	(202,319)	869,408
Current taxes	(5,977)	(3,224)	(2,685)	-	-	(73)	-	(11,959)
Assets for the tax due to investment allowances and other tax relief	6,495	2,687	-	-	276	16	-	9,474
Share of segment in the result of parties valuated using the equity method of accounting	(23)	-	-	-	-	-	-	(23)
Net result	50,294	2,759	1,959	3720	(8,256)	(13,224)	-	(37,252)
<i>including:</i>								
<i>result attributable to     shareholders of the     parent company</i>	50,294	2,849	1,959	3,720	(4,938)	(13,224)	-	40,660
<i>result attributable to     minority interest</i>	-	(90)	-	-	(3,318)	-	-	(3,408)

\*) Items comprise revenues and costs of all types, which can be directly allocated to particular segments

### 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, 2012 as well as investment expenditures and depreciation for 12 months ended 31<sup>st</sup> of December, 2012 are as follows:

	IT Segment		Other	Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH					
Assets	698 100	186 875	46 633	125 915	47 584	41 636	1 146 743
Liabilities	431 500	44 983	10 090	222	14 145	20 861	521 801
Investment expenditures	37 609	57 951	1 229	22 517	1 544	1 941	122 791
Depreciation	24 788	19 765	923	837	2 610	4 403	53 326

COMARCH CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR 2013

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	626,392	197,961	99,767	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 other customers</i>	15,133	-	12	21	12,743	11,067	-	39,173
<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*	804,084	218,547	124,869	6,087	22,101	18,110	(240,796)	953,002
Costs per segment relating to sales to external clients	574,165	205,278	87,330	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*	751,857	225,864	112,432	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,

**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			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
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

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: Poland, DACH (Germany, Austria and Switzerland), Europe- other countries, the Americas, 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.

**Revenues from basic sales - activities location**

	12 months ended 31 December 2013		%	12 months ended 31 December 2012		%
Poland	645,452	68.7%		587,801	66.5%	
DACH	195,021	20.8%		221,010	25.0%	
Europe - others	51,850	5.5%		42,613	4.8%	
The Americas	46,231	4.9%		29,636	3.4%	
Other countries	422	0.1%		2,816	0.3%	
<b>TOTAL</b>	<b>938,976</b>	<b>100.0%</b>		<b>883,876</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 2013		%	12 months ended 31 December 2012		%
Poland	905,387	79.3%		915,260	79.8%	
DACH	182,842	16.0%		186,875	16.3%	
Europe - others	31,937	2.8%		26,663	2.3%	
The Americas	20,983	1.8%		17,016	1.5%	
Other countries	1,152	0.1%		929	0.1%	
<b>TOTAL</b>	<b>1,142,301</b>	<b>100.0%</b>		<b>1,146,743</b>	<b>100.0%</b>	

**Investments expenditures - activities location**

	12 months ended 31 December 2013	12 months ended 31 December 2012
Poland	49,526	63,340
DACH	20,536	57,951
Europe - others	641	976
The Americas	688	524
Other countries	-	-
<b>TOTAL</b>	<b>71,391</b>	<b>122,791</b>

### 3.3 Property, Plant and Equipment

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
<b>At 1 January 2012</b>				
Cost or valuation	279,530	197,747	20,249	497,526
Accumulated depreciation	(28,744)	(125,153)	(15,658)	(169,555)
Net book amount	250,786	72,594	4,591	327,971
<b>Year ended 31 December 2012</b>				
Opening net book amount	250,786	72,594	4,591	327,971
Additions	44,358	25,044	20,681	90,083
Disposals	(12,783)	(20,437)	(183)	(33,403)
Depreciation charge	(5,782)	(17,051)	(4,103)	(26,936)
Closing net book amount	276,579	60,150	20,986	357,715
<b>At 31 December 2012</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

Property, plant and equipment comprise mostly real estate and machinery owned by Group. As at the 31<sup>st</sup> of December, 2013, propriety of Group are six office buildings in Krakow, including five 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 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, 2013, property, plant and equipment under construction comprise mostly expenditures for the investments 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 Łęprzem 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 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 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, 2013, book value of this equipment amounts to 13.96 million PLN.

In Łódź, design works are performed and related to a new office building. Their completion is planned for Q1 2014. This investment is planned for 2014-2015.

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. The estimated value of this investment amounts to approximately 6 million EUR. Preparation works will last till the end of the second quarter of 2014, decision on commencing of the investment depends on the current business situation.

Bank borrowings are secured on land and buildings for the value of 184.71 million PLN (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 19.97 million PLN. The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to 188.44 million PLN.

	2013	2012
Amount of interest on credits capitalised on investments in non-current assets	140	19

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

	31 December 2013	31 December 2012
Buildings	11,709	46,629
Equipment	775	552
Other	0	19
<b>Total</b>	<b>12,484</b>	<b>47,200</b>

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of 28.94 million PLN (23.89 million PLN in 2012), costs of sales in the amount of 2.55 million PLN (1.18 million PLN in 2012), administrative expenses in the amount of 2.16 million PLN (1.67 million PLN in 2012) and social activities expenses in the amount of 0.2 million PLN (0.2 million PLN in 2012).

### Assets in finance leasing

As at the 31<sup>st</sup> of December, 2013, the Group had no liabilities due to a finance lease.

Net equity	936
Interest	72

The Group has no due liabilities due leasing fees.

Interest	0
Net equity	0

### 3.4 Goodwill

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

	31 December 2013	31 December 2012
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	33 871
A-MEA Informatik AG*	8 413	3 580
ESAProjekt sp. z o.o.	3 326	3 326
<b>Total</b>	<b>44 061</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.

### 3.4.1 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

### 3.4.2 Test for Goodwill Impairment

In 2009, the Comarch AG purchased Comarch Software und Beratung AG shares that constituted 80.89% of all Comarch Software und Beratung AG shares; as a result, an amount of goodwill worth 39.41 million PLN was generated. This value was updated as a result of a test for loss in value in reference to the goodwill ran as of 30<sup>th</sup> of June, 2010, and amounts to 33.87 million PLN. As of 31<sup>st</sup> of December, it still amounts to 33.87 million PLN, however as a result of sales of Comarch Swiss AG shares by Comarch AG, in the first half of 2013, Group transferred in part a goodwill from acquisition of Comarch Software und Beratung AG to a goodwill from acquisition of Comarch Swiss AG, in proportion to equities of both companies as at 31<sup>st</sup> of December, 2012 (allocation amount: 4.83 million PLN).

The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating the Comarch Software und Beratung Group (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over the Comarch Software und Beratung Group as well as amounts related to the benefits resulting from predicted synergies, increases in revenues, future market development, increases in product portfolio and the addition of highly qualified employees in the Comarch Software und Beratung Group. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, Group also acquired customers and relationships with customers in the Comarch Software und Beratung Group. These assets weren't presented separately from goodwill, because it was not possible to make a reliable assessment of their value.

As at the acquisition date, the assessment of the fair value of assets held by the Comarch Software und Beratung Group was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the Comarch Software und Beratung Group amounted to 15.02 million EUR. Software is depreciated for a period of 5 years and its current value as of the 31<sup>st</sup> of December, 2013 amounts to 0 PLN.

In the first quarter of 2012, CASA Management and Consulting Sp. z o.o. SK-A purchased 100% of A-MEA Informatik AG shares; as a result, an amount of goodwill worth 3.58 million PLN was generated. The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating A-MEA Informatik AG (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over A-MEA Informatik

AG as well as amounts related to the benefits resulting from predicted synergies, increases in revenues from sales of Comarch products on Swiss market, future Swiss IT market development and the addition of highly qualified employees in A-MEA Informatik AG. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, Group also acquired customers and relationships with customers in A-MEA Informatik AG. These assets were presented separately from goodwill as intangible assets depreciated for a period of 5 years. Their fair value as of the acquisition date amounted to 3.01 million PLN and the balance sheet date value as at 31<sup>st</sup> of December, 2013 was 1.85 million PLN.

Goodwill and asset related to relationships with customers were acquired by Comarch Swiss AG, which merged with A-MEA Informatik AG in March, 2013.

In the second quarter of 2012, CASA Management and Consulting Sp. z o.o. SK-A purchased 100% of ESAProjekt Sp. z o.o. („ESAProjekt”) shares; as a result, an amount of goodwill worth 3.33 million PLN was generated. The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating ESAProjekt (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over ESAProjekt as well as amounts related to the benefits resulting from predicted synergies, increases in revenues from sales of Comarch products on medical IT market and the addition of highly qualified employees in ESAProjekt. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, as at the acquisition date, the assessment of the fair value of assets held by ESAProjekt was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the ESAProjekt amounted to 10.89 million EUR. The software will be depreciated for a period of 5 years and its balance sheet date value as at the 31<sup>st</sup> of December, 2012 was 7.06 million PLN.

	<b>A-MEA Informatik AG</b>	<b>ESAProjekt sp. z o.o.</b>
<b>A: Assets valuated through fair value</b>	<b>5,493</b>	<b>10,886</b>
<i>including relationships with customers</i>	3,005	-
<i>including value of software</i>	2,488	10,886
<b>B: Liabilities valuated through fair value</b>	<b>525</b>	<b>2,012</b>
<i>including provision for deferred tax related to disclosed assets</i>	525	2,012
<b>C: Performed payment</b>	<b>8,548</b>	<b>12,200</b>
<b>Difference (C-A+B)</b>	<b>3,580</b>	<b>3,326</b>

On the 31<sup>st</sup> of December, 2012, 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 2013, the Comarch SuB Group budget for 2014, and the forecast for 2014-2018, 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 9.32%.

On the 31<sup>st</sup> of December, 2013, the Comarch Group ran also tests for loss in value regarding goodwill in relation to acquisitions of A-MEA Informatik AG and ESAProjekt Sp. z o.o., and they did not show any loss in value. Methodology applied to run these tests is similar to that described above.

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 3.28 million PLN 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, 2013, 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, 2013. 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 27.82. 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.

### 3.5 Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
<b>At 31 December 2011</b>					
Cost (gross)	2,057	39,940	102,767	13,406	158,170
Accumulated amortisation and impairment	(2,057)	(719)	(66,758)	(8,226)	(77,760)
Net book value	-	39,221	36,009	5,180	80,410
<b>Year ended 31 December 2012</b>					
Opening net book amount	-	39,221	36,009	5,180	80,410
Additions	1,484	-	27,992	14,199	43,675
Disposals	(279)	-	(285)	(730)	(1,294)
Amortisation charge	(38)	(93)	(21,995)	(4,264)	(26,390)
Closing net book amount	1,167	39,128	41,721	14,385	96,401
<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

The Group presented expenses for research and development works directly in costs, with no previous activation, in the amount of 11.30 million PLN.

I. Other intangibles include, in particular, valuation of ESAProjekt Sp. z o.o. goodwill in the amount of 7.06 million PLN, value of relationship with A-MEA Informatik AG customers in the amount of 1.85 million PLN, and the right to use the players' cards in the amount of 1.02 million PLN. All other items of the intangible assets were disposed.

The general amount of depreciation is given in the income statement, whereas 27.32 million PLN is given in the generation costs and the remaining part is presented in the administrative expenses (1.71 million PLN) and sales costs (1.65 million PLN).

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth 31.65 million PLN 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, 2013

As at the 31<sup>st</sup> of December, 2013, analysis was performed on changes in prices of real estate properties in Krakow in 2013, based on reports published in Research & Forecast Report for 2012” and „Real Estate Market Review: Summary of 2013” by Colliers International ([www.colliers.com](http://www.colliers.com)), and articles published by trade portals, from which it follows that in 2013 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 2013.

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 values of particular types of software are:

	Fair value as at the acquisition date	Fair value as at 31 December 2013	Book value as at 31 December 2013
Intangible assets acquired as a result of acquisition of CSuB Group	62,237	15,236	0

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.

### 3.6 Non-Current Prepayments

	12 months ended 31 December 2013	12 months ended 31 December 2012
Opening balance	904	61
Changes due to:		
- non-current prepayments of costs	-	843
<b>Closing balance</b>	<b>904</b>	<b>904</b>

### 3.7 Investment in Associates

As at 31<sup>st</sup> of December, 2013, the Group had shares in associates.

<b>At 1 January 2012</b>	<b>28</b>
Share in profit for 2012	216
<b>At 31 December 2012</b>	<b>244</b>
<b>At 1 January 2013</b>	<b>244</b>
Share in profit for 2013	(216)
<b>Loans granting</b>	<b>141</b>
<b>Loans repayment</b>	<b>(120)</b>
<b>At 31 December 2013</b>	<b>49</b>

	<b>Country of incorporation</b>	<b>Assets</b>	<b>Liabilities</b>	<b>% shares held</b>
<b>At 31 December 2012</b>				
SolInteractive S.A.	Poland	2,789	2,760	30.72
<b>At 31 December 2013</b>				
SolInteractive S.A.	Poland	2,969	1,470	30.72
	<b>Country of incorporation</b>	<b>Revenue</b>	<b>Profit /(Loss)</b>	<b>% shares held</b>
<b>12 months ended 31 December 2012</b>				
SolInteractive S.A.	Poland	5,069	(123)	30.72
<b>12 months ended 31 December 2013</b>				
SolInteractive S.A.	Poland	7,276	69	30.72

As at 31<sup>st</sup> of December, 2013, investment in associates include shares in SolInteractive S.A. acquired in September, 2008 by CCF FIZ. CCF FIZ holds 30.72% of shares in SolInteractive S.A., which amounts to 0.028 million PLN and granted by parent company long-term loan for SolInteractive S.A. amounted to 0,021 million PLN.

### 3.8 Inventories

	<b>31 December 2013</b>	<b>31 December 2012</b>
Raw materials	701	264
Work in progress	33,716	30,709
Finished goods	18,777	31,286
Advance due to finished goods	493	48
	<b>53,687</b>	<b>62,307</b>

The cost of inventories included in 'Costs of products, goods and materials sold' amounted to 539.77 million PLN (12 months ended the 31<sup>st</sup> of December, 2013) and 482.36 million PLN (12 months ended the 31<sup>st</sup> of December, 2012).

Due to impairment, write-offs revaluating inventories were recognised in the amount of 0.127 million PLN, at the same time write-offs were dissolved in the amount of 0.848 million PLN. The total effect of the all above-mentioned operations on the result of 2013 was 0.721 million PLN (an increase 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 11.3 million PLN will have to be settled. Other inventories will be settled in total within 12 months.

### 3.9 Categories and Classes of Financial Instruments

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

	31 December 2013	31 December 2012
<b>Financial assets</b>		
At fair value through the income statement (note 3.11)	1,644	1,059
Derivative instruments in hedging relations	-	-
Investment held to maturity	-	-
Own receivables (including cash and cash equivalents)	531,732	544,000
Available-for sale financial assets (note 3.10)	6,685	1,616
<b>Total</b>	<b>540,061</b>	<b>546,675</b>
<b>Financial liabilities</b>		
At fair value through the income statement	-	-
Liabilities due to e-financing	-	180
Derivative instruments in hedging relations	-	-
Financial liabilities	326,092,	363,533
Financial guarantees contracts	-	-
<b>Total</b>	<b>326,092</b>	<b>363,713</b>

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

	31 December 2013	31 December 2012
<b>Own receivables and cash and cash equivalents</b>		
Receivables from related parties (note 3.12)	47	94
Receivables from related parties - non-current	-	-
Receivables from other entities - current (note 3.12)	362,357	399,746
Receivables from other entities - non-current	1,639	1,842
Cash and cash equivalents (note 3.13)	167,689	142,318
<b>Total</b>	<b>531,732</b>	<b>544,000</b>
<b>Financial liabilities</b>		
Liabilities due to credits (note 3.18)	131,451	131,217
Liabilities to related parties (note 3.16)	467	1,120
Liabilities to other entities - current (note 3.16)	193,166	231,196
Liabilities to other entities – non-current	-	-
Derivative financial instruments (note 3.11)	-	-
Liabilities due to e-financing	-	180
Liabilities due to finance lease (note 3.16)	1,008	-
<b>Total</b>	<b>326,092</b>	<b>363,713</b>

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

	Financial assets		Financial liabilities	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Currency - PLN	308,728	351,587	163,083	156,152
Currency - EURO	177,571	160,164	146,259	190,903
Currency - USD	22,294	17,060	7,761	11,921
Currency - GBP	15,842	5,335	4,785	1,336
Currency - UAH	753	1,201	156	234
Currency - AED	814	872	74	76
Currency - SKK	8	6	-	-
Currency - RUB	1,417	1,268	109	58
Currency - CHF	5,354	4,145	1,942	1,168
Currency - CAD	5,660	4,066	1,802	1,757
Currencies - other	1,620	971	121	108
<b>Total</b>	<b>540,061</b>	<b>546,675</b>	<b>326,092</b>	<b>363,713</b>

As at the 31<sup>st</sup> of December, 2012, 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	94	-	-	-	94
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	362,562	37,157	2	25	399,746
Receivables from other parties – non-current	1,842	-	-	-	1,842
Cash and cash equivalent (note 3.13)	142,318	-	-	-	142,318
<b>Total</b>	<b>506,816</b>	<b>37,157</b>	<b>2</b>	<b>25</b>	<b>544,000</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 3.13)	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, 2012, 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 3.18)	36,325	13,527	46,112	35,253	131,217
Liabilities to related parties	1,120	-	-	-	1,120
Liabilities to other entities - current	231,190	6	-	-	231,196
Derivative financial instruments	-	-	-	-	-
Liabilities due to finance lease	-	-	-	-	-
	180	-	-	-	180
<b>Total</b>	<b>268,815</b>	<b>13,533</b>	<b>46,112</b>	<b>35,253</b>	<b>363,713</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 3.18)	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>

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 3.12)	according to the adjusted acquisition price
Receivables from other entities – current (note 3.12)	according to the adjusted acquisition price
Receivables from other entities – non-current	according to the adjusted acquisition price
Cash and cash equivalents (note 3.13)	at the fair value

#### **Financial liabilities**

	<b>Valuation method</b>
Liabilities due to credits (note 3.18)	according to the adjusted acquisition price
Liabilities to related parties (note 3.16)	according to the adjusted acquisition price
Liabilities to other entities - current (note 3.16)	according to the adjusted acquisition price
Liabilities to other entities – non-current	according to the adjusted acquisition price
Liabilities due to finance lease (note 3.16)	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.

### 3.10 Available-for-Sale Financial Assets

	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>At the beginning of</b>	<b>1,616</b>	<b>1,521</b>
Additions	5,069	95
Disposal	-	-
<b>At the end of the year</b>	<b>6,685</b>	<b>1,616</b>

As of the 31<sup>st</sup> of December, 2013, available-for-sale financial assets comprised investments units in money market and debt securities fund, which were purchased by Comarch Management Sp. z o. o. SK-A as a deposit for free monetary means. Participation units' turnover is held beyond the scope of the regulated market. Acquisition price of participation units amounted to 6.40 million PLN, and their valuation through fair value as at the 31<sup>st</sup> of December, 2013, amounted to 6.69 million PLN.

Information on disposal intention of available-for-sale financial assets: Comarch Management Sp. z o. o. SK-A intends to sell held available-for-sale financial assets within 12 months from the balance sheet date.

### 3.11 Derivative Financial Instruments

	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts – held-for-trading	1,641	-	1,059	180
Interest rate swap (IRS)	3	-	-	-
	<b>1,644</b>	<b>-</b>	<b>1,059</b>	<b>180</b>
<i>Current portion</i>	<i>1,644</i>	<i>-</i>	<i>1,059</i>	<i>180</i>

The 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 and used in Polish zlotys. As at 31<sup>st</sup> of December, 2013, 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, 2013, amounted to 9.3 million EUR and 2.7 million USD. After the balance sheet date, the Comarch Group concluded forward contracts for sale of 3.5 million EUR, 1.7 million USD and 1.7 million GBP.

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, which was announced in current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013. 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, 2013, valuation of IRS transaction amounted to 3 thousand PLN.

### 3.12 Trade and Other Receivables

	31 December 2013	31 December 2012
Trade receivables	331,046	373,607
Write-off revaluating receivables	(9,226)	(10,163)
Trade receivables – net	321,820	363,444
Other receivables	22,556	27,891
Short-term prepayments	7,804	6,523
Other prepayments	396	18
Loans	9,781	1,870
Receivables from related parties	47	94
<b>Total</b>	<b>362,404</b>	<b>399,840</b>
<i>Current portion</i>	<i>362,404</i>	<i>399,840</i>

The fair value of trade and other receivables is close to the balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The Group has recognised a write-off due to loss in value of its trade receivables that was worth 8.17 million PLN (12 months ended the 31<sup>st</sup> of December, 2013), 13.13 million PLN (12 months ended the 31<sup>st</sup> of December, 2012).

### 3.13 Cash and Cash Equivalents

	<b>31 December 2013</b>	<b>31 December 2012</b>
Cash in hand, cash at banks	131,718	80,239
Current bank deposit	35,922	62,029
<b>Total cash and cash equivalents</b>	<b>167,640</b>	<b>142,268</b>
Due interest on bank deposit	49	50
<b>Total cash and cash equivalents</b>	<b>167,689</b>	<b>142,318</b>

In 2013 effective interest rates for short-term bank deposits were 2.7% for PLN, 0.16% for EUR, 0.21% for USD and 0.2% for CAD. The average maturity period for these deposits was 6.94 day for PLN, 7.0 day for EUR, 6.04 day for USD, and 6.0 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, 2013, the Group had cash with limited disposal rights in the amount of 2.04 million PLN including: a security deposit set by companies in the Comarch Group in relation to concluded rental contracts and bank guarantees in the amount of 1.32 million PLN and cash in a separate bank account of the Social Services and Residential Fund in the amount of 0.72 million PLN.

### 3.14 Share Capital

	<b>Number of shares</b>	<b>Ordinary and preference shares</b>	<b>Own shares</b>	<b>TOTAL</b>
<b>At 1 January 2012</b>	8,051,637	8,051,637	-	8,051,637
<b>At 31 December 2012</b>	8,051,637	8,051,637	-	8,051,637
<b>At 31 December 2013</b>	<b>8,051,637</b>	<b>8,051,637</b>	-	<b>8,051,637</b>

The nominal value of one share is 1 PLN.

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.

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.

#### **3.14.1. 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.

#### **3.14.2. Changes in Share Capital in 2013**

On the 11<sup>th</sup> of July, 2013, a member of Comarch S.A.'s Management Board sold 6,974 ordinary bearer Comarch S.A. shares for price of PLN 84.89 each. The value of the transaction amounted to PLN 592,022.90. The above-mentioned transaction was concluded on regulated market at the Warsaw Stock Exchange. Information was prepared on the 12<sup>th</sup> of July, 2013 in Krakow. The company announced details in current report no. 18/2013 dated the 12<sup>th</sup> of July, 2013.

#### **3.14.3. 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 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 determined Option's value amounts to 2.87 million PLN 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. 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. 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. 7/2014 dated the 3<sup>rd</sup> of April, 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.

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

#### 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 programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is 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. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

- for 2014 – as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013,
  - for 2015 – as the difference between the average capitalisation of the company in 2015 and the average capitalisation of the company in 2014,
  - for 2016 – as the difference between the average capitalisation of the company in 2016 and the average capitalisation of the company in 2015,
- 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 members of the company's Management Board participating the Programme and Individual Option Ratios. The list of members of the company's Management Board and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all members of the company's Management Board 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 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 amounts to 3.02 million PLN and it will be recognised as cost in the income statement.

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

None present except for those mentioned in point 3.14.3 a) of the statement.

### 3.15 Other Capitals

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

	Capital from valuation of the managerial option	Investment capital and capital for covering the budget commitment s	Supplementary capital from premium share	Total
<b>At 31 December 2012</b>	<b>19,246</b>	<b>745</b>	<b>122,341</b>	<b>142,332</b>
At 1 January 2013	19,246	745	122,341	142,332
Managerial option valuation	2,873	-	-	2,873
<b>At 31 December 2013</b>	<b>22,119</b>	<b>745</b>	<b>122,341</b>	<b>145,205</b>

In 2013, a total dividend was paid in the amount of 13.10 million PLN including 12.08 million PLN paid by parent company to its shareholders on the 19<sup>th</sup> of August, 2013, 0.3 million PLN paid by CASA Management and Consulting sp. z o.o. SK-A on the 11<sup>th</sup> of July, 2013 r. and 0.74 million PLN paid by subsidiaries to general partners outside Group on the 23<sup>rd</sup> of August, 2013.

On the 26<sup>th</sup> of June, 2013, General Meeting approved the resolution no. 9 regarding the distribution of net profit for the fiscal year 1.01.2012 - 31.12.2012. The net profit in the amount of PLN 41,603,839.89 was divided as follows:

- PLN 12,077,455.50 was paid as dividend Persons who were the company's shareholders on the 1<sup>st</sup> of August, 2013, got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,051,637 shares.
- The remaining part of the net profit in the amount of 29,526,384.39 was passed in total to supplementary capital.

The dividend was paid out on the 19<sup>th</sup> of August, 2013.

Management Board has no plans to apply for payment of dividend for 2013 in the Comarch Group.

### 3.15.2. Minority Capital

<b>Minority capital</b>	
<b>At 1 January 2012</b>	<b>9,497</b>
Changes in shareholding structure in MKS Cracovia SSA, CA Consulting S.A. and Comarch R&D S. à r.l.	(1,679)
Equity from taking over shares not giving control	(1,039)
MKS Cracovia SSA share in profit	(3,318)
Comarch SuB share in profit	(90)
Currency differences due to valuation	(52)
<b>At 31 December 2012</b>	<b>3,319</b>
At 1 January 2013	3,319
Changes in shareholding structure in MKS Cracovia SSA 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>

### 3.16 Trade and Other Payables

	<b>31 December 2013</b>	<b>31 December 2012</b>
Trade payables	121,824	161,932
Advances received due to services	1,252	2,792
Liabilities to related parties	467	1,120
Liabilities due to social insurance and other tax charges	43,245	44,665
Investments liabilities	3,248	1,632
Proceeds from future periods	18,389	13,542
Other payables	3,637	5,308
Liabilities due to lease	409	-
Special funds (Social Services Fund and Residential Fund)	1,571	1,325
<b>Total</b>	<b>194,042</b>	<b>232,316</b>

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

### 3.17 Long-term Contracts

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Revenues due to long-term contracts recognised in the reporting period</b>	<b>179,077</b>	<b>157,371</b>
a) revenues from completed contracts recognised in the reporting period	40,798	54,671
b) revenues from contracts not completed recognised in the reporting period	132,551	113,501
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	5,728	(10,801)

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, 2012 and the 31st of December, 2013 are presented below:

	<b>31 December 2013</b>	<b>31 December 2012</b>	
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	249,810	206,682	
Minus: issued invoices	250,962 (1,152)	213,562 (6,880)	
	<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 01.01.2012	12,284	8,363	3,921
Value at 31.12.2012	10,165	17,045	(6,880)
<b>Change</b>	<b>2,119</b>	<b>(8,682)</b>	<b>(10,801)</b>
Value at 01.01.2013	10,165	17,045	(6,880)
Value at 31.12.2013	32,264	33,416	(1,152)
<b>Change</b>	<b>(22,099)</b>	<b>(16,371)</b>	<b>5,728</b>

*Difference between change in prepayments/accrual and contracts (according to IAS 11).*

### 3.18 Credits and Loans

	<b>31 December 2013</b>	<b>31 December 2012</b>
<b>Non-current</b>		
Bank credits	110,630	94,892
Loans	121	-
	<b>110,751</b>	<b>94,892</b>
<b>Current</b>		
Bank overdraft	-	2,801
Loans	368	20,053
Bank credits	20,332	13,471
	<b>20,700</b>	<b>36,325</b>
<b>Total credit and loans</b>	<b>131,451</b>	<b>131,217</b>

#### 3.18.1. 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 20 million PLN, 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. 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, 2013, the value of the credit to be repaid amounted to 0.75 million EUR, i.e. 3.11 million PLN.
- b) An investment credit from BZ WBK Bank S.A. (formerly Kredyt Bank S.A.) with its registered office in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80% of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2022. This credit has a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of January, 2013, the company repaid total due amount resulting from the afore-

mentioned credit. The information was announced in current report RB-2-2013 dated the 31<sup>st</sup> of January, 2013. On the 8<sup>th</sup> of March, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established as a security for the afore-mentioned investment credit. Information was announced by current report no. 5/2013 dated the 8<sup>th</sup> of March, 2013. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to PLN 0.

- c) 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 44 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. 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, 2013, the value of the credit to be repaid amounted to 6.66 million EUR, i.e. 27.62 million PLN.
- d) 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 15.1 million PLN. The crediting period may last a maximum of 5 years, i.e. until 2012. This credit has a variable interest rate. 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. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 15.1 million PLN.
- e) An investment credit from Bank DnB NORD Polska S.A. (previously DnB NORD Polska S.A.) with its registered office in Warsaw, for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to a maximum of 80% of the investment value of up to 22 million PLN. The crediting period may last 11 years, i.e. until 2021. This credit has a variable interest rate. The real estate mortgage and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. On the 1<sup>st</sup> of October, 2013, Comarch S.A. paid total due debt resulting from the above-mentioned credit agreement (current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013). On the 18<sup>th</sup> of November, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established in 2010 as a security for the afore-mentioned investment credit (current report no. 23/2013 dated the 18<sup>th</sup> of November, 2013). As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0 PLN.
- f) 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 (point e) above). The credit amounts to 4.13 million EUR. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of 6.19 million EUR 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. On the 4<sup>th</sup> of October, 2013, the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered the afore-mentioned mortgage in the Land and Mortgage Register. Company announced details in current report no. 22/2013 dated the 14<sup>th</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 4 million EUR, i.e. 16.58 million PLN.
- g) 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 2.4 million EUR. 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. 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, 2013, the value of the credit to be repaid amounted to 1.53 million EUR, i.e. 6.33 million PLN.

- h) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to 7.4 million EUR. 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. The real estate mortgage located in the Special Economic Zone in Krakow was registered on the 30<sup>th</sup> of January, 2013, made by the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register (current report no. 3/2013 dated the 6<sup>th</sup> of February, 2013) and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.68 million EUR, i.e. 27.72 million PLN.
- i) An investment credit from 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 56 million PLN, 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. 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 84 million PLN (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. 5/2014 dated the 19<sup>th</sup> of February, 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, 2013, value of the credit taken out amounted to 0.13 million EUR, i.e. 0.52 million PLN (current report no. 26/2013 dated the 4<sup>th</sup> of December, 2013).

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 15.89 million PLN 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 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 11.35 million PLN.

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 6 million EUR, 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, 2013, the value of the credit to be repaid amounted to 5.59 million EUR, i.e. 23.17 million PLN.

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

At 31 December 2013	6 months or less	6-12 months	1-5 years	Over 5 years	Total
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>

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

	31 December 2013	31 December 2012
Between 1 and 2 years	35,064	13,527
Between 2 and 5 years	46,787	46,112
Over 5 years	28,900	35,253
	<b>110,751</b>	<b>94,892</b>

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

	31 December 2013	31 December 2012
In Polish currency	26,396	68,974
In EUR (equivalence in PLN)	105,055	62,243
	<b>131,451</b>	<b>131,217</b>

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

	31 December 2013	31 December 2012
Bank credits	1.91%	3.22%
Loans	3.64%	5.47%

#### 3.18.2. 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 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, 2013, the value of the credit to be repaid amounted to 0.24 million PLN.

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 1.14 million PLN 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. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0.23 million PLN.

#### 3.18.3. 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 10 million PLN. It can be used by the 13<sup>th</sup> of December, 2014. 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, 2013, 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 13.28 million PLN. It can be used by the 28<sup>th</sup> of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.

Comarch S.A., CA Consulting S.A. and Comarch Polska S.A. have a credit limit in current account, granted by Bank Pekao S.A. with its registered office in Warsaw, in the amount of 30 million PLN. It can be used by the 31<sup>st</sup> of May, 2014. An authorisation to manage Comarch SA, CA Consulting S.A. and Comarch Polska S.A.'s accounts, a declaration of submission to enforcement from these companies, a Comarch S.A.'s promissory note and an accession of Comarch S.A. to CA Consulting S.A. and Comarch Polska S.A.'s credit debt are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.

ESAProjekt sp. z o.o., a subsidiary of Comarch S.A., has a credit limit in current account, granted by Alior Bank S.A. with its registered office in Warsaw, in the amount of 0.5 million PLN. It can be used by the 27<sup>th</sup> of January, 2014. A promissory note and an authorisation to manage ESAProjekt sp. z o.o.'s accounts in Alior Bank S.A. As at the 31<sup>st</sup> of December, 2013, the credit was not used. After the balance sheet date, the loan agreement expired.

	<b>31 December 2013</b>	<b>31 December 2012</b>
Current credit lines granted, expiring within one year, including:		
	<b>53,778</b>	<b>55,350</b>
– used at the balance sheet date	-	2,801
– available at the balance sheet date	53,778	52,549

### 3.19 Contingent Liabilities

On 31<sup>st</sup> of December, 2013, 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 70.77 million PLN, whereas it was 67.86 million PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, the value of bank guarantees issued by banks on order from CA Consulting S.A. in reference to executed agreements and participation in tender proceedings was 0 million PLN, whereas it was 0.8 million PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, 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 0.64 million PLN, whereas it was 0 PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, 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 0.29 million EUR, i.e. 1.2 million PLN, whereas it was 0.25 million EUR, i.e. 1.03 million PLN on 31<sup>st</sup> of December, 2012.

Comarch S.A. granted letters of comfort for its subsidiaries: Comarch Software und Beratung AG (it was valid till the 31<sup>st</sup> of March, 2014), MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30<sup>th</sup> of June, 2015) and iMed24 S.A. (valid till 31<sup>st</sup> of December, 2018).

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

	<b>31 December 2013</b>	<b>31 December 2012</b>
Credit lines*	177,158	165,627
	<b>177,158</b>	<b>165,627</b>

(\*) they comprise credit lines at current account that are described in 3.18

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 7.66 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2013 and are worth 0.63 million PLN. They include provisions for claims recognised in 2013 and worth 0.13 million PLN. 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 2013, the Comarch Group created write-offs that revalue receivables and were worth 2.43 million PLN.

### 3.20 Liabilities due to Finance Lease

	1 year or less	5 years or less
Liabilities due to lease agreements for usage places	18,764	59,243
Liabilities due to lease agreements for equipment and means of transport	946	673

Liabilities due to lease agreements for usage places comprise Group's liabilities, including those between Comarch Group's companies and 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, 2013 Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of 1.62 million PLN.

### 3.21 Deferred Income Tax

	31 December 2013	31 December 2012
<b>Deferred income tax assets</b>		
<b>Beginning of year:</b>	<b>27,791</b>	<b>27,775</b>
- charged to financial result	27,791	27,775
<b>Movement on deferred income tax account charged to financial result</b>		
- recognition of an asset due to tax loss in Comarch SuB	86	-
- dissolution of an asset due to tax loss in Comarch SuB	(509)	(818)
- recognition of an asset for a possible to settle tax loss in Comarch AG	-	2,355
- dissolution of an asset due to tax loss for the previous years in Comarch AG	(2,355)	(5,287)
- dissolution of an asset due to tax loss in Infrastruktura24 S.A.	-	(89)
- dissolution of an asset due to tax loss in OOO Comarch	(1)	-
- recognition of an asset due to tax loss in Comarch Polska S.A.	556	557
- dissolution of an asset due to tax loss in Comarch Polska S.A.	(881)	-
- recognition of an asset due to tax loss in iReward24 S.A.	111	280
- dissolution of an asset due to tax loss in iReward24 S.A.	(273)	-
- recognition of an asset due to tax relief of the parent company due to activities in Special Economic Zone	8,795	10,055
- dissolution of an asset due to tax relief of the parent company due to activities in Special Economic Zone	(10,055)	(9,904)
- recognition of an asset due to temporary differences related to costs (depreciation, costs of research works)	9,417	5,971
- dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	(3,697)	(3,104)
<b>End of year</b>	<b>28,985</b>	<b>27,791</b>
- charged to financial result	28,985	27,791

<b>Deferred tax provision</b>	<b>41,575</b>	<b>48,172</b>
<b>Beginning of year:</b>		
- charged to equity	5,430	5,430
- charged to financial result	31,275	34,759
- provisions due to acquisition of Comarch SuB	2,697	7,983
- provisions due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	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)	(5,286)
- dissolution of a provision due to valuation of deposits in CCF FIZ	(433)	(2,308)
- recognition of a provision due to depreciation of ESAProjekt Sp. z o.o. fair value valuation	-	1,744
- dissolution of a provision due to valuation of deposits in ESAProjekt sp. z o.o.	(402)	-
- recognition of a provision due to depreciation of A-MEA Informatik AG fair value valuation	-	429
- dissolution of a provision due to valuation of deposits in A-MEA Informatik AG	(105)	-
- recognition of a provision due to temporary differences related to depreciation, currency differences and interest	3,980	1,506
- dissolution of a provision due to temporary differences related to depreciation, currency differences and interest	(1,373)	(2,682)
<b>End of the period</b>	<b>40,545</b>	<b>41,575</b>
- charged to equity	5,430	5,430
- charged to financial result	33,450	31,275
- provisions due to acquisition of Comarch SuB	-	2,697
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	1,665	2,173

**Deferred income tax asset**

	<b>Tax loss asset</b>	<b>Depreciation</b>	<b>Provisions for costs, revaluating write-offs</b>	<b>Asset due to tax relief related to income tax (SEZ)</b>	<b>Total</b>
<b>At 1 January 2012</b>	<b>12,172</b>	<b>80</b>	<b>5,319</b>	<b>9,904</b>	<b>27,775</b>
-charged to financial result	12,172	380	5,319	9,904	27,775
(Charged)/ credited to the result for 2012	(3,003)	(380)	3,248	151	16
<b>At 31 December 2012</b>	<b>9,169</b>	<b>-</b>	<b>8,567</b>	<b>10,055</b>	<b>27,791</b>
(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>-</b>	<b>14,287</b>	<b>8,795</b>	<b>28,985</b>
-charged to financial result	5,903	-	14,287	8,795	28,985

**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 2012</b>	<b>30,612</b>	<b>7,983</b>	<b>1,037</b>	<b>3,110</b>	<b>5,430</b>	<b>-</b>	<b>48,172</b>
(Charged)/ credited to the result for 2012	(2,308)	(5,286)	(77)	(1,099)	-	2,173	(6,597)
<b>At 31 December 2012</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 to financial result	28,304	-	960	2,011	-	-	31,275
- charged to equity	-	2,697	-	-	5,430	2,173	10,300
(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	1666	7,096

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, 2013, discounted as at the permit date, is 7.67 million PLN.

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, 2013, 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 three years (including the year for which the financial statement is prepared).

Over 2013, the parent company dissolved in part an asset due to activities in the SEZ that was worth 10.06 Million PLN (a decrease in result) and established as at 31<sup>st</sup> of December, 2012. At the same time, the parent company recognised an asset in the amount of 8.8 million PLN. 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 2013. 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 2013, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2012 and worth 3.697 million PLN, as well as an asset due to temporary differences was recognised in the amount of 9.417 million PLN. An asset due to tax loss was dissolved in the amount of 4.019 million PLN and recognised in the amount of 0.753 million PLN. The total effect of the above-mentioned operations on the net result of 2013 was +1.194 million PLN.

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 11.5 million EUR, thus respective theoretical asset's value amounted to 3.7 million EUR.

As at 31<sup>st</sup> of December, 2013, in the CSuB's financial statement an asset due to the above-mentioned tax loss was recognised and was worth approximately 1.3 million EUR 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 0.433 million PLN. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of 3.980 million PLN and dissolved in the amount of 1.373 million PLN. In 2012, Group dissolved in part a provision due to acquisition of Comarch SuB which was worth 2.697 million PLN and recognised a provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o. which was worth 0.508 million PLN. The total effect of the all above-mentioned operations on the net result of 2013 was 1.030 million PLN. Total changes in the deferred income tax resulted in an increase in result of 2.224 million PLN.

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.

### 3.22 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 2013</b>	-	-	-	-	-
Recognised in the consolidated income statement:	-	-	-	-	-
- Additional provisions	-	-	-	-	-
- Provisions used during year and transferred to current provisions	-	-	-	-	-
<b>At 31 December 2013</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 2013</b>	<b>2,015</b>	<b>16,747</b>	<b>3,529</b>	<b>14,259</b>	<b>55,595</b>	<b>92,145</b>
Recognised in the consolidated income statement:	1,640	(3,133)	1,199	2,359	(910)	1,155
- Additional provisions	10,255	14,544	5,374	15,113	69,797	115,083
- Provisions used during year	(8,615)	(17,677)	(4,175)	(12,754)	(70,707)	(113,928)
<b>At 31 December 2013</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>

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 2013	31 December 2012
Non-current	-	-
Current	93,300	92,145

### 3.23 Revenues from Sales

	12 months ended 31 December 2013	12 months ended 31 December 2012
<b>Revenues from sales of products and services</b>		
Revenues from sales of IT services	566,520	566,401
Revenues from sales of proprietary software and licences	135,840	105,723
Revenues from other sales	3,336	1,406
<b>Total</b>	<b>13,528</b>	<b>922</b>
<b>Revenues from sales of goods and materials</b>	<b>719,224</b>	<b>674,452</b>
Revenues from sales of hardware		
Revenues from third party software and licences	66,498	41,287
Revenues from other sales	84,913	135,560
<b>Total</b>	<b>68,341</b>	<b>32,577</b>
<b>Total revenues from sales</b>	<b>219,752</b>	<b>209,424</b>
<b>Revenues from sales of products and services</b>	<b>938,976</b>	<b>883,876</b>

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

<b>I/1 Costs by types</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Depreciation of property, plant and equipment in use and intangible assets	64,495	53,326
Costs of social benefits	478,314	429,396
Change in products and work in progress	(16,261)	(16,923)
Consumption of raw materials and auxiliary materials	17,739	17,950
Third party services	123,098	95,238
Taxes and charges	9,080	8,500
Other costs	35,594	39,796
<b>Costs of products sold, services, marketing and distribution as well as administrative costs, including:</b>	<b>712,059</b>	<b>627,283</b>
- <i>manufacturing costs</i>	539,974	469,432
- <i>costs of sales</i>	98,932	85,396
- <i>general costs</i>	72,083	73,295
- <i>exchange differences on liabilities</i>	1,070	(840)
<b>I/2 Costs of goods and materials sold</b>	<b>176,762</b>	<b>209,363</b>
<b>I/3 Costs of work execution within the framework of union projects</b>	<b>11,297</b>	<b>10,424</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>900,118</b>	<b>847,070</b>
<b>II. Costs of social benefits</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Remuneration	405,892	366,466
Social insurance	64,966	56,953
Social Services Fund	2,056	1,882
Training	1,333	993
Health and Safety at Work	503	442
Other	3,564	2,660
<b>Total</b>	<b>478,314</b>	<b>429,396</b>

### 3.25 Other Operating Revenues

<b>Other operating revenues and profits</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Recovered communication damages	53	123
Outdated liabilities	33	66
Dissolving write-offs revaluating receivables	6,343	10,767
Received contractual penalties	69	19
Earnings on disposal on non-financial non-current assets	86	137
Refund of VAT	331	321
Subsidies	1,813	202
Other	2,982	4,664
<b>Total</b>	<b>11,710</b>	<b>16,299</b>

### 3.26 Other Operating Costs

<b>Other operating costs and losses</b>	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Write-off that revaluates assets (impairment)	191	0
Membership fees	351	517
Donations	62	147
Loss on non-current assets disposal and decommissioning	2,148	827
Write-off that revaluates receivables	8,166	13,132
Compensation	700	30
Other	4,504	7,685
<b>Total</b>	<b>16,122</b>	<b>22,338</b>

### 3.27 Finance Costs – Net

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Interest expense, including:	(3,618)	(4,613)
- <i>Interest on borrowings</i>	(3,734)	(4,289)
- <i>Other</i>	116	(324)
Gains on bank deposits	3,188	5,122
Gains on disposal of securities	-	-
Gains/(losses) on disposal of financial assets	1,530	1,661
Net gains/(losses) on exchange differences (note 3.29)	285	7,071
Fair value valuation of financial instruments and investment	90,	757
Other, including:	841	(1,005)
- <i>compensation and financial penalties</i>	-	-
- <i>other</i>	841	(1,005)
<b>Total</b>	<b>2,316</b>	<b>8,993</b>

### 3.28 Income Tax

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Current tax	15,642	11,959
Deferred tax	(2,172)	(9,474)
<b>Total</b>	<b>13,470</b>	<b>2,485</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 2013</b>	<b>12 months ended 31 December 2012</b>
<b>Consolidated gross profit before tax</b>	<b>36,724</b>	<b>39,737</b>
Tax calculated with the nominal rate on gross profit	19,949	17,950
Differences between gross profit and basis of taxation:		
- Consolidation adjustments	6,841	(16,675)
- Exclusions of losses in consolidated companies	40,704	55,484
<b>Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the basis of taxation)</b>	<b>84,269</b>	<b>78,546</b>

Permanent and temporary differences between gross profit and the actual basis of taxation, including:	(23,269)	(26,488)
- Utilisation of previously recognised tax losses	(11,764)	(27,667)
- Differences between basis of taxation and gross profit	28,605	49,259
- Income not subject to tax (due to activities in SEZ)	(38,160)	(45,229)
- Income not subject to tax (shareholders are tax payers)	(2,129)	(2,851)
- Other - income not subject to tax	-	-
<b>Taxable base from income tax</b>	<b>60,821</b>	<b>52,058</b>
Tax calculated at tax rate for the Group	15,642	11,959
Effective tax rate	18.56%	15.23%

The applicable tax rate was 23.67% in 2013 and resulted from the average tax rates for the consolidated entities. The applicable tax rate was 22.97% in 2012 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.

### 3.29 Net Foreign Exchange (Looses) /Gains

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

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Revenues from sales	1,559	(12,020)
Costs of products, goods and materials sold	(1,070)	840
Finance costs-net	285	7,071
<b>Total</b>	<b>774</b>	<b>(4,109)</b>

### 3.30 Earnings per Share

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Net profit for the period attributable to equity holders of the Group	25,077	40,660
Weighted average number of shares in issue (thousands)	8,051	8,051
<b>Basic earnings per share (PLN)</b>	<b>3,11</b>	<b>5,05</b>
Diluted number of shares (thousands)	8,125	8,051
<b>Diluted earnings per share (PLN)</b>	<b>3.09</b>	<b>5.05</b>

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. Basic earnings per share in the column "12 months ended 31 December 2012" is calculated by dividing the net profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2012, to 31<sup>st</sup> of December, 2012 by the weighted average number of shares in issue between 1<sup>st</sup> of January, 2012, to 31<sup>st</sup> of December, 2012, where the number of days is the weight.

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. Diluted earnings per share in the column "12 months ended 31 December 2012" is calculated by dividing the net

consolidated profit attributable to shareholders of the company for the period from 1<sup>st</sup> of January, 2012, to 31<sup>st</sup> of December, 2012 by the sum of the weighted average number of shares in issue between 1<sup>st</sup> of January, 2012, to 31<sup>st</sup> of December, 2012, where the number of days is the weight and diluted number of shares (according to IAS 33) resulting from possible execution of the managerial option for 2012.

### 3.31 Related-Party Transactions

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

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Revenues from sales of goods:		
SolInteractive S.A.	2	-
	<u>2</u>	<u>-</u>
Revenues from sales of services:		
SolInteractive S.A.	258	201
	<u>258</u>	<u>201</u>
	<u>260</u>	<u>201</u>

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%).

#### 3.31.2. Purchases of Goods and Services

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Purchases of goods:		
SolInteractive S.A.	459	60
	<u>459</u>	<u>60</u>
Purchases of services:		
SolInteractive S.A.		
<i>Included in generation costs</i>	1,200	612
<i>Included in other costs</i>	3,063	3,355
	<u>4,263</u>	<u>3,967</u>
	<u>4,722</u>	<u>4,027</u>

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.

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

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
Receivables from related parties		
SolInteractive S.A.	47	94
	<u>47</u>	<u>94</u>
Payables to related parties		
SolInteractive S.A.	467	1.120
	<u>467</u>	<u>1.120</u>

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

	PLN'000
Purchases from personally related entities	1,092
Sales to personally related entities	122
Loans and interest on loans paid by personally related entities	811
Loans and interest on loans granted to personally related entities	8,754
Purchases from associates	4,722
Sales to associates	260
Loans and interest on loans paid by associates	154
Loans and interest on loans granted to associates	10

The item contains a loan in amount to 7.14 million PLN 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.

### 3.32 Value of Remuneration of the Managing and Supervising Persons in 2013 and in 2012

Remuneration of members of the Management Board of Comarch S.A. in 2013 were PLN 15,420,673.00. Remuneration of members of the Management Board of Comarch S.A. in 2013 paid by subsidiaries and associates were PLN 4,240,207.80. Remuneration of members of the Management Board of Comarch S.A. in 2012 were PLN 20,365,799.95. Remuneration of members of the Management Board of Comarch S.A. in 2012 paid by subsidiaries and associates were PLN 6,965,406.19.

#### 2012 (in PLN)

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

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	6,052,464.00	6,309,300.40	12,361,764.40
2	Piotr Piątosza	2,322,144.60	362,732.40	2,684,877.00
3	Paweł Prokop	628,915.15	5,071.00	633,986.15
4	Piotr Reichert	1,145,744.40	151,201.39	1,296,945.79
5	Zbigniew Rymarczyk	951,973.40	6,000.00	957,973.40
6	Konrad Tarański	717,548.41	111,125.00	828,673.41
7	Marcin Warwas	1,581,603.80	19,976.00	1,601,579.80
	<b>Total</b>	<b>13,400,393.76</b>	<b>6,965,406.19</b>	<b>20,365,799.95</b>

##### Comarch S.A.'s Board of Supervisors

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	202,572.00	34,067.00	236,639.00
2	Maciej Brzeziński	30,000.00	0.00	30,000.00
3	Danuta Drobnik	30,000.00	0.00	30,000.00
4	Wojciech Kucharzyk	30,000.00	0.00	30,000.00
5	Anna Ławrynowicz	30,000.00	0.00	30,000.00
6	Tadeusz Syryjczyk	30,000.00	0.00	30,000.00
	<b>Total</b>	<b>352,572.00</b>	<b>34,067.00</b>	<b>386,639.00</b>

In 2012, there were no payments from the net profit of Comarch S.A. as a dividend.

In 2012, there were no shares granted in order to execute managerial option program (point 3.14.3 a) of this statement).

### 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
1	Elżbieta Filipiak	121,000.00	963,038.86	1,084,038.86
2	Maciej Brzeziński	30,000.00	0.00	30,000.00
3	Danuta Drobniak	30,000.00	0.00	30,000.00
4	Wojciech Kucharzyk	30,000.00	0.00	30,000.00
5	Anna Ławrynowicz	30,000.00	0.00	30,000.00
6	Anna Pruska	15,375.00	167,674.95	183,049.95
7	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 26th of June, 2013. On the 26th 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 26th 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	3,930,015
2	Piotr Piątosza	25,268
3	Paweł Prokop	49,50
4	Piotr Reichert	9,104
5	Zbigniew Rymarczyk	42,212
6	Konrad Tarański	9,104
7	Marcin Warwas	9,104
8	Elżbieta Filipiak	1,269,000

Point 3.13.1 e) of this financial statement describes the Managerial Option Program and presents details regarding shares granted in 2013 under the execution of this Program.

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

#### 3.33.1. 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.

#### 3.33.2. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 28 February 2014 and 30 April 2014

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 2013, i.e. the 28<sup>th</sup> of February 2014 and on the 30<sup>th</sup> of April, 2014, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 30 April 2014		At 28 February 2014	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2,669,315	41.28	2,620,010	41.16
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.98	846,000	28.12
Piotr Piątosza	Vice-President of the Management Board	20,953	0.14	16,845	0.11
Paweł Prokop	Vice-President of the Management Board	37,108	0.49	33,000	0.47
Piotr Reichert	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Zbigniew Rymarczyk	Vice-President of the Management Board	32,249	0.21	28,141	0.19
Konrad Tarański	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Marcin Warwas	Vice-President of the Management Board	10,177	0.07	6,069	0.04
<b>Number of issued shares *</b>		<b>8,125,590</b>	<b>100.00</b>	<b>8,051,637</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.*

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

#### 3.34.1. Deferred Income Tax Asset

Over 2013, the parent company dissolved in part an asset due to activities in the SEZ that was worth 10.055 million PLN and established as at 31<sup>st</sup> of December, 2012. At the same time, the parent company recognised an asset in the amount of 8.795 million PLN (impact on earnings: - 1.26 million PLN). During 2013, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2012 and worth 3.697 million PLN, as well as an asset due to temporary differences was recognised in the amount of 9.417 million PLN. An asset due to tax loss was dissolved in the amount of 4.019 million PLN and recognised in the amount of 0.753 million PLN. The total effect of the above-mentioned operations on the net result of 2013 was +1.194 million PLN.

### **3.34.2. Valuation of Currency Translation Differences**

Fluctuations of PLN versus EUR and USD in 2013 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, 2013, increased by 0.49 million PLN revenue and operating result of the Comarch Group. Other exchange differences increased by 0.29 million PLN Comarch's result. Total currency translation differences resulted in an increase of 0.78 million PLN in the Comarch Group's net result.

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

#### **3.35.1. Dates of Periodical Financial Reports in 2014**

In the current report no. 1/2014 dated the 13<sup>th</sup> of January, 2014, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2014:

- 1) Q4 2013 - on 28<sup>th</sup> of February, 2014
- 2) Q1 2014 - on 15<sup>th</sup> of May, 2014
- 3) Q3 2014 - on 14<sup>th</sup> of November, 2014
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2014 - on 29<sup>th</sup> of August, 2014
- 5) Annual report for 2013 - on 30<sup>th</sup> of April, 2014
- 6) Consolidated annual report for 2013 - on 30<sup>th</sup> of April, 2014

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

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. 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.

#### **3.35.3. Resolution of the Management Board of the changes in Comarch S.A. Articles of Association**

Comarch S.A.'s Management Board due to the increase in the company's share capital established with the Resolution no. 1 dated the 20<sup>th</sup> of January, 2014, passed the Resolution amending Comarch S.A.'s Articles of Association in this way that art. 7 sec. 1 of the company's articles of association will be worded as follows: "The Company's share capital comes to PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) and is divided into PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 every share, including:

- 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 (current report no. 3/2014 dated the 20<sup>th</sup> of January, 2014)."

#### **3.35.4. Registration of an increase in share capital of MKS Cracovia SSA**

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. 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 (current report no. 4/2014 dated the 28<sup>th</sup> of January, 2014).

#### **3.35.5. Creation of an 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. Current book value of the real estate amounts to PLN 15,859,186.26. The basis for this registration is investment credit agreement mentioned in point 3.18.1 and (current report no. 5/2014 dated the 20<sup>th</sup> of March, 2014).

#### **3.35.6. 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. The total value of contracts concluded by the companies in the Comarch Group with the Ministry of Justice during the previous 12 months amounted to PLN 90,275,417.74. The company announced details in current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014.

#### **3.35.7. Registration of Increase in Comarch S.A. Share Capital**

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. 6/2014 dated the 21<sup>st</sup> of March, 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.

#### **3.35.8. Registration of Changes in Comarch S.A. Articles of Association**

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 changes in the company's Articles of Association (current report no. 8/2014 dated the 4<sup>th</sup> of April, 2014).

Article 7 sec. 1 of the company's articles of association is worded as follows: "The Company's share capital comes to PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) and is divided into PLN 8,125,590.00 (in writing: eight million one

hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 every share, including:

- 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."

### **3.35.9. Operating Credit Agreement**

As of the 8<sup>th</sup> of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw (current report no. 9/2014 dated the 9<sup>th</sup> of April, 2014), 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. 6/2014 dated the 21<sup>st</sup> of March, 2014). The credit amounts to 35 million PLN. The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate. 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.

### **3.35.10. Resolution of the National Deposit for Securities on the Registration of Series K3 Shares**

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. 10/2014 dated the 25<sup>th</sup> of April, 2014.

### **3.35.11. 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. 11/2014 dated the 25<sup>th</sup> of April, 2014.

### 3.35.12. Forward Contracts Concluded after the Balance Sheet Date

Between the 1<sup>st</sup> of January, 2014 and the 30<sup>th</sup> of April, 2014, Comarch S.A. concluded forward contracts for the sales of 3.5 million euro, 1.7 million USD and 1.7 million GBP. The total net value of open forward contracts as of the 30<sup>th</sup> of April, 2014 amounted to 10.6 million EUR, 3.3 million USD and 1.6 million GBP. The open forward contracts as of the 30<sup>th</sup> of April, 2014 were valued at 2.15 million PLN. The contracts will be settled within twenty one 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.

### 3.36 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 7.66 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2013 and are worth 0.63 million PLN. They include provisions for claims recognised in 2013 and worth 0.13 million PLN. 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.

### 3.37 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 2013, the Group did not change its goals or equity management politics.

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

	31 December 2013	31 December 2012
Equity	637,711	624,942
Total assets	1,142,301	1,146,743
Solvency ratio	<b>55.83%</b>	<b>54.5%</b>

Over 2013, 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 2013, all companies in the Group adhered to the credit agreements' conditions. The parent unit's Management Board finds no risk of their violation.

30<sup>th</sup> of April, 2014

#### SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
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	

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



Krakow, 30<sup>th</sup> of April, 2014

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. 2013 was a symbolic year for us as we celebrated the 20<sup>th</sup> anniversary of Comarch's operation. History of the company's development from its very beginning to the status of a global IT company exporting Polish engineering solutions and capital to many countries in the world, proves to be one of the most inspiring achievements among Polish entrepreneurship. It was a very good year also in terms of financial results achieved by the Group. Revenue reached 939 million PLN, operating profit amounted to 34.4 million PLN and net profit was 25.1 million PLN. Net margin amounted to 2.7%.

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 wide range of technologically advanced IT systems and high quality services. In 2013, subsidiaries of the Comarch Group were developing dynamically, especially those operating in Western Europe and North America. In relation to acquiring new contracts on the market of North America, Comarch S.A. founded Comarch Chile SpA, new subsidiary in Santiago, Chile. 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 strengthen Comarch's market position as a global provider of IT products and services, as well as to ensure its 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 both from the company's own resources and by proactively seeking out European funds. In 2013, research and development works related to innovative IT solutions within cloud computing were particularly important as well as development of innovative IT solutions for medicine. Continuation of R&D works within medicine remains a strategic goal of the Group for the following years. Within the next few years, the medical sector will become one of the main sources of clients for Comarch products and services, and this will ensure the further diversification of the Group. The company invests not only in the latest technologies but also in human resources. In 2013, the company increased its employment level by 463, mostly with IT specialists, as this is a key factor in executing an increasing number of more and more complex contracts.

In the previous year, the Comarch Group put into use an office building and a data center in Dresden. Due to the infrastructure in Dresden, the Group can now offer a wide range of IT solutions in the cloud computing model, especially within the area of finance, ERP and ECM systems to demanding markets in the DACH region. In 2013, the construction of a new data center and a production and office building (SSE6) in the Krakow Special Economic Zone began. Purpose of the investment is convenient working places for new employees and high quality technical infrastructure that enables seamless execution of IT projects performed by Comarch.

The Comarch S.A. Management Board shall make every effort to ensure that consistent growth of the Comarch Group's operations is aligned with its profitability. High level of innovativeness, taking care of the satisfaction of customers, investment in new products and stable gains in the efficiency of operations allow to take an optimistic view of the Comarch Group's future within the following years.

*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

# COMARCH

REPORT  
OF COMARCH S.A.'s MANAGEMENT BOARD  
REGARDING  
THE ACTIVITIES OF THE CAPITAL GROUP IN 2013

Krakow, 30<sup>th</sup> of April, 2014

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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 8,051,637 shares at total nominal value of PLN 8,051,637. According to the information possessed by Comarch S.A., as at 31<sup>st</sup> of December, 2013, 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	2,620,010	32.54	6,192,010	41.16
Elżbieta Filipiak	846,000	10.51	4,230,000	28.12
Other members of the company's Management Board	96,193	1.19	133,793	0.89
Other shareholders	4,489,434	55.76	4,489,434	29.83
<b>Total</b>	<b>8,051,637</b>	<b>100.00</b>	<b>15,045,237</b>	<b>100.00</b>

#### AFTER THE BALANCE SHEET DATE

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.

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	120,841	1.49	158,441	1.05
Other shareholders	4,489,434	55.25	4,489,434	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, 2013:

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Elżbieta Filipiak	Chairman of the Supervisory Board	846,000	846,000 PLN
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	-	-

Tadeusz Stryjczyk 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.

**AFTER THE BALANCE SHEET DATE**

None present.

**b) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> of December, 2013:**

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,620,010	PLN 2,620,010
Piotr Piątosza	Vice-President of the Management Board	16,845	PLN 16,845
Paweł Prokop	Vice-President of the Management Board	33,000	PLN 33,000
Piotr Reichert	Vice-President of the Management Board	6,069	PLN 6,069
Zbigniew Rymarczyk	Vice-President of the Management Board	28,141	PLN 28,141
Konrad Tarański	Vice-President of the Management Board	6,069	PLN 6,069
Marcin Warwas	Vice-President of the Management Board	6,069	PLN 6,069

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.

**AFTER THE BALANCE SHEET DATE**

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.

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	32,249	PLN 32,249
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

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

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

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 program was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. More details were presented in point 3.14.3 of the financial statement.

The difference between the average capitalisation in December, 2013 and the average capitalisation in December, 2012 is negative, which means that the basic condition of the programme has been met. As a result, shares for members of the Management Board and Key Employees were issued in 2014.

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for company's Management Board managing Capital Group in 2015-2017. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to the company's Management Board. More details were presented in point 3.14.3 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 3.14.3 and 3.32 of the consolidated financial statement.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2013	2012	2011	2010	2009	2008	2007
Revenue from sales	938,976	883,876	785,653	761,361	729,403	700,965	581,048
Operating profit	34,446	30,767	38,783	24,819	14,373	45,919	44,006
Profit before income tax	36,724	39,737	39,764	24,979	18,465	244,521	45,519
Net profit attributable to the parent company's shareholders	25,077	40,660	36,257	43,717	32,306	199,126	42,770
Profit per share	3.11	5.05	4.50	5.44	4.06	25.01	5.46
Assets	1,142,301	1,146,743	1,022,474	968,105	895,106	915,247	558,489
Equity	637,711	624,942	609,851	584,189	554,316	534,174	300,780

In 2013, the Comarch Group sales revenue climbed by 6.2%, i.e. 55.1 million PLN year on year. Operating profit reached 34.4 million PLN and increased by 12.0% compared to 2012. Net profit attributable to the parent company's shareholders decreased by 38.3% and amounted to 25.1 million PLN. EBIT margin was at 3.7% (3.5% in 2012) and net margin amounted to 2.7% (4.6% in 2012). On the 31<sup>st</sup> of December, 2013, the Comarch Group employed 4,222 people, excluding employees of MKS Cracovia SSA. This represented an increase of 463 people compared to the end of 2012.

As at the end of 2013, the value of the Comarch Group's assets was at the comparable level to those in the previous year (a decrease of 4.4 million PLN, i.e. 0.4% compared to 2012). Equity grew by 2.0% over 2013 and in large measure to the net profit gained in 2012.

Backlog for the current year	At 30 April 2014	At 30 April 2013	Change
Revenue	776,842	687,468	13.0%
including services and proprietary software	625,901	576,778	8.5%
<i>% of services and proprietary software</i>	<i>80.6%</i>	<i>83.9%</i>	

As of the 30<sup>th</sup> of April, 2014, the backlog for the current year amounted to 776.8 million PLN and was therefore higher by 13% compared to the same period in the previous year. The value of services and proprietary software sales increased by 8.5% up to 625.9 million PLN, and as a consequence, their share in the total backlog reached 80.6%. Both current backlog's value and structure confirm the very favourable financial position of the Comarch Group.

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

As at 31<sup>st</sup> of December, 2013, in Comarch S.A. there were 3,448 employees compared to 3,062 persons as at 31<sup>st</sup> of December, 2012, and in the Comarch Group number of employees reached 4,222 persons compared to 3,759 persons as at the 31<sup>st</sup> of December, 2012 (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 2009 to 2013 is presented in tables below:

Number of employees:	2013	2012	2011	2010	2009
- full-time	3,376	3,048	2,815	2,945	2,760
- co-workers	738	612	532	532	566
<b>Total</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>	<b>3,477</b>	<b>3,326</b>

Employees:	2013	2012	2011	2010	2009
- production employees and technical consultants	3,213	2,785	2,534	2,724	2,586
- marketing and sales	516	500	442	395	413
- management and administrative employees	385	375	371	358	327
<b>Total</b>	<b>4,114</b>	<b>3,660</b>	<b>3,347</b>	<b>3,477</b>	<b>3,326</b>

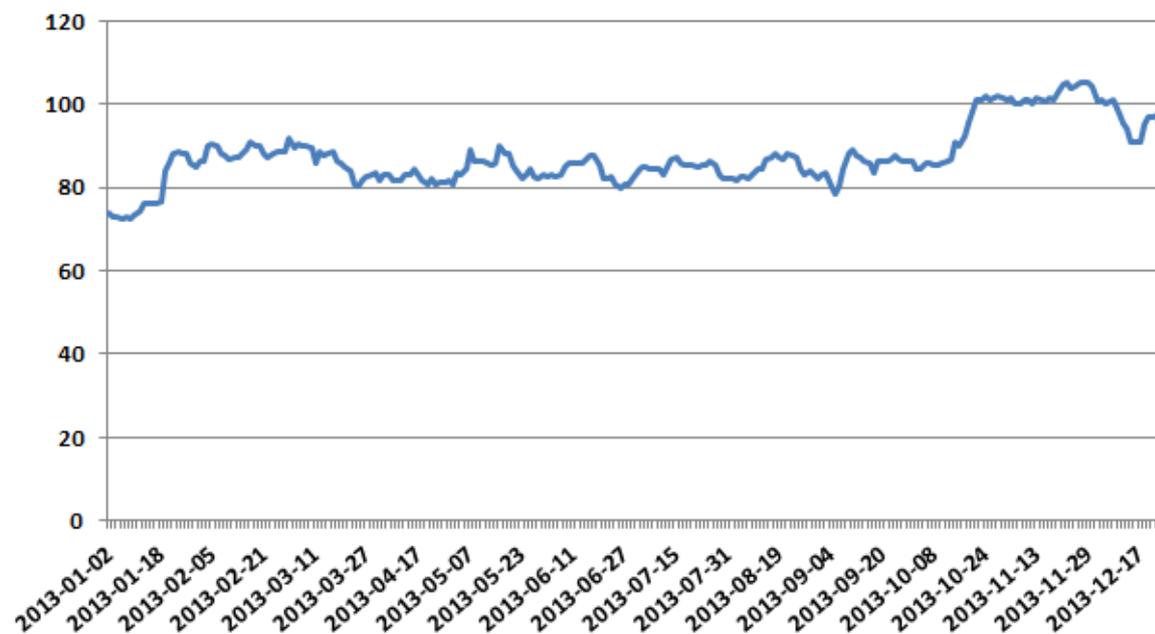
An average employment in MKS Cracovia SSA within 2009-2013 was as follows:

<b>Number of employees:</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
- full-time	38	42	46	44	45
- co-workers	181	146	145	127	133
<b>Total</b>	<b>219</b>	<b>188</b>	<b>191</b>	<b>171</b>	<b>178</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

#### 2013



<b>Period</b>	<b>The highest</b>	<b>The lowest</b>
Q1 2013	92.00	72.40
Q2 2013	90.00	79.72
Q3 2013	89.00	78.37
Q4 2013	105.20	84.30

In 2013, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange increased by 32% from PLN 73.50 to PLN 97.00.

### 3. Products and Services Offered by Comarch in 2013

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.

#### **TELECOMMUNICATION SECTOR**

Since 1993, Comarch has helped numerous telecommunication service providers to optimize their business, shorten time to market and enhance customer experience, with the help of end-to-end portfolio of products and solutions designed to streamline the crucial areas of the telecom business.

The product portfolio covers all areas of the TMF Telecom Applications Map (TAM).

#### **PRODUCTS**

##### **CUSTOMER MANAGEMENT**

- **Comarch Corporate Self Care** provides online ordering, data management and reporting for corporate customers. But it is also a telecom expense management solution.
- **Comarch CRM for Telecoms** enables managing relationships with a customer, designed especially for telecommunication business. The solution is designed to integrate well with the existing OSS/BSS architecture. This flexible product for telecom operators provides a single customer view and automates key sales, marketing and customer care processes.
- **Comarch 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, contacts, rewards and promotions.
- **Comarch Self Care** enables customers of all sorts of telecommunication services acquiring information on their accounts, activation and deactivation of services and data exchange with a call centre.

##### **REVENUE MANAGEMENT**

- **Comarch Convergent Billing** is a technologically advanced tool enabling an operator within billing area. It is a high capacity, scalable billing system which can process quantities of data. User-friendly interface ensures it is easy-to-use. The system provides new generation services thanks to 3G technology, which is based on events that may be configured for the needs of IP, VoIP, GPRS and UMTS services.
- **Comarch Service Controller Module** enables telecom operators to control digital services in real-time, as well as to manage complex integrations between the IT and the network equipment via a range of interfaces.
- **Comarch BSS Mediation** is a system supporting any kind of service and providing the chargeable data to any billing system. This solution enables data de-duplication, data filtering, data correlation, etc., and supports different data processing scenarios.
- **Comarch Policy & Charging Rules Function** is a solution for controlling network resources, introduction of tariff plans customised to services and management of network congestion.

- **Comarch Voucher and Top-up Management** is an independent component which supports mobile and IP operators with the management of vouchers and recharging of user accounts.

## PRODUCT MANAGEMENT

- **Comarch Product Catalogue Management Comarch Central Product Manager** speeds up new product launches by providing a single place for managing your product catalogue and product life cycle. The product deals with offers and product specifications, defines relationships between various products, and specifies which of these are exclusive or sold only as a component of a bigger package.

## SERVICE FULFILLMENT

- **Comarch Next Generation Service Fulfilment** helps CSPs automate their service fulfilment & delivery processes. The solution assumes, among others, building services from pre-defined components.
- **Comarch Next Generation Service Assurance** enables a telecom operator to monitor complex services, automatically find problem root causes. As a result, it enables strong correlation engine to assure clear data presentation and root cause analysis.
- **Comarch Customer Experience Management** provides information on service quality by providing an insight into customers' perception of services. This also brings an additional benefit of pro-activeness deriving from the ability to monitor the network and predict the impact of network faults on customer services.
- **Comarch Service Monitoring** enables monitoring of complex services implemented over various network technologies and management domains.
- **Comarch Service Quality Management** allows for modelling services and their monitoring, as well as measuring the service quality by indexes and statistics from the perspective of the network impact and is presented on the customer level.
- **Comarch SLA Monitoring** allows to manage service level agreements ("SLA") and monitors whether a telecom operator fulfils conditions resulting from SLA prioritises network defects.
- **Comarch Service Inventory** enables management of network services and streamlines the service management process in fulfilment and assurance areas.
- **Comarch OSS Process Management** enables the fully monitored and controlled execution of all management processes within the Operations, Fulfilment and Assurance areas.

## RESOURCES MANAGEMENT

- **Comarch Next Generation Network Planning** is a solution enabling planning and management of mobile network, including radio, transport and wire network. It enables simplification and automatization of network tasks through integration of planning, optimization and management of network configuration.
- **Comarch Network Inventory** stores the complete information about network resources and presents current, historical and future state of telecommunications/IT networks.

- **Comarch Fault Management** enables effectively control identification of problems and failures in telecommunication network. Through continuous monitoring of all elements of the network, displays and efficiently tracks alarms.
- **Comarch Performance Management** plays a significant role as a source of network metrics used by SQM for quality of services calculation, and for providing drill-down capability to pin down network performance issues causing customer experience problems.
- **Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Efficiency is achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues.
- **Comarch OSS Mediation** provides integration of the physical infrastructure of the network with Comarch OSS Suite. The system's goal is to reduce network complexity while keeping the service and customer base intact.

### SUPPLIER / PARTNER MANAGEMENT

- **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 other business partners.
- **Comarch Roaming Agreement Management** is a comprehensive suite of tools for managing roaming agreements, costs and profits related to a telecom operator's business, as well as managing relations with roaming partners.
- **Comarch Commission & Incentive** enables telecoms managing multichannel sales and implementation of their own rules for commissions.

### SOLUTIONS AND SERVICES

Comarch supplements its offer with a wide range of solutions and services. Thus, company offers complex service to telecommunication operators. Comarch solutions are created and developed with focus on specific business areas, and use a dedicated set of Comarch COTS products as well as knowledge gained from numerous project implementations in Poland and Europe.

### DIGITAL SERVICES

- **Digital Ecosystem Management** is a platform that enables communication service providers to comprehensively manage the entire digital service value chain, from service inception, through its modelling and management, launching commercial product offers in sales channels, to managing relations and settlements with all involved partners.
- **Cloud Service Management** supports NG telecom operators in offering Cloud-based services in multiple business scenarios, including offering provisioning and customer support, billing for partner-branded applications, and a white labelling scenario, where all applications / services are sold under the operator's own brand.
- **M2M Platform** is a complex solution supporting mobile operators in entering and succeeding in the M2M (Machine-to-Machine) market. It enables them to provide M2M services, SIM cards and managing M2M.
- **Smart BSS Suite** is a compact platform for managing network and telecommunication business. This solution covers activating, controlling and billing such services in addition to monitoring and reporting.

## CUSTOMERS SATISFACTION

- **Customer-driven OSS** enables such a transformation of OSS environment in order to provide a customer's satisfaction which has become lately the main differentiator between various telecom service providers. It enables switching the perspective from network resources to customer experience.
- **Introduction of B2B** services is a solution designed for managing services offered to enterprise customers, ensuring the highest quality of enterprise customer service; dedicated for departments supporting corporate and strategic customers, in particular for global companies.
- **Comarch Order-To-Cash Automation** is created to automate and thus speed up the end-to-end process, which starts from customer order capture and goes through service, network provisioning and activation and ends at billing the customer.
- **Loyalty & Engagement Suite** has been designed to help telecom operators increase customer loyalty and prevent churn. Its integrated mechanisms help you make your customers remain loyal and improve their experience with your brand.

## COSTS OPTIMIZATION

- **Managed Services** is a comprehensive offer including outsourcing system and / or process management. Comarch's offer of Managed Services includes advantageous methods of settlements: on the basis of actual use of systems or verified against agreed KPIs included in contracts.
- **End-to-end project delivery** is a service which, in addition to delivery of a system to a customer, encompasses the following services: requirement analysis and solution design, training, implementation and integration, as well as maintenance and support.
- **BSS/OSS Transformations** is a service where Comarch is committed to participate in a telecom operators' transformation processes and IT environment analysis, by defining business requirements, offering a properly defined suit of IT systems, their hosting in data centre or taking the responsibility for success of the transformation within the frame of Managed Services model (see above).
- **Outsourcing** is delivered by Comarch in the form of outsourcing of processes, R&D or systems, through their hosting in Comarch Data Centre (IaaS/PaaS model) from hosting and recovery centre.

## IMPROVEMENT OF NETWORK OPERATIONS

- **Network planning automation** is a complex tool for management of network infrastructure planning, making OSS landscape leaner and defining processes related to planning and development of the network.
- **Network optimization** is based on a multi-source analysis and demands the correlation of data from various measurement, reporting and planning systems. The platform enables users full network optimization while monitoring both the technical indicators and those related to network quality, as perceived by clients.
- **Comarch Self-Organizing Network (SON)** enables automation of network failures management and optimisation of network processes, thus operators may not only diminish OPEX, but also shorten time to market for new technologies and network services.

- **Software Defined Networking (SDN)** is perceived as a disruptive technology that promises to reduce OPEX/CAPEX and, more importantly, to unleash innovation in the service and application domain, leading to better network monetization.

### **MOBILE FOR COMPANIES**

- **Application Creation** for companies enables designing of mobile applications from travelling assistance, through mobile search and community building to security and business solutions. The scope of services is defined according to business requirements of an each customer.
- **User Experience Consultancy** renders a comprehensive analysis of behaviours and profiles of users in order to design applications friendly to end users.
- **Application Quality Assurance** is a complex planning and management of a process testing the mobile applications and IT systems.
- **Certification Automation** enables effective management of certification process for devices and application. It allows checking and automatic issuing certificates of conformity on the basis of approved requirements.

### **CONWERGENCE**

- **MVNO Solution** is an end-to-end system aimed at MVNOs (Mobile Virtual Network Operators) that supports all the business needs of such an operator.
- **MVNE Solution** is aimed at companies delivering services to MVNO operators. The solution performs tasks related strictly to telecommunications (e.g. integration with a Mobile Network Operator), as well as those related to ERP.
- **Cable and multi-play solution** is a comprehensive offer consisting of many BSS modules integrated and configured having in mind needs of a cable operator. It was build based on Comarch experience from many implementations for this kind of companies.

## **FINANCE, BANKING AND INSURANCE SECTOR**

**Comarch Business Process Management** is a modern system designed for modelling and managing business processes in any institution. CBPM is also an integration platform based on mature and flexible architecture, that supports the connection of various distributed applications such as transactional systems, CRM, contact centre, data warehouses and document archives.

**Comarch Internet Banking** guarantees clients from all segments access to services offered by the bank, 7 days a week, 24 hours a day, using the internet and smartphone type mobile phone. Thanks to integration with various central systems, it is a universal, complete, efficient and safe supplement to the bank's IT environment. The Comarch Internet Banking platform offers solutions, which carry out financial services through the self-service channel, fulfilling large expectations of banks, brokerage houses, investment funds and other financial institutions. It is also an integration platform which links services and products offered by one financial institution, or by a whole financial group, into a whole.

**Comarch Host-2-Host Banking** is a platform that constitutes an additional channel of communication with business customers. Comarch H2H provides the connection between the bank's systems and client's internal ERP software. Owing to H2H service, communication and mass transaction processing is fully automated, thus releasing bank clients from time-consuming export file generation, import handling and data processing.

**Comarch Personal Finance Management (PFM)** is a module for online banking. PFM is a solution enabling to manage personal finance and providing account aggregation giving consumers a view of their total financial relationship.

**Comarch Mobile Banking** - mobile financial services, which are becoming increasingly popular, are a natural consequence of technological advances. Comarch created an application which allows the managing of finance using mobile devices. Thanks to Comarch Mobile Banking, a money transfer, investment task, balance check or other banking operations are possible using a mobile phone.

**Comarch Smart Finance** a solution that provides intuitive personal finance management addressed to retail bank customers. It analyses customer financial habits and predicts monthly cash flows. Owing to such an advantage, customer personal preferences are recognized and bank offers customized individually. Without unwelcome sales pitches, customers receive relevant, highly personalized offers. Comarch Smart Finance combines functionalities of online banking and personal finance management in one solution that guides customers to financial fitness and help them make sound financial decisions – anytime and anywhere.

**Comarch Front End (CAFE)** - the integrated work environment of a customer advisor in any financial institution, which covers the functionalities of customer file, Comarch CRM system modules selected by the customer, as well as operational modules which provide a comprehensive service for a bank branch or an insurance broker with the use of one application environment, created with the use of 'light' IT technologies.

**Comarch Customer Service** module enables maintenance of all bank products within the frame of one system.

**Comarch Data Connect** an e-banking channel enabling a direct integration of finance and banking system used by a corporate client with bank.

**Comarch Fraud Detection** is a powerful tool for discovering fraudulent subscriber behaviour in telecommunications networks.

**Comarch Content Management System** is dedicated to managing portal content and structure. It offers a set of tools that remotely update and manage www services. Comarch CMS gives users a great deal of freedom with full control over the content presented and a high security level. The customer does not need to install any extra software to work with the system as all the essential operations can be executed in Internet browsers.

**Comarch Contact Centre** is the strategic contact point integrating all channels of communication with the customer: the telephone (direct conversations, voice mail, SMS), facsimile, e-mail and Internet. This solution raises a company's competitiveness by building strong customer relations, making communications more effective and collecting and managing customer information. Comarch Contact Centre is a modern, modular platform which is easily expanded. It supports all communication methods including automatic IVR and customer care agents. The solution is based on Comarch's own application integrated and supported by the advanced mechanisms of selected hardware platforms.

**Comarch CRM Claim Management** is a complete claims management solution and is one of the modules that make up the Comarch customer relations platform (CRM). It is based on the proven *service-profit chain* used by the most successful companies. The service profit chain connects internal and external service quality, including claims management, with financial results. Thanks to this solution companies can compare expenditure on maintaining quality of service with expected financial results.

**Comarch CRM Sales Management** is a new generation integrated *front-end* application. It provides comprehensive customer relations support across the entire product range from the moment of winning a new customer, through the programs for cross selling and up-selling to an up-to date operational handling, using the whole scope of the product offer. The system offers functionality for customer care agents in the form of the Sales Application, while for the middle and back office staff responsible for managing the sales process it offers the Department Director and the Central applications.

**Comarch CRM Campaign Management** is a system supporting the entire cycle of marketing campaign management: from planning through tests, execution and modification to tests of performance. The system

allows reaching the target group of customers of a precisely defined profile, at a proper time, with appropriate information, and through an appropriate communication channel. The possibility of integration of mass Above the Line (ATL) campaigns and direct Below the Line (BTL) campaigns is a unique solution, allowing achievement of the synergy effect between the two types of activities and winning savings on costs of reaching the customer.

**Comarch Survey Management** is an ergonomic, easy-to-use web form builder which is used for creating surveys for any group of users, then used as presentations in web applications, such as internet banking, portal, etc. The solution enables creating different types of surveys, beginning from simple one page questionnaires to multistage wizards.

**Comarch Commission & Incentive** is a commission system designed for institutions which use extended networks of agents, brokers and intermediaries in their businesses. The system enables integration of all data related to sales networks, commission policy for all distribution channels and settlements with sales network units in one place. Additionally, collecting all sales data in one system allows better control over sales and optimising incentive systems.

**Comarch Loyalty Management** is an advanced set of business applications for standard and advanced loyalty programs. The system is distinguished by its ease of operation, its flexibility, and its ergonomic user interface. Its scalable architecture ensures that the loyalty program can be expanded in step with the company's growth.

**Comarch Pricing & Billing** is a flexible tool which allows the speedy design, testing and implementation of charges and commissions packages. The configuration model answers for the key area of the charge calculation system, thus, for the complex management of the policy which calculates charges and commissions in accord with individually set guidelines within the contract. It creates added value for the client and profit for the bank.

**Comarch Credit Process Management** is an application suite supporting service of credit processes in all clients segments: corporate clients, medium and small enterprises and retail clients. The modular design of this system enables selection of an optimum set of functionalities and support for the most important processes related to management of any credit products for any customer segment: product design, simulations, preparing an application, support for the decision-making process, preparing an agreement, activation of funds, hedging management, monitoring of active agreements, settlements of transactions, management of the sales network and calculation of commission, as well as vindication from unreliable customers.

**Comarch Scoring Engine** is a system platform helping credit analysts to find the best way to assess credit applications and credit risk and to analyse credit portfolios. Comarch Scoring Engine can be rapidly implemented and put to work as it integrates easily with existing systems and provides great flexibility in the scoring definitions used.

**Comarch Rating** a tool which supports the rating of corporate clients. It is possible to use the application to check the rating of transactions. The tool is fully configurable by bank employees as it does not require programming knowledge. Due to the high elasticity and integration with the credit process it is possible to change the risk management policy within a few minutes without the need to utilise IT resources.

**Comarch Credit Monitoring** - the system supports credit contract monitoring processes, especially the monitoring of escrow, repayments, contract conditions as well as the client's financial situation. Thanks to the built-in Comarch Credit Monitoring mechanisms, it automatically generates cases which fulfil the monitoring criteria, e.g. overdue repayments exceeding 7 days. The system works in the context of the client which means that the monitoring has to do with all the client's accounts. Additionally, because the system is based on the Comarch Business Process Management, application, Comarch Credit Monitoring can automatically send the debt to be collected, restructured or the credit conditions can be changed. The system uses functionalities from the Printout Management module, which makes it possible to generate reminders within the system for clients (together with a note about which reminder it is) as well as integration with the central printing machine (mass correspondence).

**Comarch Asset Management** - the system is addressed to companies which manage assets, bank depositaries, investment and pension funds, insurance companies as well as other institutions which deal

with investment activity and portfolio handling. Among others, the system guarantees the modelling of portfolios, handling of orders, access to current portfolio structure, control of investment limits, filling of transactions and operations on portfolios, valuation of portfolio assets, reports and measures the effectiveness of risk management.

**Comarch Wealth Manager** - a solution for private banking customers, wealth management and family office, responsible for the management and reporting of customer assets. An important advantage is the ability to support different asset classes (cash operations, financial instruments, property, insurance policies, non-financial assets) held in various institutions, as well as those registered directly by the customer and handling entities. Among other features are e.g., analyses of performance, cash flows, documents and contacts associated with customer assets and liabilities.

**Comarch Custody** is an application designed for banks dealing with trading in securities and trustee activity. The system allows registering and quantitative as well as financial settlements of transactions with securities in KDPW S.A. (the National Depository for Securities) and foreign deposit and settlement chambers. It fully complies with the new deposit-settlement system.

**Comarch Exchange Trading** is a brokerage core trading system characterized by highly efficient trade processing, a flexible and multicurrency register module, effective communication with markets and brokers.

**Comarch Internet Investments** - an independent system or functional supplement to Comarch Internet Banking. It guarantees access to investment financial services through the internet and other electronic distribution channels for brokerage house clients, trustees, investment funds, open pension funds as well as other institutions which operate on the capital market. The system has been continually developed from 1998 and offers the richest functionality on the market in terms of access to the brokerage account, investment funds register and specialised investment products.

**Comarch Quotation Online (NOL3)** - the most modern tool on the Polish market, which allows access to up to date stock exchange listings and market information, market analysis as well as individual stocks. It also realises tasks typical for Order Management System (OMS) solutions such as making dispositions directly from the listings table and sending them to the market at the right moment.

**Comarch Mobile Investments** – an innovative solution dedicated to brokerage houses customers who need unrestricted access to their brokerage accounts. The platform supports both passive access, e.g. viewing the list of transactions, access to current stock quotes, as well as active access, e.g. submitting orders.

**Comarch Risk Management** is a management system for risks related to investment and credit portfolios. It automates risk control processes aimed at limitation (restriction) of the impact of fluctuation of risk factors on the elements of commercial operations. It also enables identification of the possibility of using the observed fluctuations in investments.

**Comarch Performance Measurement & Attribution** - the system allows an active valuation of the effectiveness of investment portfolios, calculating affectivity indicators in terms of benchmarks and risk, an analysis of the profit source attributes and losses, incurred on individual classes of assets, as well as reporting the results of management.

**Comarch CAFE Broker** - application ensures consistency of information, operations and authorisation in headquarters, branches and a brokerage house *call centre*. The key functional features of Comarch CAFE Broker include complex customer investment account servicing, i.e. orders on different markets, access to an investment profile, order monitoring, account activity tracking as well as support of customer communication.

**Comarch Deal Management** is a solution which allows the processing of transactions made on the money and currency market as well as on debt instruments and derivatives, realised through the bank's *dealing room* or by internet banking clients. The tool guarantees a complex handling of the transactional process and accounting services with regards to the filling and valuation of instruments/transactions, the calculation of transactional limits for clients as well as the balance equivalent, and adequacy of the transaction in terms of capital.

**Comarch Investment Advisor** is a solution, which manages client relations and chooses the right investment-pension product, in accord with the client's expectations and possibilities as well as the monitoring of their investment.

**Comarch Fund Registers** solution allows the presentation of data on transactions with participation units and fund shares, customers and distribution channels by interactive reports.

**Comarch Client Reporting & Communication** is a solution that generates reports of the highest calibre, which include the value, profitability and risk of the client's pension-investment product, which is based on investment funds, shares and other financial instruments. It links the process of managing a large database, its design and the generation of, distribution and publication of reports, in accord with the policy of the given institution.

**Comarch Trade Finance** supports the business processes connected with letters of credit, collections and guarantees. It can be accessed both by bank customers and employees, allowing for effective bank-client communication starting from the product application up to its final settlement. Comarch Trade Finance works as a component in other IT solutions used in banks, such as the core system, the general ledger and the data warehouse, and must be integrated with these systems.

**Comarch Factoring** is a complex solution servicing debt financing transactions, allowing for both electronic and paper invoices. This solution features high flexibility in modelling of the client service process. It enables the introduction of data related to the factorer, debtor and the definition of a financing program.

**Comarch NonLife Insurance** is an IT solution comprehensively supporting processes in property insurance companies. The solution ensures flexibility in the release of a new offer on the market. Comarch NonLife Insurance supports administration of insurance policies, liquidation of damages, management of information and improvement in the effectiveness of the insurance business. Implementations can include all modules and product lines. Because it is modular, the system can be implemented in specific operational areas or for particular products. A further option exists to tailor selected modules to the company's existing system architecture.

**Comarch Life Insurance** system is a comprehensive IT solution designed and produced for life insurance companies. The system is capable of supporting the entire operations of a life insurance company and there is some scope for it to be matched to existing architecture. Implementation of Comarch Life Insurance enables comprehensive and cohesive management of the insurance business. Additionally, the high flexibility of the system allows the optimisation of operations and quick response to the changing needs of the market.

**Comarch Insurance Claims** is a solution that provides comprehensive support of all types of life insurance claims and supplementary insurance. The solution functionality covers the entire process of handling life insurance claims. The solution helps reduce costs incurred in handling claims thanks to the reduction of paper-based tasks.

**Comarch Insurance Agent Portal** a front-office solution supporting sales and handling of insurance products. The system supports both agent networks, employees and people cooperating with insurance companies, and individual customers. The solution enables agents offer creation, as well as efficient and faultless fulfilling the insurance application. Comarch Insurance Net allows registration of changes in conditions for the concluded insurance policy, as well as reporting and monitoring of damages. Quicker and direct service, as well as possibility of review of an application status in web portal are benefits for a customer.

**Comarch Insurance Customer Portal** provides an insurance e-account. It enables an insured to perform basic operations beginning from review of an offer, selection of an insurer and calculation of a premium through application for cover to paying the premium. The solution allows reporting a damage or a claim online, modify basic personal data, and to manage investment for policies including capital funds.

**Comarch Insurance Front-End** platform is a mash up solution, where optimum solutions for a customer are gathered. The main task of the platform is the execution of an insurance company within the

implementation of sales support and customer service strategy. The advantage of the platform is its simplicity in linking functionalities to meet the business needs of insurance.

**Comarch Debt Management** is a comprehensive system facilitating notification and vindication processes, directed towards a diverse range of companies and financial institutions which conduct collection services, legal and enforcement proceedings, and exchange data with external cooperating entities. The Comarch Debt Management system guarantees the effective collection of overdue amounts among other things, through versatile support of multichannel contact with a debtor (phone, SMS, email) and by the organisation of debt collection teams' work including the prioritisation of cases. Growth of the collection rate of receivables is a significant benefit for customers that introduce the system.

**Comarch Insurance Data Warehouse** provides databases for insurance data. Production systems carefully collect data supporting internal and external reporting. They allow one to prepare and provide access for those entitled to information that is necessary for efficiently making decisions on different management levels in insurance companies.

**Comarch Mobile Claims Adjuster** – a tool supporting and managing claim adjusters in the field. In addition to the basic functionality, which includes assigning adjusters to claims and scheduling their inspections, the system automates the planning and allocating of coordinators' and adjusters' tasks, which facilitates direct communication such as receiving new orders or transferring data/pictures of damages. Moreover, the solution can be used as a reporting tool that helps control the time and expenses of adjuster trips.

**Comarch Mobile Insurance** was designed to support insurance business companies in using mobile devices in insurance. The system offers wide functionalities for 3 different types of receivers: agents, claims adjusters and customers. Comarch Mobile Insurance gives advantage and ensures effective support for communication with customers.

**Comarch Mobile Insurance Advisor** – a powerful solution designed to provide agents & advisors with a comprehensive tool supporting sales of even most advanced insurance products, including investment policies. It covers the whole sales process: from identification of the customer and needs analysis, through simulations and quotations, investment advisory, to generation and signing of the proposal.

**Comarch Underwriting** – a solution that provides comprehensive support for all stages of the risk assessment process, starting from receiving the application, through the management of questionnaires and accompanying documentation, to the decision making. The system supports the underwriter in all kinds of decisions, e.g., about granting a standard policy conditions, imposing loadings, or rejecting the application. Comarch Underwriting can also be used as an automatic risk assessment tool.

**Comarch CentralLog** is a comprehensive solution for managing security data generated by the company's IT infrastructure. It includes tools for the centralisation, analysis and storage of the security audit information produced by various systems and applications. This includes those exclusively devoted to security and those that are independent, such as data bases.

**Comarch MobileID** is a new authentication and authorisation method based on cell phones, which combines reliable and secure, easy to use, inexpensive and technically advanced features in a single solution. The system functions as a stand-alone product and can also be integrated with Comarch Security Access Manager DRACO.

**Comarch Security Access Manager DRACO** supplies identification, authorisation, authentication and accounting that is in line with the latest security trends and adapts to individual customer needs. Comarch Security Access Manager DRACO provides extensive options for a user and their rights managements, as well as access to protected resource management.

**Comarch MobilePKI** is a solution that supports authentication and authorisation using mobile technology. It enables full use of Public Key Infrastructure (PKI) on cell phones using SIM cards.

**Comarch SecureAdmin** is a user activity monitoring system which operates transparently at the level of the network layer (passive and active analysis). These features mean that implementing Comarch SecureAdmin does not require the modification or reconfiguration of existing applications or systems and its presence is not visible to users.

**System Comarch SOPEL (Electronic Signature Support System)** provides complete implementation of secure qualified electronic signature verification equipment and secures electronic signature submission software that is in compliance with the Act on Electronic Signatures.

**Comarch SmartCard** is a java based cryptographic microprocessor card for the secure storage of sensitive information such as cryptographic keys and passwords. They are chiefly used in PKI (Public Key Architecture) systems and in banking, where very high security standards, for example for customer transactions, are required. The card's security rests on asymmetrical cryptography. Also, the private key used to sign for the transaction never leaves the microprocessor card: it is generated there and there is no way that it can be copied. Finally, only the card's owner knows the PIN number.

**Comarch SmartCard Bio** – the concept, which is based on the use of the fingerprint as an element, which secures access to the private key, which is stored on the cryptographic card.

**Comarch SmartToken** is a solution whose hardware is based on USB tokens. It combines cryptographic smart card and card reader features in one device. The programming, including the software inside the token, is produced by Comarch.

**Comarch T-Pro**, transaction protector token, is a solution developed by Comarch as a response to increasingly emerging malignant software, executing ManInTheBrowser or key logging attacks.

**Comarch SmartCard Workshop** manages the life cycles of smart cards and cryptographic tokens. As well as possessing the basic *workflow* process and smart card system status report functions, it also enables full integration with Comarch CertificateAuthority system.

**Comarch CertificateAuthority** is Comarch proprietary software for full implementation of PKI systems (Public Key Infrastructure). This involves issuing certificates for secure e-mail, web servers, communication channels, and user authentication and authorisation. Comarch CertificateAuthority supports the entire certificate life cycle from application through to expiry or annulment.

**Comarch SmartCard Reader Bio** – a smart card reader combined with a fingerprint reader. It is used in PKI systems for authentication and authorization. For the first time in Europe, it was used by Pekao SA to authenticate s online corporate banking users, and to authorize transactions.

**Comarch SmartCard Reader Bio Tempest** – a smart card reader combined with a fingerprint reader. It is used in PKI systems for authentication and authorization. A tempest cover protects against electromagnetic radiation – eavesdropping of information processed by the reader is not possible.

**Comarch SmartCard microSD** – a microSD card integrated with Comarch SmartCard. It is used in PKI systems for authentication and authorization, especially in mobile devices.

## **ERP SECTOR**

**Comarch ERP Altum** – the first, intelligent ERP platform that comprehensively supports all key business processes in medium and large commercial and service companies, as well as trading networks. This solution is tailored to the needs of the Polish market as well as foreign ones. The system is also available in the Software as a Service model (SaaS).

**Comarch ERP XL** – the most frequently chosen ERP system in Poland for many years now. The software was chosen by approximately 4,000 companies from various industries. The solution meets the specific needs of production as well as trade and service companies. The system is also available in the Software as a Service model (SaaS).

**Comarch ERP Optima** – the program supports sales, management, bookkeeping and payroll. It is designed for micro, small and medium businesses with different activity profiles. Along with the additional module, Accounting Office, and the portal Accounting Offices iKsięgowość24 Community, Comarch ERP Optima is a tool that guides and promotes accountancy offices and tax advisory firms. The program is also available in the Software as a Service model (SaaS).

**Comarch ERP iFaktry24** is a modern online application for invoicing and storage simplifying accounts and available through a Web browser. The solution is dedicated to micro and small businesses. Its main advantage is simplicity in use, full automatization of processes and possibility of integration with an accounting office, Wszystko.pl and Comarch ERP e-Sklep. The solution is available only in the Software as a Service model (SaaS).

**Comarch ERP Retail** – a standalone system for conducting retail sales which allows to efficiently managing a commercial network in a comprehensive manner, starting from the front-office through the back-office and to point of sale (POS).

**Comarch ERP Mobile** – a suit of mobile applications supporting ERP systems: Comarch ERP Optima, Comarch ERP XL and Comarch ERP Altum. It includes: Comarch ERP Mobile Warehouseman which supports work of warehousemen possible to work online or offline; Comarch ERP Mobile Salesman – a SFA application that allows the user to work on Android smartphone or tablet, supporting workforce in the field, such as sales representatives and sales assistants in stores; Comarch ERP Mobile BI – an application for managers enabling review of Business Intelligence reports on Android smartphone or tablet; Comarch ERP Mobile Flota – an application enabling the monitoring of place by GPS and communication with employees.

**Comarch Business Intelligence** – a system based on data warehouse technology, designed for large and medium-sized companies and international corporations. The solution supports decision-making processes and tasks related to reporting services. It is dedicated to the following industries: financial and insurance institutions, FMCG, services and manufacturing.

**iBard24** – easy-for-use, multipurpose tool for, among others, automatic backup, synchronisation of files between tools and joint group work on documents. iBard24 is a solution which allows to access files from anywhere in the world, 24 hours a day. High security level for the stored data is its great advantage: double coding of data and data is stored in the Comarch Data Centre in Poland. iBard24 is available in four languages (Polish, English, German and French).

**iKsięgowość24** – accounting services for businesses, conducted by over 1,000 accountants using Comarch OPT!MA.

**Comarch ERP Customer's Desktop** – a B2B platform enabling, among others, ordering goods via internet. A logged in customer has access to history of their orders, payments, complaints, review of status of maintenance and production orders. The application cooperates with Comarch ERP XL and Comarch ERP Altum.

**Comarch ERP e-Sklep** - an online store application integrated with the Comarch ERP system, which cooperates with price comparison sites, integrated with Allegro.pl and Wszystko.pl, online payment services.

**Wszystko.pl** – online shopping mall (formerly [www.iMall24.pl](http://www.iMall24.pl)), which allows selling directly online from the invoice and warehouse system used by enterprises. Products can be offered by those companies that have Comarch software.

**Comarch Software und Beratung AG systems** are **ERP** (ERP = Enterprise Resource Planning) and finance-accounting systems for small and medium-sized enterprises in German speaking countries:

- **Comarch ERP Enterprise** – the new generation ERP system was developed to optimally fulfil requirements of active international companies in the Internet age. With a completely new ergonomic user interface and its integrated WorkFlow, Comarch ERP Enterprise optimally maps business processes and organisational models,
- **Comarch Financials Enterprise** – a new generation financial accounting system developed as a supplement for Comarch ERP Enterprise. It enables complex financial management in modern enterprises,
- **Comarch ERP Suite** – a classic ERP system offering clear functional solutions adjusted to the specifications of a branch for a wide range of users.

- **Comarch Financials Suite** includes a certified, complex financial accounting system that administrates controlling and electronic archive of document modules. It proves its value in its internationalisation as well as in accordance with international standards (IFRS, US-GAAP),
- **Comarch Financials Schilling** – a classic finance-accounting system,
- **Comarch Financials DKS** – a finance-accounting system for customers in the Austrian market, including controlling and human resources modules,
- **Comarch HR** – a system dedicated to HR services and employee settlements, supporting the management of work hours and recruitment,
- **Comarch ECM** – a system for managing the electronic archiving and management of records, which enables the implementation of electronic document workflow in enterprises,
- **Comarch eBilanz** – an application for electronic sending of financial statements to administration bodies in Germany which works with different finance and accounting systems.

## **PUBLIC ADMINISTRATION SECTOR**

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 electronic (and paper) documents management in enterprises and institutions (industry versions were developed for various recipients).

### **Comarch Portal**

Besides information publishing, Content Management System enables advanced communication and data interchange. The system allows co-operation with social media and e-learning. With video-chats, forums and the FAQ option, the system supports wide-range information interchange.

### **Comarch e-Investor**

It is a modern system to support investors (individuals, institutions and enterprises). It is used in many fields of investments (information, research, organisation, spatial management and transport).

### **Comarch e-Tourist**

It is the interactive platform for multi-level promotion of popular tourist destinations. Interactive maps may include visualisations of tourist trails, descriptions of night accommodation and places of active rest, as well as the weather forecast. The system may allow booking of services (group guides, attractions and support in selected languages) for individual tourists and groups (including 3D).

### **Comarch Egeria**

This is an integrated ERP system which supports company management and decision making processes. This is a comprehensive and flexible solution which may be adjusted to individual needs of every client. It is offered in different types of enterprises and institutions (government administration, utilities, health services, etc.).

### **Comarch Egeria Education**

It is a tool dedicated to provide support for higher education facilities. The system consists of the FrontOffice tool to support academic processes, student and academic issues, and the BackOffice tool responsible for support of the college facility administration. The system is equipped with developed reporting tools.

### **Comarch Egeria Leasing**

This is an integrated IT system which supports companies providing finance services, including leasing. It supports the sale of financial products with calculators, templates and tools which allow adjustment of the offer to changing market requirements.

### **Comarch ERP Egeria e-Health**

This is an IT system dedicated for servicing of administration in health service. It has a module construction, thus it may be easily accessible for current needs of a customer as well as slowly developed. The system is prepared to cooperate with work time recorder, data collector and fiscal printers. To be more comfortable to use it was divided into modules: Finance-Accounting, Logistics, Customer Management, Personnel Management, Renovation and Investment, Decision Support, Branch Modules.

### **Comarch Egeria EBOK**

COMARCH Egeria EBOK is a portal with CMS elements ensuring online access to basic data of a customer, in particular to set of sales documents, balances of settlements, list of contracts and tools related to a customer, as well as significant data readings. EBOK allows direct transmission of data from an entity to a user and vice versa. CMS elements allow discretionary publication of profiled articles. Additionally, thanks to EBOK portal, it is possible to send inquiries, register any case directly connected to a customer, and report about any defect, what significantly simplifies and speeds up communication process with a service provider, and the direct access to sales documents annuls necessity to gather significant amount of documents, including paper invoices.

### **Comarch Mobile Inventory**

Comarch Mobile Inventory is a solution enabling full service for inventory process of property, plant and equipment in use listed in COMARCH ERP Egeria system using mobile devices. Inventory process comprises particular steps in process: collecting data from Comarch ERP Egeria, verification of details for a property, plant and equipment in use, including photographs, their adaptation or correction, settlement within spreadsheets, filing application for change of property, plant and equipment in use. The application works online or offline, and after inventory, it enables putting property, plant and equipment in use in order in the system. Comarch Mobile Inventory cooperates with Motorola MC40, typical tablet or telephone equipped with Android, version 4.1 or lower and reader Motorola CS3000 Series, which enables overall service for inventory process.

### **Comarch Work Expenditures Recording**

The system assists in planning tasks for the employees, re-cording the attendance and executing the entrusted tasks. This solution offers settlement of labour costs, optimization of employee effectiveness and friendly reporting.

### **Comarch e-government**

Comarch e-government is a platform of on-line public services which contains a set of modules enabling the realisation of tasks assigned to a local government unit by the legislator. The intuitive tools enable autonomous management of the application ensuring the support of creation and publication of contents. Comarch e-Government consists of the following modules: Digital Office, Public Information Bulletin, Information Portal and Intranet.

### **Comarch CBO Turnover - for media trading companies and distributed recipients**

This is a solution dedicated to electricity distribution companies, energy, gas, or water companies, and to individual customers. It ensures quick access to the data collected from various sources (for example distribution companies, Independent Reading Operator), tracking utility consumption and multiplane analysis of the received data. The system data is a reliable source for the settlement of accounts, planning purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analysis and client segmentation.

### **Comarch CBO Distribution - for media distribution companies**

It enables the enterprise to carry out the function of a measurement operator. It provides a number of mechanisms to help acquire data that is optimised for effectiveness and scalability, verification, supplementing, making it accessible and for multidimensional analysis. It makes it easier to integrate systems used by companies in managing their network property, billings and other items important to their activities. This solution allows reading measurements from electricity meters and other utility meters, including water, heat and gas.

### **Comarch System of Management of Network Assets**

This is a solution dedicated to network enterprises, such as electricity distribution companies, gas distribution companies or water and sewage companies. The system ensures complete registry and management of data concerning a company's network infrastructure and improves an execution of main business processes, such as recipients connecting, planning and realisation of investment and

modernisation, network exploitation, service of applications, network complaints, emergency events and exclusions.

### **Comarch IT Cost & Risk Analysis**

It is a tool that determines the total costs of providing IT support versus the lack of IT support. The system allows calculation of cost and risk related to migration of business processes support. It offers assessment of economic indexes related to profitability of providing IT support for example ROI, NPV and IRR. It allows simulation of the results for processes, systems and whole models of providing IT support.

### **Comarch Business Intelligence**

Comarch theme data base warehouses comprise diverse range of data and realise manifold purposes. We created warehouses being knowledge bases, tools for medical and financial analysis, supporting business activity. Our solutions are best for management of high number of data from many systems and localisations.

### **Comarch Database Archive**

It is a tool used to optimise and manage archived data. It provides a way to create new data partitions by selecting them out from active partitions, properly restructuring or re-building databases, partition disconnection and archiving, and authorisation of data deletion and restoring.

## **Services Sector**

### **Comarch CRM & Marketing - solutions for management of marketing activities**

**Comarch Campaign Management** is a system dedicated for management of multi-stage marketing campaigns, processes automation for their execution, monitoring and analyses of results from individual marketing actions. The solution includes a tool enabling segmentation and personalised communication, which make possible to create a personalised communication through different communication channels, provides control over marketing costs, allows testing of a campaign and helps to increase the level of coordination and control of 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 aid to other solutions, as well as in 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 Loyalty Management for Retail** is a world-class system for comprehensive management over loyalty programmes of different size, both multi-partner and executed in a stand-alone model. The system supports the 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 marketing offers and promotional activities, such as raffles, auctions, coupons, or the principle of rewarding the best customers-all this in order to maintain a high level of satisfaction and to increase customer retention and sales. Commonly used interfaces and technologies allow for easy integration with existing systems.

**Comarch Loyalty Management Travel Edition** is a version of the product dedicated for 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 calculating the points, defining rewards and privileges, as well as a separate module that automates the process of connecting and servicing partners.

**Comarch Smart Analytics** is a Business Intelligence class system which allows obtaining and simultaneously using information about clients, their behaviour or preferences. This solution aggregates data from loyalty management systems, CRM, marketing campaign management, as well as recording and financial systems, income registration or controlling systems. This guarantees that the analyses created are as credible as possible and reflect the market dynamics.

**Comarch Social Mining** is a system that allows the user to monitor the behaviour of a loyalty or gamification program participants within the portals of social media by analysing posts, comments, amount

of the provider's shared content, including the verification of its popularity. Additionally, the system collects the personal data of portals' participants which allows an even more personalized marketing communication in terms of loyalty programs.

**Comarch CRM** is a central element of advanced Comarch CRM & Marketing, which has the task of collecting all the information about the client and their consistent management. Comarch CRM is an application that provides a cross-disciplinary knowledge, focused mainly on increasing the cost effectiveness of customer service processes. There is a dedicated system for handling complex customer service processes that relate to the marketing and sales activities, ensuring the implementation of customer contact through communication channels such as the Internet, mobile, email, social media and mobile devices based on integrated data from external sources and Comarch Campaign Management and Comarch Loyalty Management applications, as well as the processing of this knowledge by Comarch Smart Analytics.

### **Managed Services**

**Loyalty Consulting** is a package of services, in which we help our customers to create a complete, innovative programs or to reconstruct 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, help in defining ways to reward, organization of marketing communications to carry out the program, 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 an implementation, boost engagement and motivation of the participants. 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 the program that engages clients.

**Program Management Services** – experienced Comarch managers manage and coordinate loyalty programs through the implementation of operational tasks, management of applications and by providing expert knowledge on future improvements and growth. The range of services provided by Comarch includes management of current relationships with strategic partners and subcontractors of the program, the initial configuration of the software used to manage the loyalty program, continuous administration of applications used to implement the program, key performance indicators and reporting of program effectiveness, fraud detection and prevention, managing general public, as well as configuration and administration of the program website.

**Customer Analytics** is a service in which we provide support and assistance in the gathering, analysis and interpretation of data for the construction of customer-oriented strategy. Our knowledge and experience in the field of analytical projects include: data collection, data cleaning and audit, improvement of and maintaining the quality of data and data analysis. 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.

### **Solutions for document management and processes**

**Comarch ECM (Enterprise Content Management)** is a complex 20-year-old platform in Switzerland, Germany and Austria developed within the frames of Polish and Swiss research and development works carried out in the Comarch Capital Group. Core functionalities are: smooth efficient capture of data from different sources (fax, email, scanner, disc resources), scalable archive, technologically advanced searching engines, management and review of documents, as well as integration capacity, providing support for billing systems, ERP, FK, CRM or HR. Key element of the platform is productive BPM engine enabling for efficient designing of a process and its performance. Comarch ECM includes also BI module and dedicated business modules supporting works in particular company's areas of activity, such as purchase processes, HR administration or contracts' management. Comarch ECM encompasses, both Comarch own product of Enterprise Content Management class, and services of implementation, consulting, support and technological integration, i.e. IBM FileNet or MS Sharepoint.

**Comarch EDI (Electronic Data Interchange)** is a platform for quick and secure electronic data interchange. This ensures the automation of data processing throughout the supply chain starting from the ordering process through the delivery, up to invoicing and processing of payments.

The ability to implement projects in the cloud enables to reduce investment costs and optimise business processes in a short period of time.

Comarch EDI enables fast deployment of secure communication with business partners without necessity of complex system modifications or changing standards which are already in use. The platform services over 30,000 entities from 30 countries, and provide them with:

- Document validation
- Mapping/translation from/to many formats
- Integration with IT systems (e.g. ERP, WMS)
- Routing Data

**Comarch EDI E-Invoicing** is a solution for complex processing electronic invoices pursuant to binding law. It includes:

- Comarch EDI Archive (Comarch EDI Archive Plus)-module provides electronic archiving of invoices in accordance with applicable regulations.
- Comarch EDI Signature-module enables electronic signature of invoices and their transfer them via e-mail or website.

**Comarch EDI Tracking** provides quick document status information and quick reaction in case of any problems.

**Comarch EDI Reporting** is a solution providing reliable data on cooperation with partners on the basis of from EDI.

**Comarch EDI Financing** helps creditors receive due amounts earlier and allows debtors to prolong payment terms. Thanks to integration with banks, the solution enables full service of an invoice (from invoice selection to payment completion).

**Comarch EDI EMCS** allows communicating with the national EMCS system for entities handling movements of excise goods. We provide exchange of all required messages in a manner which customised to a customer's technology.

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

- Customization of the application's look
- Defining the individual product catalogues
- Determination and calculation of discounts
- Entering a variety of promotions
- Ordering of Products / 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, as well as dedicated to the business partner, areas.

**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 supplies through a combination of EDI documents (DESADV) with a logistic label (SSCC).

**Comarch SFA** is a comprehensive platform to provide sales support for trade organisations. Within Comarch SFA, we offer Mobile Sales Force Applications systems and Online Sales Support Applications.

**Mobile Sales Force Applications** is the Sales Force Automation class system ensuring full support for points of sale, executed by mobile field employees. Comarch SFA can operate depending on the user's

needs and the character of their work. Users may use mobile application on smartphones or tablets, and application available on-line or installed on a computer. Mobile applications are available to Google Android and iOS.

**Comarch SFA Online Manager and Comarch SFA Online Administrator** are applications for managers and business administrators managing sales resources in a company. The applications provide functionalities related to reporting and work control of sales or medicine representatives working in the field.

**Comarch SFA Online Sales Support Applications** is a sophisticated B2B platform integrating business partners: producers, distributors and shops, and ensuring support for departments of sale and marketing in a trade organization. As a part of Comarch SFA, it also provides applications for managers and business administrators managing sales resources in a company.

**Comarch SFA Trade Spend Control** -a support module for planning and settlement of trade promotion budget. It gives the ability to easily define long-and short-term promotional activities with selected customers, to take stock of the effectiveness of these measures 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 the traditional sales channel, 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 sales departments of manufacturers and distributors (wholesalers).

#### **The solution for the management of employee motivation**

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

### **Comarch ICT – IT SERVICES OFFERED FOR ALL SECTORS**

The strategic point of Comarch activities is to use the experience and knowledge of the company's employees by providing a full range of services-from consulting through implementation of individual solutions, to outsourcing. The services provided by Comarch are an important and effective way to use the competences of employees of the company. The implementation of many software projects and integration has enabled the company to gather unique experience and create a unique team of people. This experience is confirmed by numerous certificates and authorizations of the leading providers of IT solutions. A wide range of Comarch services is provided in a highly competent and reliable fashion. The most important services provided by Comarch include:

#### **Comarch Integration & Outsourcing**

##### **Comarch Outsourcing IT**

Comarch Outsourcing IT is a package of continuous services, aimed at ensuring a comprehensive IT service for a client, beginning from full support for end-user (service desk and helpdesk), through LAN/WAN network administration, platform and security infrastructure, to IT processes management, according to good practices of ITIL library. We provide services profiting from experienced engineers and service managers according to determined SLA parameters. In addition, we provide customers with continuous service performed remotely or directly at the customer location, associated with advanced server matrix and database systems, and therefore the most critical systems for the client's business and the most demanding in terms of availability and reliability.

##### **Comarch IT Integration**

It 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 beginning at 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**

It is a group of services designed to provide customers with a high level of availability of their systems, minimize the consequences of accidents and disasters, and possibly to enable a quick return to the state before failure. Based on Comarch office space in Krakow and Warsaw, we offer customers a spare office for their key employees. 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 services of audits of various IT areas. IT infrastructure audit is the most general audit, but at the same time it covers the entire customer infrastructure. IT security audit and IT performance audit focus in detail on specific aspects of individual systems, and IT operational efficiency audit provides the client with knowledge about the functioning of the entire IT department in the company, especially in terms of efficient use of hardware and human resources, but also the organization of work, to ensure the quality of services for business, the correctness of the definition and operation of IT processes.

### **Comarch IT Networks**

Solutions offered by Comarch are designed to improve communication within the organization, but 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 communication, but also the exchange and access to corporate information.

### **Comarch Network Managed Services (CNMS)**

It is a comprehensive solution for:

- Construction or modernization of existing WAN network that consists of different types of links which are used to connect the client branches distributed in a homogeneous and converged (data, voice and video) network
- The implementation and management of LANs
- The launch of a wireless Wi-Fi data network
- Providing solutions for network security

### **Comarch Contact Centre (CCC)**

It 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 a solution receives the access to Contact Centre infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer, itself, only provides CC agents and internet access.

### **Comarch Network Operations Centre (Comarch NOC)**

Comarch NOC is a comprehensive solution that provides a single point of contact with the client, providing technical support for the monitoring and Service Desk in the area of IT infrastructure and business applications for all types of businesses and institutions. Thanks to the built-in functionality, 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 Service Network Operations Centre provides customers with current knowledge on the availability and efficiency of the various elements of their IT infrastructure, operating systems, or operating platform.

### **Comarch Data Centre**

Comarch has been providing Data Centre services since 2001. It is distinguished by the most complex offer on the market and well thought-out solutions. Comarch opened its own Data Centre in Warsaw and Krakow. We accompany a customer on the all stages of a project performance, beginning from preparation of an

initial concept, through solution their designing, implementation and migration, to their maintenance and management.

### **IaaS (Infrastructure as a Service)**

Service Infrastructure as a Service is the least advanced service in understanding of the scope of services offered by Comarch. Its basic premise is to provide customers with the hardware platform to be used on their own. The equipment is co-located in a secure environment of a Comarch Data Centre, and maintaining the software layer is the customer's responsibility. Comarch offers service support (remote hands) and services related to monitoring devices and optionally the backup. As part of the IaaS we provide:

- 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)**

The service PaaS Comarch delivers a complete hardware platform system with a complete range of services that support the so-called Manager Services necessary to support the client application. As part of the PaaS we deliver:

- Equipment (arrays and servers) co-located in the centre (s) of the Comarch Data Centre
- Ensuring all necessary third party licences
- Administration and management of operating system
- Network and security management
- Providing telecommunication network
- Monitoring 24x7
- One SLA level for the whole system

**SaaS (Software as a Service)** is the most comprehensive service rendered by Comarch Data Centre. It includes the supply of Comarch application 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 specific cases, third party applications
- Application administration services and IT infrastructure
- 24-hour monitoring and supervision of the system components and a very short response time / repair
- Single contact for a client and one SLA for the whole solution
- Help-desk for end-users as an option

**Disaster Recovery Centre (DRC)** is an additional and optional service to all described above solutions offered by Comarch Data Centre. It encompasses delivery of a back-up centre for data processing which are critical for a customer. The service is offered in different models including:

- Basic data centre – back-up centre is located in a customer's localisation,
- Back-up data centre – basic centre is located in a customer's localisation,
- Basic and back-up data centre – both centres are located in one or two physical localisations,

The service may be delivered in PaaS or SaaS model ensuring data replication between two centres and launching back-up environment after breakdown in a basic localisation.

## **e-Health Sector – IT Solutions for Medicine**

**Comarch e-Health** is a high quality medical software provider, including complex ready to use systems for managing medical facilities (HIS), as well as software and IT tools for radiology (RIS). Comarch e-Health conducts advanced research on Teleradiology, manufacturing medical devices and solutions for Telemedicine (remote patient care), systems and applications for entering, storing, and processing of electronic medical records (EMR). Hospitals, medical facilities, and clinics can benefit from Comarch e-Health solutions.

**Comarch PMA (Personal Medical Assistant) and HMA (Home Medical Assistant)** – devices and software dedicated to mobile patients staying outside the hospital environment, enabling sending the ECG using mobile network. Prototype was certified and admitted to market as medical product. The project was financed within the Operational Programme Innovative Economy. In 2014, the Group plans to begin a series production of the devices, as well as to provide services related to monitoring of patients vital signs using e-Care Monitoring Centre established in 2013.

**Comarch EDM – an electronic medical document management system**

This is an innovative IT system for every type of medical facility. It enables management of medical record from only one place. It combines an electronic archive for medical records with presentation and analysis of data included in it. It provides solution that simplifies a review of data from different documents, such as: a semantic analysis of documents and an intuitive search engine.

**Comarch OptiMED is a comprehensive IT system for managing Hospitals**

OptiMED has a full range of modules required for the computerization of hospitals, both in the medical (so-called “white”) and administrative (so-called “grey”) areas. Comarch OptiMED is a modern solution in the field of complex hospital support systems. The modular architecture of the system allows you to adjust it to any hospital organizational structure, regardless of its infrastructure, owned units, operating rooms or the specifics of its equipment. OptiMED allows you to attach compatible peripheral systems (such as diagnostic imaging).

**Comarch OptiMED24 – software for medical clinics and medical offices**

Comarch OptiMED24 is a system for managing clinics and collecting patients’ medical documentation. It includes modules to handle multiple functionalities of a medical clinic, including settlements with a public payer, and other counterparties, registration and management of patient records, illustrations of doctors and staff work time, analysis and reports, etc.

OptiMED and OptiMED24 software complements each other to form a complete offer for health care organizational units.

**Comarch RIS - a system for managing diagnostic imaging units**

Comarch RIS is essential for the smooth flow of information between a medical facility and a radiology clinic. It can be integrated with the HIS, but it can also be fully independent. It can manage subsidiaries of diagnostic imaging units offering recording of orders, results description, reporting and administration. Comarch RIS manages routing, i.e. it uploads images taken during the test between different PACS. This interoperability allows you to create descriptions and to consult diagnostic tests outside the place where they were manufactured.

**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 2013, 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 2013, no customer provided products and merchandise at the value exceeding 10% of Comarch Group's proceeds on sale.

## 5. Sales Structure

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

	2013	%	2012	%	2011	%
Domestic	543,620	57.9%	516,577	58.4%	423,299	53.9%
Export	395,356	42.1%	367,299	41.6%	362,354	46.1%
<b>Total</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>	<b>785,653</b>	<b>100.0%</b>

In 2013, the Group's export sales increased by 28.1 million PLN, i.e. 7.6%. An increase in domestic sales was 27 million PLN, i.e. 5.2%.

Geographical sales structure (market structure):

	2013	%	2012	%
Poland	543,620	57.9%	516,577	58.4%
DACH	188,877	20.1%	192,017	21.7%
Europe – other countries	148,836	15.8%	142,561	16.2%
North and South America	55,131	5.9%	30,264	3.4%
Middle East	1,003	0.1%	846	0.1%
Remaining countries	1,509	0.2%	1,611	0.2%
<b>Total</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>

The Group's sales in DACH region decreased by 3.1 million PLN, i.e. 1.6%, in other European countries there was an increase of 6.3 million PLN (4.4%). Sales in both Americas were at a significantly higher level (55.1 million PLN) compared to those in the previous year (an increase of 24.9 million PLN, i.e. 82.2%). Sales to other regions has low and still diminishing value for the Comarch Group's revenue. In the second half, share of domestic sales in total sales was at a higher level as a result of delivery of third party software and computer hardware of significant value to customers in the public sector and to other domestic customers.

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

	2013	%	2012	%	2011	%
Telecommunication, Media, IT	218,268	23.2%	202,331	22.9%	213,870	27.2%
Finance and Banking	142,168	15.1%	229,439	26.0%	136,189	17.3%
Trade and Services	102,377	10.9%	71,615	8.1%	74,011	9.4%
Industry & Utilities	94,006	10.0%	70,189	7.9%	63,377	8.1%
Public Sector	157,786	16.8%	101,762	11.5%	90,717	11.5%
Small and Medium Enterprises – Poland	84,294	9.0%	74,049	8.4%	72,251	9.2%
Small and Medium Enterprises - DACH	100,904	10.8%	114,681	13.0%	119,318	15.2%
Medicine	24,026	2.6%	7,994	0.9%	278	0.1%
Other	15,147	1.6%	11,816	1.3%	15,642	2.0%
<b>Total</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>	<b>785,653</b>	<b>100.0%</b>

Over 2013, sales to customers in the TMT sector amounted to 218.3 million PLN and increased by 15.9 million PLN, i.e. 7.9% more compared to 2012. Their share in total sales was at the level of 23.2%. There was a decrease of 87.3 million PLN, i.e. 38% in demand in the finance and banking sector and sales to customers in this sector constituted 15.1% of total sales compared to 26% in the previous year. The decrease is mostly result of a lack of such deliveries of third party's software as those in 2012 (a contract with bank PKO BP). There was an increase in sales to the industry and utilities sector (an increase of 23.8 million PLN, i.e. 33.9%) and their share in total sales was 10%. Customers in the public sector acquired products and services in the amount of 157.8 million PLN which is higher by 56 million PLN, i.e. 55.1% than those in the previous year. Sales to customers in the trade and services sector grew by 30.8 million PLN, i.e. 43%. Sales to the small and medium sized enterprises in Poland increased by 10.2 million PLN, i.e. 13.8%, and in DACH region there was a decrease of 13.8 million PLN, i.e. 12%. Their share in total sales diminished from 13% to 10.8% in the previous year. This is a consequence of a lower sales in CSuB AG. Sales to customers in the medicine sector increased during the year and finally amounted to 24 million PLN (an increase of 16 million PLN compared to sales in 2012). Their share in total Group's sales amounted to 2.6%. Sales to other customers increased by 3.3 million PLN, i.e. 28.2%. The market sales structure has remained at the stable level throughout the 2013, except for the third quarter when share of sales in the public sales was at a higher level due to a delivery of computer hardware of significant value to a customer in this sector.

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

	2013	%	2012	%	2011	%
Services	676,329	72.0%	580,946	65.7%	559,000	71.2%
Proprietary software	91,706	9.8%	106,178	12.0%	110,178	14.0%
Third party software	79,495	8.5%	136,231	15.4%	53,986	6.9%
Hardware	65,237	6.9%	41,481	4.7%	41,678	5.3%
Others	26,209	2.8%	19,040	2.2%	20,811	2.6%
<b>Total</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>	<b>785,653</b>	<b>100.0%</b>

Over 2013, demand for services offered by the Comarch Group increased and for proprietary software slightly decreased. Sales of services increased by 95.4 million PLN, i.e. 16.4% and sales of proprietary software decreased by 14.5 million PLN, i.e. 13.6%. Sales of third party software decreased by 56.7 million PLN, i.e. 41.6%. Sales of computer hardware grew by 23.8 million PLN, i.e. 57.3% and reached 65.2 million PLN. However, they are of a little significance to the Comarch Group. Other sales increased by 7.2 million PLN, i.e. 37.7%. The products sales structure has remained at the stable level throughout the 2013, except for the third quarter when share of sales of computer hardware were at a higher level due to a delivery of computer hardware of significant value to a customer 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) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- h) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN and GBP/PLN, and which affect the profitability of export sales.

## 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 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 EURO/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 2014**

In 2013, the Comarch Group observed slight 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 2014. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of a very well diversified offer and a very wide 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 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 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 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.

The Group does not expect of significant changes in its financial situation.

## 9. Financial Analysis

### Balance Sheet

<b>ASSETS</b>	<b>31 December 2013</b>	<b>%</b>	<b>31 December 2012</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Non-current assets</b>						
Property, plant and equipment	360,825	31.6%	357,715	31.2%	3,110	0.9%
Goodwill	44,061	3.9%	44,061	3.8%	0	0.0%
Other intangible assets	79,720	7.0%	96,401	8.4%	-16,681	-17.3%
Non-current prepayments	904	0.1%	904	0.1%	0	0.0%
Investment in associates	49	0.0%	244	0.0%	-195	-79.9%
Other investment	106	0.0%	48	0.0%	58	120.8%
Deferred income tax assets	28,985	2.5%	27,791	2.4%	1,194	4.3%
Other receivables	1,639	0.1%	1,844	0.2%	-205	-11.1%
	<b>516,289</b>	<b>45.2%</b>	<b>529,008</b>	<b>46.1%</b>	<b>-12,719</b>	<b>-2.4%</b>
<b>Current assets</b>						
Inventories	53,687	4.7%	62,307	5.4%	-8,620	-13.8%
Trade and other receivables	362,404	31.7%	399,840	34.9%	-37,436	-9.4%
Current income tax receivables	1,527	0.1%	408	0.0%	1,119	274.3%
Long-term contracts receivables	32,264	2.8%	10,165	0.9%	22,099	217.4%
Available-for-sale financial assets	6,685	0.6%	1,616	0.1%	5,069	313.7%
Other financial assets at fair value – derivative financial instruments	1,644	0.1%	1,059	0.1%	585	55.2%
Stock or shares	112	0.0%	22	0.0%	90	409.1%
Cash and cash equivalents	167,689	14.7%	142,318	12.4%	25,371	17.8%
	<b>626,012</b>	<b>54.8%</b>	<b>617,735</b>	<b>53.9%</b>	<b>8,277</b>	<b>1.3%</b>
<b>Total assets</b>	<b>1,142,301</b>	<b>100.0%</b>	<b>1,146,743</b>	<b>100.0%</b>	<b>-4,442</b>	<b>-0.4%</b>

As of the end of 2013, the value of the Comarch Group's assets has remained at a similar level to those in the previous year (a decrease of 4.4 million PLN, i.e. 0.4% less compared to those in 2012). Non-current assets diminished by 12.7%, i.e. 2.4% as compared to the previous year, mostly as a consequence of a decrease in other intangible assets from 96.4 million PLN to 79.7 million PLN caused by their planned depreciation. Property, plant and equipment grew by 3.1 million PLN, i.e. 0.9% compared to those in 2012. The share of particular items of non-current assets in the total structure of assets has remained at a similar level to those in 2012. An increase of 8.3 million PLN, i.e. 1.3% in current assets is mostly a result of increases of 25.4 million PLN, i.e. 17.8% in cash and cash equivalents, and in long-term contracts receivables (an increase of 22.1 million PLN, i.e. 217.4%). At the same time, their share in total structure of assets grew. The share of other items of current assets in the total structure of assets has remained at a similar level to those in the previous year. There was also a significant increase in available-for-sale financial assets (of 5.1 million PLN, i.e. 313.7%), which is a consequence of an increased investment by Comarch companies in participation units in a money market fund in 2013. At the same time, decreases of 37.4 million PLN, i.e. 9.4% in trade and other receivables and of 8.6 million PLN, i.e. 13.8% in inventories influenced current assets.

<b>EQUITY</b>	<b>31 December 2013</b>	<b>%</b>	<b>31 December 2012</b>	<b>%</b>	<b>Change</b>	<b>Change %</b>
<b>Capital attributable to the company's shareholders</b>						
Share capital	8,051	0.7%	8,051	0.7%	0	0.0%
Other capitals	145,205	12.7%	142,332	12.4%	2,873	2.0%
Exchange differences	2,670	0.2%	3,090	0.3%	-420	-13.6%
Net profit for the current period	25,077	2.2%	40,660	3.5%	-15,583	-38.3%
Retained earnings	445,340	39.0%	427,490	37.3%	17,850	4.2%
	<b>626,343</b>	<b>54.8%</b>	<b>621,623</b>	<b>54.2%</b>	4,720	0.8%
Minority interest	11,368	1.0%	3,319	0.3%	8,049	242.5%
<b>Total</b>	<b>637,711</b>	<b>55.8%</b>	<b>624,942</b>	<b>54.5%</b>	12,769	2.0%
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	110,751	9.7%	94,892	8.3%	15,859	16.7%
Deferred income tax liabilities	599	0.1%	0	0.0%	599	100%
Provisions for other liabilities and charges	40,545	3.5%	41,575	3.6%	-1,030	-2.5%
	<b>151,895</b>	<b>13.3%</b>	<b>136,467</b>	<b>11.9%</b>	15,428	11.3%
<b>Current liabilities</b>						
Trade and other liabilities	194,042	17.0%	232,316	20.3%	-38,274	-16.5%
Current income tax liabilities	11,237	1.0%	7,323	0.6%	3,914	53.4%
Long-term contracts liabilities	33,416	2.9%	17,045	1.5%	16,371	96.0%
Credit and loans	20,700	1.8%	36,325	3.2%	-15,625	-43.0%
Financial liabilities	0	0.0%	180	0.0%	-180	-100.0%
Provisions for other liabilities and charges	93,300	8.2%	92,145	8.0%	1,155	1.3%
	<b>352,695</b>	<b>30.9%</b>	<b>385,334</b>	<b>33.6%</b>	-32,639	-8.5%
<b>Total liabilities and charges</b>	<b>504,590</b>	<b>44.2%</b>	<b>521,801</b>	<b>45.5%</b>	-17,211	-3.3%
<b>Total equity and liabilities</b>	<b>1,142,301</b>	<b>100.0%</b>	<b>1,146,743</b>	<b>100.0%</b>	-4,442	-0.4%

Over the course of 2013, the share structure of equity and liabilities has not changed significantly. Equity grew over the year 2013 by 2%, mostly as a result of high net profit generated in 2012. There was a significant increase in minority interest (11.4 million PLN compared to 3.3 million PLN in 2012). The share of equity in total equity and liabilities has grown slightly (55.8% in 2013 compared to 54.5% in 2012). Total liabilities and charges constituted 44.2% in total equity and liabilities compared to 45.5% in the previous year. Their value decreased by 17.2 million PLN, i.e. 3.3% compared to those in the previous year, mostly as a consequence of a decrease of 38.3 million PLN in trade and other liabilities. Their share in total equity and liabilities structure also diminished (from 20.3% to 17%). Credits and loans have maintained the previous year's level, long-term credit and loans grew by 15.9 million PLN as a consequence of acquiring new credits and short-term credits and loans decreased by 15.6 million PLN, mostly as a consequence of payment of loans granted by suppliers of computer hardware and software. There was an increase in long-term contracts liabilities (33.4 million PLN compared to 17.1 million PLN in 2012). The share of other items of total liabilities and charges has not changed significantly.

<b>Debt analysis</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Debt ratio	11.51%	11.44%	11.38%	10.11%	10.69%
Debt/equity ratio	20.99%	21.11%	19.38%	17.03%	17.82%

Debt/equity ratio decreased from 21.11% to 20.99% and debt ratio increased from 11.44% to 11.51%. This is related to bank credits taken out by the Comarch Group to finance investments. The Group is financed with internal means in 55.8% and with external means in 44.2%.

	2013	%	2012	%	Change	Change %
<b>Revenue</b>	<b>938,976</b>	<b>100.0%</b>	<b>883,876</b>	<b>100.0%</b>	55,100	6.2%
Cost of sales	-729,103	-77.6%	-688,379	-77.9%	-40,724	5.9%
<b>Gross profit</b>	<b>209,873</b>	<b>22.4%</b>	<b>195,497</b>	<b>22.1%</b>	14,376	7.4%
Other operating income	11,710	1.2%	16,299	1.8%	-4,589	-28.2%
Sales and marketing costs	-98,932	-10.5%	-85,396	-9.7%	-13,536	15.9%
Administrative expenses	-72,083	-7.7%	-73,295	-8.3%	1,212	-1.7%
Other operating expenses	-16,122	-1.7%	-22,338	-2.5%	6,216	-27.8%
<b>Operating profit</b>	<b>34,446</b>	<b>3.7%</b>	<b>30,767</b>	<b>3.5%</b>	3,679	12.0%
Finance revenue -net	2,316	0.2%	8,993	1.0%	-6,677	-74.2%
Share of profit / (loss) of associates	-38	0.0%	-23	0.0%	-15	65.2%
<b>Profit before income tax</b>	<b>36,724</b>	<b>3.9%</b>	<b>39,737</b>	<b>4.5%</b>	-3,013	-7.6%
Income tax expense	-13,470	-1.4%	-2,485	-0.3%	-10,985	442.1%
<b>Net profit for the period</b>	<b>23,254</b>	<b>2.5%</b>	<b>37,252</b>	<b>4.2%</b>	-13,998	-37.6%
<b>Attributable to:</b>						
<b>Shareholders of the parent company</b>	<b>25,077</b>	<b>2.7%</b>	<b>40,660</b>	<b>4.6%</b>	-15,583	-38.3%
<i>Interests not entitled to control</i>	<i>-1,823</i>	<i>-0.2%</i>	<i>-3,408</i>	<i>-0.4%</i>	<i>1,585</i>	<i>-46.5%</i>

In 2013, the Comarch Group sales revenue climbed by 6.2%, i.e. 55.1 million PLN year on year. Operating profit reached 34.4 million PLN (an increase of 12% compared to 2012). Net profit attributable to the parent company's shareholders decreased by 38.3% and amounted to 25.1 million PLN.

<b>Profitability analysis</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Margin on sales	22.35%	22.12%	24.45%	23.14%	19.01%
EBIT margin	3.67%	3.48%	4.94%	3.26%	1.97%
Gross margin	3.91%	4.50%	5.06%	3.28%	2.53%
Net margin	2.67%	4.60%	4.61%	5.74%	4.43%

In 2013, the Comarch Group's activity was profitable. Margin on sales and EBIT margin slightly grew, and gross margin and net margin decreased as a result of a decrease in profit before income tax and net profit attributable to the shareholders of the parent company.

<b>Liquidity analysis</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Current ratio	1.77	1.60	1.98	2.21	2.37
Quick ratio	1.53	1.41	1.78	1.98	2.16
Cash to current liabilities ratio	0.48	0.37	0.70	0.81	1.01

In 2013, the Comarch Group maintained very good financial liquidity. In the Management Board's opinion, the 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 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Current assets turnover ratio	1.50	1.43	1.44	1.38	1.52
Receivable turnover ratio (days)	140	163	135	136	110
Inventories turnover ratio (days)	109	107	140	121	75
Liabilities turnover ratio (days)	185	209	189	184	166
Liabilities turnover excluding liabilities due to investment credit ratio (days)	147	162	139	140	122

Turnover ratios confirm the effective use of the Comarch Group's funds. In 2013, the current assets turnover ratio slightly increased, inventories turnover ratio maintained the previous year's level, 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**

As at the 31<sup>st</sup> of December, 2013, the Group had liabilities due to credits and loans in the amount of 131.45 million PLN.

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 20 million PLN, 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. 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, 2013, the value of the credit to be repaid amounted to 0.75 million EUR, i.e. 3.11 million PLN.
- b) An investment credit from BZ WBK Bank S.A. (formerly Kredyt Bank S.A.) with its registered office in Warsaw, for the financing of the second construction stage of production and office buildings in the

Special Economic Zone in Krakow. The credit amounts to 80% of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2022. This credit has a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of January, 2013, the company repaid total due amount resulting from the afore-mentioned credit. The information was announced in current report RB-2-2013 dated the 31<sup>st</sup> of January, 2013. On the 8<sup>th</sup> of March, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established as a security for the afore-mentioned investment credit. Information was announced by current report no. 5/2013 dated the 8<sup>th</sup> of March, 2013. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to PLN 0.

- c) 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 44 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. 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, 2013, the value of the credit to be repaid amounted to 6.66 million EUR, i.e. 27.62 million PLN.
- d) 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 15.1 million PLN. The crediting period may last a maximum of 5 years, i.e. until 2012. This credit has a variable interest rate. 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. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 15.1 million PLN.
- e) An investment credit from Bank DnB NORD Polska S.A. (previously DnB NORD Polska S.A.) with its registered office in Warsaw, for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to a maximum of 80% of the investment value of up to 22 million PLN. The crediting period may last 11 years, i.e. until 2021. This credit has a variable interest rate. The real estate mortgage and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. On the 1<sup>st</sup> of October, 2013, Comarch S.A. paid total due debt resulting from the above-mentioned credit agreement (current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013). On the 18<sup>th</sup> of November, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established in 2010 as a security for the afore-mentioned investment credit (current report no. 23/2013 dated the 18<sup>th</sup> of November, 2013). As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0 PLN.
- f) 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 (point e) above). The credit amounts to 4.13 million EUR. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of 6.19 million EUR 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. On the 4<sup>th</sup> of October, 2013, the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered the afore-mentioned mortgage in the Land and Mortgage Register. Company announced details in current report no. 22/2013 dated the 14<sup>th</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 4 million EUR, i.e. 16.58 million PLN.
- g) 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 2.4 million EUR. 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.

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, 2013, the value of the credit to be repaid amounted to 1.53 million EUR, i.e. 6.33 million PLN.

- h) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to 7.4 million EUR. 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. The real estate mortgage located in the Special Economic Zone in Krakow was registered on the 30th of January, 2013, made by the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register (current report no. 3/2013 dated the 6<sup>th</sup> of February, 2013) and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.68 million EUR, i.e. 27.72 million PLN.
- i) An investment credit from 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 56 million PLN, 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. 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 84 million PLN (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. 5/2014 dated the 19<sup>th</sup> of February, 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, 2013, value of the credit taken out amounted to 0.13 million EUR, i.e. 0.52 million PLN (current report no. 26/2013 dated the 4<sup>th</sup> of December, 2013).

Credits acquired by subsidiaries of Comarch S.A.:

- j) 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 15.89 million PLN 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 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 11.35 million PLN.
- k) 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 6 million EUR, 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, 2013, the value of the credit to be repaid amounted to 5.59 million EUR, i.e. 23.17 million PLN.

In 2013, 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, 2013, Comarch Group has the credit limits in current account in the amount of 53.78 million PLN.

- 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, 2014. 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, 2013, 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 13.28 million PLN. It can be used by the 28<sup>th</sup> of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.

Comarch S.A., CA Consulting S.A. and Comarch Polska S.A. have a credit limit in current account, granted by Bank Pekao S.A. with its registered office in Warsaw, in the amount of 30 million PLN. It can be used by the 31<sup>st</sup> of May, 2014. An authorisation to manage Comarch SA, CA Consulting S.A. and Comarch Polska S.A.'s accounts, a declaration of submission to enforcement from these companies, a Comarch S.A.'s promissory note and an accession of Comarch S.A. to CA Consulting S.A. and Comarch Polska S.A.'s credit debt are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.

ESAProjekt sp. z o.o., a subsidiary of Comarch S.A., has a credit limit in current account, granted by Alior Bank S.A. with its registered office in Warsaw, in the amount of 0.5 million PLN. It can be used by the 27<sup>th</sup> of January, 2014. A promissory note and an authorisation to manage ESAProjekt sp. z o.o.'s accounts in Alior Bank S.A. As at the 31<sup>st</sup> of December, 2013, the credit was not used. After the balance sheet date, the loan agreement expired.

## 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, 2013, the value of the credit to be repaid amounted to 0.24 million PLN.

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 1.14 million PLN 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. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0.23 million PLN.

### 10.3.2. Loans Granted to Companies in Comarch Group

As at 31<sup>st</sup> of December, 2013, 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	30.06.2014	150,000.00	USD	2.41%	451,800.00
Comarch SAS	30.06.2014	200,000.00	EUR	2.34%	829,440.00
	31.12.2014	100,000.00	EUR	2.34%	414,720.00
	31.12.2014	150,000.00	EUR	2.34%	622,080.00
	30.06.2014	200,000.00	EUR	2.34%	829,440.00
iMed24 S.A.	30.06.2014	600,000.00	PLN	4.71%	600,000.00
	30.06.2014	200,000.00	PLN	4.71%	200,000.00
	30.06.2014	500,000.00	PLN	4.71%	500,000.00
	31.12.2014	130,000.00	PLN	4.71%	130,000.00
	31.12.2014	100,000.00	PLN	4.71%	100,000.00
	31.12.2014	550,000.00	PLN	4.71%	550,000.00

	31.03.2014	300,000.00	PLN	4.71%	300,000.00
	31.12.2014	300,000.00	PLN	4.71%	300,000.00
	31.12.2014	360,000.00	PLN	4.71%	360,000.00
	31.12.2014	400,000.00	PLN	4.71%	400,000.00
	31.12.2014	280,000.00	PLN	4.71%	280,000.00
	31.12.2014	700,000.00	PLN	4.72%	700,000.00
SolInteractive S.A.	30.06.2014	75,000.00	PLN	6.98%	75,000.00
	25.05.2015	17,501.00	EUR	2.65%	72,581.00
ESAProjekt sp. z o.o.	31.12.2014	400,000.00	PLN	4.70%	400,000.00
Bonus Development sp. z o.o. SKA	30.06.2025	3,858,729.00	PLN	2.66%	3,858,729.00
<b>Total</b>					<b>11,973,790.00</b>

The value of the revaluation write-off of the above-mentioned loans amounts to 0.45 million PLN and is related to OOO Comarch.

### 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, 2013, 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, 2013, loans granted by other companies in the Comarch Group to managing and supervising persons of the company and their relatives amounted to 7.14 million PLN. 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, 2013, there are no unpaid housing loans granted to employees in the Comarch Group.

## 10.4 Suretyships

a) 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.

b) 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 till the 29<sup>th</sup> of November, 2013.

c) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 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 Inc. The value of the surety equals a maximum of 3 million USD and is valid till November, 2016.

- d) 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 (5.24 million EUR and additionally 0.35 million EUR annually) and was valid until the 31<sup>st</sup> of March, 2014.
- e) 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.
- f) 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 0.15 million EUR and is valid until the 31<sup>st</sup> of March, 2015.
- g) Due to conclusion of contracts for fuel cards service signed by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A., subsidiaries of Comarch S.A., on the 1<sup>st</sup> of June, 2012, 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 the contracts by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A. The value of the surety equals 0.2 million PLN (0.05 million PLN for each company) and was valid until the 31<sup>st</sup> of May, 2013. On the 1<sup>st</sup> of June, 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 the above mentioned contracts by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A. The value of the surety equals 0.2 million PLN (0.05 million PLN for each company) and is valid until the 31<sup>st</sup> of May, 2014.
- h) 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 will be made.
- 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 an eFinancing agreement for financing of suppliers, signed by Comarch Polska S.A., a subsidiary of Comarch S.A., and Bank PEKAO S.A., Comarch S.A. granted a surety for obligations of Comarch Polska S.A. The surety was granted up to the maximum amount of liabilities of Comarch Polska S.A. resulting from this agreement, i.e. PLN 13,000,000 and is valid till the 31<sup>st</sup> of March, 2013. In the first quarter of 2013, in relation to repayment of liabilities by Comarch Polska S.A. resulting from the agreement, the liability expired.
- k) Due to bank BPH S.A. granting a limit for treasury transactions for iReward24 S.A, a subsidiary of Comarch S.A, Comarch S.A. granted a surety for obligations of iReward24 S.A. in the amount of 0.45 million PLN. As a result of the limit expiration, the surety expired on 30<sup>th</sup> of September, 2013.
- l) Due to conclusion of a loan agreement for financing of delivery of hardware related to an IT project, signed by Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of CA Consulting S.A. The surety was granted up to the amount of PLN 13,215,846.60 and was valid till all payment obligations related to the loan agreement are completed, i.e. 2<sup>nd</sup> September, 2013.
- m) 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 3,692,115 and is valid for the whole term of the contract, i.e. until the March, 2018.

n) Due to granting a credit to Comarch Polska S.A., a subsidiary of Comarch S.A., for sales of products and services through a supplier, on the 12<sup>th</sup> of April, 2013, Comarch S.A. granted a surety for future obligations of Comarch Polska S.A. resulting from credit limit. The surety was granted up to the maximum amount of 3 million PLN and is valid till the 31<sup>st</sup> of December, 2013.

o) 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.

p) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through Sachsische 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 0.26 million EUR 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.

q) 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 6 million EUR, 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 9 million EUR and is valid till the 15<sup>th</sup> of May, 2020.

r) 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 2,051,238 and is valid for the whole term of the contract, i.e. till the October, 2016.

s) 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.

t) 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 300,000 and EUR 2,337,879, and is valid till the end of this project, i.e. till the March, 2019.

u) Due to conclusion of a contract for services related to data centre, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch AG resulting from this project. The surety was granted up to the maximum amount of the signed agreement, i.e. EUR 183,961.08, and is valid till the end of this project, i.e. till the October, 2016.

v) 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 2 million PLN, 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 2 million PLN and is valid till the 28<sup>th</sup> of February, 2014.

w) 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 million PLN and is valid till the 31<sup>st</sup> of May, 2028.

x) 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. The surety was granted up to the amount of PLN 30,000 and is valid till the 20<sup>th</sup> of December, 2016.

y) Due to conclusion of a contract for SLA services of Comarch ECM, 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. EUR 211,524 and is valid till the termination of the contract, i.e. till the end of 2014.

z) 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, i.e. till the end of July, 2019.

## 10.5 Bank Guarantees and Significant Off- Balance Sheet Items

On 31<sup>st</sup> of December, 2013, 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 70.77 million PLN, whereas it was 67.86 million PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, the value of bank guarantees issued by banks on order from CA Consulting S.A. in reference to executed agreements and participation in tender proceedings was 0 million PLN, whereas it was 0.8 million PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, 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 0.64 million PLN, whereas it was 0 PLN on 31<sup>st</sup> of December, 2012.

On 31<sup>st</sup> of December, 2013, 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 0.29 million EUR, i.e. 1.2 million PLN, whereas it was 0.25 million EUR, i.e. 1.03 million PLN on 31<sup>st</sup> of December, 2012.

Comarch S.A. granted letters of comfort for its subsidiaries: Comarch Software und Beratung AG (it was valid till the 31<sup>st</sup> of March, 2014), MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30<sup>th</sup> of June, 2015) and iMed24 S.A. (valid till 31<sup>st</sup> of December, 2018).

## 11. The Most Important Events in 2013 and after the Balance-Sheet Date

### 11.1 Contracts the Most Significant for the Comarch Group's Activities

The most important contracts signed in 2013 are:

#### 11.1.1. Agreement on Purchase of MKS Cracovia SSA Shares and Registration of an Increase in Share Capital of the Company

On the 20<sup>th</sup> of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares. MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20<sup>th</sup> of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6<sup>th</sup> of March, 2013; current report no. 6/2013 dated the 14<sup>th</sup> of March, 2013), Comarch S.A. holds 62.16% of votes at the company's general meeting. The company announced details in current report no. 4/2013.

On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). MKS Cracovia SSA invited Comarch SA to purchase 22,800 series G shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch SA to purchase the afore-mentioned shares for a total issue price of PLN 9,391,548, i.e. for issue price of 411.91 PLN for one series G share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 9,391,548 which was made by Comarch SA on the 11<sup>th</sup> of December, 2013. After the registration (decision of the District Court

for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register of 7th of January, 2014; current report no. 4/2014 dated the 28<sup>th</sup> of January, 2014), Comarch S.A. held 66.11% votes at the company's AGM.

#### **11.1.2. Investment Credit Agreement**

On the 16<sup>th</sup> of May, 2013, the Management Board of Comarch S.A. announced that on 15<sup>th</sup> of May, 2013, Comarch AG, a subsidiary of Comarch S.A., signed an investment credit agreement with bank BNP Paribas Bank Polska S.A. with its registered office in Warsaw, for financing and refinancing of 80% of net value of an investment related to construction of Comarch AG office building and data centre in Dresden. The credit amounts to 6 million euro. The crediting period: till 15<sup>th</sup> of May, 2018, at a variable interest rate. It was taken out on 25<sup>th</sup> of July, 2013. The surety up to the amount of 9 million euro granted by Comarch S.A. and declaration of submission to enforcement, mortgage on land (in German *Grundschuld*) in the amount of 6 million euro (on the 13<sup>th</sup> of June, 2014, it was entered into the Land and Mortgage Register by the District Court in Dresden (in German: *Amtsgericht Dresden, Grundbuchamt*) –current report no. 16/2013 dated the 3<sup>rd</sup> of July, 2013) and related interests (16%), as well as cession of rights in the building insurance policy in the amount of at least 6 million euro are security for this credit. Company announced details in current report no. 9/2013 dated the 16<sup>th</sup> of May, 2013.

#### **11.1.3. Investment Credit Agreement and Mortgage Registration**

On 30<sup>th</sup> of September, 2013, Comarch S.A. signed a credit agreement with 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 and mentioned in point 3.13.1 e) of the financial statement. The credit amounts to EUR 4,126,007.39, i.e. PLN 17,424,129.21. The crediting period may last 8 years at a variable interest rate. The loan was drawdown on the 1<sup>st</sup> of October, 2013. The real estate mortgage in the amount of EUR 6,189,011.09, i.e. PLN 26,136,193.83 and cession of rights in the building insurance policy are security for this credit. The Management Board of Comarch S.A. announced also that on the 1<sup>st</sup> of October, 2013, the due credit amount related to the afore-mentioned agreement with DnB NORD Bank Polska S.A. was paid in total. Company announced details in current report no. 20/2103 dated the 1<sup>st</sup> of October, 2013.

On the 4<sup>th</sup> of October, 2013, District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered a mortgage on a real estate located in the Special Economic Zone in Krakow and owned by Comarch S.A. The basis for this registration is an investment credit agreement dated the 30<sup>th</sup> of September, 2013, signed between bank Powszechna Kasa Oszczędności Bank Polski S.A. and Comarch S.A. and mentioned above. Company announced details in current report no. 22/2013 dated the 14<sup>th</sup> of October, 2013.

#### **11.1.4. Agreement with Consortium of Łęgrzem 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 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem 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 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

#### **11.1.5. Contract for Delivery and Implementation of IT System in Relation to e-Health Project under the Name “Podlaski System Informacyjny e-Zdrowie”**

On the 27<sup>th</sup> of November, 2013, Comarch Polska S.A., a subsidiary of Comarch S.A., signed a contract with 26 healthcare entities, 10 districts and Województwo Podlaskie represented by management board of Województwo Podlaskie, for delivery and implementation of comprehensive IT system in relation to project: “Podlaski System Informacyjny e-Zdrowie” (e-Health IT System for Województwo Podlaskie). Net value of the contract amounts to PLN 19,392,080.30 and it will be performed within 16 months from the signing date. The contract includes, among others, delivery and implementation of the following systems: Regional Medical Repository, Regional BI System including Data Warehouse, Website for a Patient, Website for a Manager, systems for registers, local systems as Enterprise Resource Planning, BI Systems including Data Warehouse, Hospital Information Systems, Electronic Data Interchange and Electronic Medical Documentation in 26 healthcare entities in region of podlaskie voivodeship. Additionally, after delivery and

implementation of systems comprised by the contract, Comarch Polska S.A. will provide, among others, 3-year maintenance (current report no. 25/2013 dated the 27<sup>th</sup> of November, 2013).

#### **11.1.6. Investment Credit Agreement**

On the 4<sup>th</sup> of December, 2014, Comarch S.A. signed 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 56 million PLN, 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. 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 84 million PLN (on the 13<sup>th</sup> of February in was entered into the Land and Mortgage Register by the District Court for Kraków-Podgórze in Kraków, the Fourth Division of the Land and Mortgage Register-current report no. 5/2014 dated the 19<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 (current report no. 26/2013 dated the 4<sup>th</sup> of December, 2013).

### **AFTER THE BALANCE SHEET DATE**

#### **11.1.7. 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.

#### **11.1.8. Operating Credit Agreement**

As of the 8<sup>th</sup> of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw (current report no. 9/2014 dated the 9<sup>th</sup> of April, 2014), 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. 6/2014 dated the 21<sup>st</sup> of March, 2014). The credit amounts to 35 million PLN. The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate. 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.

#### **11.1.9. 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. 11/2014 dated the 25<sup>th</sup> of April, 2014.

## 11.2 Other

### 11.2.1. Recommendation of Comarch S.A.'s Management Board Regarding Dividend

On the 14<sup>th</sup> of May, 2013, with the current report no. 8/2013, the Management Board of Comarch S.A. announced that they would recommend to the company's General Shareholders' Meeting the following distribution of the net profit achieved by Comarch S.A. in 2012:

- a) PLN 12,077,455.50 will be paid as dividend. Persons who will be the company's shareholders on the dividend's day will get the dividend in the amount of PLN 1.50 per one share. The dividend will be allocated to 8,051,637 shares.
- b) The remaining part of the net profit in the amount of PLN 29,526,384.39 (will be passed to supplementary capital).

### 11.2.2. Resolution of the AGM Regarding Dividend for 2012

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2012-31 December 2012 net profit in the amount of PLN 41,603,839.89 will be divided as follows:

1. PLN 12,077,455.50 will be paid as dividend.

Persons who were the company's shareholders on the 1<sup>st</sup> of August, 2013 (dividend's day), got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,051,637 shares and was paid out on the 19<sup>th</sup> of August, 2013.

2. The remaining part of the net profit in the amount of PLN 29,526,384.39 was passed in total to supplementary capital.

### AFTER THE BALANCE SHEET DATE

None present.

## **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**

On the 21<sup>st</sup> of January, 2013, CAMS AG with its registered office in Luzern in Switzerland was registered. CASA Management and Consulting sp. z o.o. SK-A holds 51% of shares, other shares are held by natural persons. The company's share capital amounts to 0.1 million CHF and it was paid in total in the first half of 2013.

On the 25<sup>th</sup> of January, 2013, a share increase in Bonus Management sp. z o.o. II Activia SK-A was registered. On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Management sp. z o.o. II Activia SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 1,542,700.00 through issue of 19,700 shares of nominal value of PLN 1.00 each. On the 17<sup>th</sup> of October, 2013, it was registered.

Between 8<sup>th</sup> and 11<sup>th</sup> of February, 2013, CASA Management and Consulting sp. z o.o. SK-A paid a second rate in the amount of CHF 300,000 for A-MEA Informatik AG shares purchased in 2012.

On the 12<sup>th</sup> of February, 2013, an increase in iMed24 SA's share capital from 1.6 million PLN to 1.75 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register. On the 29<sup>th</sup> of May, 2013, an increase in iMed24 S.A.'s share capital from 1.75 million PLN to 2.05 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 18<sup>th</sup> of July, 2013, an increase in iMed24 S.A.'s share capital from 2.05 million PLN to 2.45 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 3<sup>rd</sup> of September, 2013, Extraordinary Annual General Meeting of iMed24 S.A. passed a resolution on an increase in the company's share capital to PLN 2,850,000.00.

On the 20<sup>th</sup> of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares (current report no. 4/2013 dated the 20<sup>th</sup> of February, 2013). MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20<sup>th</sup> of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6<sup>th</sup> of March, 2013; current report no. 6/2013 dated the 14<sup>th</sup> of March, 2013), Comarch S.A. held 62.16% of votes at the company's general meeting.

On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). The capital was paid in total on the 11<sup>th</sup> of December, 2013. After the registration, Comarch S.A. will hold 66.11% votes at the company's AGM. The formal registration of the increase was

on the 7<sup>th</sup> of January, 2014, however due to the fact that the increased capital was paid in total in 2013, and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31<sup>st</sup> of December, 2013.

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's share capital amounts to 0.3 million CHF and was paid in total in the first half of 2013.

On the 9<sup>th</sup> of April, 2013, an increase up to 15 million euro in the share capital of Comarch AG was registered.

On the 15<sup>th</sup> of April, 2013, a sole shareholder of Comarch SAS acting through general meeting decided to increase the company's share capital from EUR 1,800,000 to EUR 2,800,000 by issuance of 1,000,000 new shares. The increase was performed on the 22<sup>nd</sup> of April, 2013, and confirmed by CEO of Comarch SAS by their decision approving this increase in the company's share capital.

On the 23<sup>rd</sup> of May, 2013, Comarch Chile SpA was registered in Santiago in Chile. The company's share capital amounts to 24 million CLP.

On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Development sp. z o.o. II Koncept SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 91,863.00 through issue of 5,600 shares of nominal value of PLN 1.00 each. On the 1<sup>st</sup> of October, 2013, it was registered.

On the 1<sup>st</sup> of July, 2013, Extraordinary General Meeting of CASA Management and Consulting sp. z o.o. SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 3,114,000. On the 6<sup>th</sup> of September, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register the increase was registered.

On the 25<sup>th</sup> of October, 2013, Extraordinary Annual General Meeting of Comarch Management sp. z o.o. passed a resolution on an increase in the company's share capital to PLN 250,000.00. On the 2<sup>nd</sup> of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register, the increase was registered.

On the 17<sup>th</sup> of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SolInteractive S.A. After registration of the increase in share capital of SolInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ 16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17<sup>th</sup> of December, 2013. The registration was registered in the first quarter of 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. As at the publication date, the increase was not registered.

With the notarial deed of the 6<sup>th</sup> of February, 2014, 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.

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).

## 12.2. Real Estates

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem 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 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 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, 2013, book value of this equipment amounts to 13.96 million PLN.

In Łódź, design works are performed and related to a new office building. Their completion is planned for Q1 2014. This investment is planned for 2014-2015.

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. The estimated value of this investment amounts to approximately 6 million EUR. Preparation works will last till the end of the second quarter of 2014, and decision on commencing of the investment will depend on the current business condition.

At the end of the first quarter of 2011, Comarch AG began construction works in relation to investment in Dresden, consisting in the renovating the existing building and adapting it for office purposes, and in the construction of a new building for Comarch Data Centre. Construction works were completed in March, 2013. Total investment expenditures amounted to approx. 12 million EUR.

## 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 2 million EUR, 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, point 1 of the "Corporate Governance Principles", in current report no. EBI 1/2013 dated the 27<sup>th</sup> of May, 2013, Comarch S.A.'s Management Board reported that on the 27<sup>th</sup> of May, 2013, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2013 in which projects of the resolutions at the AGM, to be held on the 26<sup>th</sup> of June, 2013, are given positive opinions.

Pursuant to the rule number 1) included in the third part, point 1 of the "Corporate Governance Principles", in current report no. EBI 2/2013, Comarch S.A.'s Management Board presented 2012 activities' report of Comarch S.A.'s Supervisory Board and assessment of the company's situation in 2012 including assessment of the company's internal system control and risk management of the company.

### **14.2. Annual General Meeting – 26.06.2013**

Convention of the AGM, Agenda of the Meeting and Information on Participation in the Company's General Meeting

On the 27<sup>th</sup> of May, 2013, 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 10:00 o'clock on the 26<sup>th</sup> of June, 2013, 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: 9<sup>th</sup> of June, 2012,
- 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 report no. 10/2013.

#### a) Content of the Resolutions Passed at the AGM

On the 26<sup>th</sup> of June, 2013, 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 1.01.2012 - 31.12.2012;
- approving the report of the Management Board regarding the activities of the company in 2012;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2012 - 31.12.2012;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2012;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2012, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2012 - 31.12.2012;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2012 - 31.12.2012;
- election of the Supervisory Board's members (RB 13/2013 dated the 26<sup>th</sup> of June, 2013):
  1. Elżbieta Filipiak – Chairman of the Supervisory Board,
  2. Maciej Brzeziński – Vice-Chairman of the Supervisory Board,
  3. Danuta Drobnik- member of the Supervisory Board,
  4. Wojciech Kucharzyk-member of the Supervisory Board,
  5. Anna Ławrynowicz-member of the Supervisory Board,
  6. Anna Pruska-member of the Supervisory Board;
- election of the Management Board's members (RB 14/2013 dated the 26<sup>th</sup> of July, 2013):
  1. Janusz Filipiak - President of the Management Board,
  2. Piotr Piątosza – Vice-President of the Management Board,
  3. Paweł Prokop – Vice-President of the Management Board,
  4. Piotr Reichert – Vice-President of the Management Board,
  5. Zbigniew Rymarczyk – Vice-President of the Management Board,
  6. Konrad Tarański – Vice-President of the Management Board,
  7. Marcin Warwas – Vice-President of the Management Board;
- new managerial option programme;
- changes in company's statute. The change was registered with the notice, dated the 17<sup>th</sup> of July, 2013, by the District Court for Kraków-Śródmieście, The Eleventh Economic Division of the National Court Register (RB 19/2013 dated the 25<sup>th</sup> of July, 2013).

The full content of the resolutions was published on 26<sup>th</sup> of June, 2013, in the current report no. 11/2013.

#### b) Resolution of the AGM Regarding Dividend for 2012

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2012-31 December 2012 net profit in the amount of PLN 41,603,839.89 will be divided as follows:

1. PLN 12,077,455.50 will be paid as dividend.

Persons who were the company's shareholders on the 1<sup>st</sup> of August, 2013 (dividend's day), got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,051,637 shares and was paid out on the 19<sup>th</sup> of August, 2013.

2. The remaining part of the net profit in the amount of PLN 29,526,384.39 was passed in total to supplementary capital.

## 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, 2013, Elżbieta Filipiak and Janusz Filipiak held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak - 893,000 registered preference shares which gave 4,465,000 votes at the AGM, which constituted 51% of the all votes at this AGM and which constituted 29.68% 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 48.31% of the all votes at this AGM and which constituted 28.12% of the total number of votes.
- The total number of votes from all emitted Comarch S.A. shares is 15,045,237. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2013 held shares giving 8,755,287 votes. Company announced details in current report no. 15/2013 dated the 26<sup>th</sup> of June, 2013.

## 15. Operations on Comarch S.A Shares

### 15.1. Purchase/Disposal Transactions on Comarch S.A. Shares

On the 11<sup>th</sup> of July, 2013, a member of Comarch S.A.'s Management Board sold 6,974 ordinary bearer Comarch S.A shares for price of PLN 84.89 each. The value of the transaction amounted to PLN 592,022.90. The above-mentioned transaction was concluded on regulated market at the Warsaw Stock Exchange. Information was prepared on the 12<sup>th</sup> of July, 2013 in Krakow. The company announced details in current report no. 18/2013 dated the 12<sup>th</sup> of July, 2013.

#### AFTER THE BALANCE SHEET DATE

None present.

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

Detailed information on managerial option programme was described in point 3.14.3 of the consolidated financial statement.

## 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 2013 and after the Balance Sheet Date

### 17.1. Dates of Periodical Financial Reports in 2013

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. 1/2013, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2013.

## **17.2. The List of Comarch S.A. Current Reports and Financial Statements Made Public in 2012**

On 7<sup>th</sup> of May, 2013, Management Board of Comarch S.A. presented the list of Comarch S.A.'s current reports and financial statements made public in 2012 (current report no. 7/2013). The originals of these documents are located at al. Jana Pawła II 41e, Krakow, Poland. They are also available at <http://www.comarch.pl/relacje-inwestorskie/raporty-biezace/params/date/2012> <http://www.comarch.com/investors/investor-reports/params/date/2012/>

## **17.3. Recommendation of Comarch S.A.'s Management Board Regarding Dividend**

On the 14<sup>th</sup> of May, 2013, with the current report no. 8/2013, the Management Board of Comarch S.A. announced that they would recommend to the company's General Shareholders' Meeting the following distribution of the net profit achieved by Comarch S.A. in 2012:

- a) PLN 12,077,455.50 will be paid as dividend. Persons who will be the company's shareholders on the dividend's day will get the dividend in the amount of PLN 1.50 per one share. The dividend will be allocated to 8,051,637 shares.
- b) The remaining part of the net profit in the amount of PLN 29,526,384.39 (will be passed to supplementary capital).

## **17.4. Declaration Regarding the Acceptance of the Corporate Governance Principles**

Pursuant to §29 section 5 of the Rules for 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 as attachment to the annual statement published on 30<sup>th</sup> of April, 2013.

### **AFTER THE BALANCE SHEET DATE**

## **17.5. Dates of Periodical Financial Reports in 2014**

In the current report no. 1/2014 dated the 13<sup>th</sup> of January, 2014, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2014:

- 1) Q4 2013 - on 28<sup>th</sup> of February, 2014
- 2) Q1 2014 - on 15<sup>th</sup> of May, 2014
- 3) Q3 2014 - on 14<sup>th</sup> of November, 2014
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2014 - on 29<sup>th</sup> of August, 2014
- 5) Annual report for 2013 - on 30<sup>th</sup> of April, 2014
- 6) Consolidated annual report for 2013 - on 30<sup>th</sup> of April, 2014

## **17.6. Registration of Changes in Comarch S.A. Articles of Association**

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 changes in the company's Articles of Association (current report no. 8/2014 dated the 4<sup>th</sup> of April, 2014).

Article 7 sec. 1 of the company's articles of association is worded as follows: "The Company's share capital comes to PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) and is divided into PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 every share, including:

- 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."

### **17.7. Resolution of the National Deposit for Securities on the Registration of Series K3 Shares**

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. 10/2014 dated the 25<sup>th</sup> of April, 2014.

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

Between the 1<sup>st</sup> of January, 2014 and the 30<sup>th</sup> of April, 2014, Comarch S.A. concluded forward contracts for the sales of 3.5 million euro, 1.7 million USD and 1.7 million GBP. The total net value of open forward contracts as of the 30<sup>th</sup> of April, 2014 amounted to 10.6 million EUR, 3.3 million USD and 1.6 million GBP. The open forward contracts as of the 30<sup>th</sup> of April, 2014 were valued at 2.15 million PLN. The contracts will be settled within twenty one 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 68.55 million PLN, thus reached almost 11% of revenue in 2013. Comarch allocated there internal funds as well as acquired actively European funds.

### Comarch S.A.

In 2013, Comarch S.A. continued 7 projects (contracts for financing signed in December, 2010) within the Operational Programme Innovative Economy 1.4 – 4.1 (December 2010). The research and development projects financed within the OPIE 1.4-4.1 include:

- Secure Internet Transaction Authorization System Based on External Devices,
- Comarch Mobile Finance,
- Customer Relationship Management System,
- Innovative IT System for the Factoring Process,
- Advanced Marketing Information Management Platform,
- Innovative Mobile Sales Support Platform ECOD Agent 3.0,
- Reporting and Customers Service platform for Traditional Distribution Channels, ECOD Distribution 3.0.



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Fundusze Europejskie – dla rozwoju innowacyjnej gospodarki

In addition, in 2013, 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 scope of priority 1.4 of the Sectoral Operational Programme Comarch S.A. continued project (agreement signed in 2012) in the area of e-Medicine: “Effective, Efficient and Safe System for Viewing and Transmitting Medical Images”

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. In the second half of 2013, a new agreement was signed and it is for financing of a 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.

In the second half of 2013 ESAProjekt sp. z o.o. signed the grant agreement for the SAWSOC (Situation AWare Security Operations Centre) project funded through the 7 Framework Programme.

## 20. Capital Affiliations

### 20.1. Organisational Structure of the Comarch Group

On 31<sup>st</sup> of December, 2013, 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 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),
    - SoftM France S.à r.l. with its registered office in Oberhausbergen in France (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 Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (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 s.r.o. with its registered office in Bratislava in Slovakia (100%),
- SouthForge 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 (38.57% votes held by CCF FIZ; 61.43% 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. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. II Koncept SK-A 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, 2013, an associate of the parent company is:

- through Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty: SolInteractive S.A. with its registered office in Krakow in Poland (18.52% votes held by CCF FIZ).

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

## 20.2. 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 Oy, Comarch UK and Comarch Chile SpA acquire IT contracts in foreign markets and execute them in their entirety or in part;
- SouthForge sp. z o.o. and Comarch Polska S.A. acquire IT contracts in domestic and foreign markets and execute them in their entirety or in part;
- 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;
- 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,
- 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. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A 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;
- Opso sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) is under liquidation proceedings. 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, Bielsko-Biała, 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 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 2,800,000 and consists of 2,800,000 shares of nominal value of EUR 1 each. On the 15<sup>th</sup> of April, 2013, a sole shareholder of Comarch SAS acting through general meeting decided to increase the company's share capital from EUR 1,800,000 to EUR 2,800,000 by issuance of 1,000,000 new shares. 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 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 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, 2013, UAH 1 is worth circa PLN 0.3706). 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 support 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, 2013, RUB 1 is worth circa PLN 0.0914). 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 is under the liquidation proceedings. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Comarch Vietnam Co. Ltd. is Comarch S.A.'s subsidiary.

Company: **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 0.5731). 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. Activities of Comarch s.r.o. are limited.

Company: **SouthForge sp. z o.o.**  
**(Polish law limited liability company)** **SOUTHFORGE**  
 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. SouthForge 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, SouthForge sp. z o.o. is Comarch S.A.'s subsidiary.

Company: **CA Consulting S.A. (joint stock company)**  **CA CONSULTING**  
 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. SK-A amounts to PLN 90,110.00 and consists of 90,110 shares of nominal value of PLN 1.00 each. CCF FIZ holds 28,258 shares (31.36%) entitling to 38.57% of votes, Comarch S.A. holds 45,000 shares (49.94%) entitling to 61.43% votes, and 16,852 shares (18.7%) were purchased by Comarch Management sp. z o. o. SK-A to be redeemed. Shares purchased by Comarch Management spółka z o. o. SK-A 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 2,865,101 and is divided into 2,865,101 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. SK-A 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 1,542,700 and is divided into 1,542,700 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. 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). Bonus Management sp. z o. o. Cracovia Park SK-A 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 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. 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: **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 91,863 and is divided into 91,863 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 2,850,000 and is divided into 28,500 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 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. iMed24 S.A. 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) iCOMARCH24.PL**  
 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. SK-A is Comarch S.A.'s subsidiary (through CCF FIZ).

Company: **ESAProjekt sp. z o.o. (Polish law limited liability company)**  
 Address: Ul. Długa 1-3, 41-506 Chorzów  
 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. SK-A 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. SK-A).

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. SK-A).

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. SK-A).

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**



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 30.72% of the company's shares (2,000 shares) which give 18,52% of votes. On the 17<sup>th</sup> of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SolInteractive S.A. After registration of the increase in share capital of SolInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ 16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17<sup>th</sup> of December, 2013. The registration was registered in the first quarter of 2014. 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: **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, 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. 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).

#### **Fideltronik-Comarch spółka z ograniczoną odpowiedzialnością (limited liability company)**

The company's share capital is PLN 4,000.00 and is divided into 40 equal and undivided shares of PLN 100 each. Comarch S.A. holds 20 shares of total nominal value of PLN 2,000.00 that constitute 50% of share capital and 50% of votes at the General Meeting. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Fideltronik-Comarch sp. z o.o. is an associate of Comarch S.A. The company did not start to operate.

### **20.3. Changes in Ownership and Organisational Structure in 2013**

On the 21<sup>st</sup> of January, 2013, CAMS AG with its registered office in Luzern in Switzerland was registered. CASA Management and Consulting sp. z o.o. SK-A holds 51% of shares, other shares are held by natural persons. The company's share capital amounts to 0.1 million CHF and it was paid in total in the first half of 2013.

On the 25<sup>th</sup> of January, 2013, a share increase in Bonus Management sp. z o.o. II Activia SK-A was registered. On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Management sp. z o.o. II Activia SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 1,542,700.00 through issue of 19,700 shares of nominal value of PLN 1.00 each. On the 17<sup>th</sup> of October, 2013, it was registered.

On the 12<sup>th</sup> of February, 2013, an increase in iMed24 SA's share capital from 1.6 million PLN to 1.75 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register. On the 29<sup>th</sup> of May, 2013, an increase in iMed24 S.A.'s share capital from 1.75 million PLN to 2.05 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 18<sup>th</sup> of July, 2013, an increase in iMed24 S.A.'s share capital from 2.05 million PLN to 2.45 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 3<sup>rd</sup> of September, 2013, Extraordinary Annual General Meeting of iMed24 S.A. passed a resolution on an increase in the company's share capital to PLN 2,850,000.00.

On the 20<sup>th</sup> of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares (current report no. 4/2013 dated the 20<sup>th</sup> of February, 2013). MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20<sup>th</sup> of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6<sup>th</sup> of March, 2013; current report no. 6/2013 dated the 14<sup>th</sup> of March, 2013), Comarch S.A. held 62.16% of votes at the company's general meeting.

On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). The capital was paid in total on the 11<sup>th</sup> of December, 2013. After the registration, Comarch S.A. will hold 66.11% votes at the company's AGM. The formal registration of the increase was on the 7<sup>th</sup> of January, 2014, however due to the fact that the increased capital was paid in total in 2013,

and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31<sup>st</sup> of December, 2013.

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's share capital amounts to 0.3 million CHF and was paid in total in the first half of 2013.

On the 26<sup>th</sup> of March, 2013, an agreement between CCF FIZ and Comarch Management sp. z o.o. SK-A was concluded, on sales of 14,746 shares to be redeemed, for price of PLN 237.35 per share. Total sales price amounted to PLN 3,499,963.10 and was paid. On the 28<sup>th</sup> of May, 2013, an agreement between CCF FIZ and Comarch Management sp. z o.o. SK-A was concluded, on purchase of own shares to be redeemed. Under this agreement, Comarch Management sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.2 (paid on the 10<sup>th</sup> of June, 2013). As a result of this transaction, CCF FIZ held 50.06% votes and Comarch S.A. held 49.94% votes at the company's general meeting. Shares purchased to be redeemed don't give any votes. On the 30<sup>th</sup> of August, 2013, Annual General Meeting of Comarch Management sp. z o.o. SK-A passed resolutions on, among others, a decrease in the company's share capital from PLN 168,868 to PLN 90,110 and a redemption of 78,758 own shares held by the company. They were registered on the 20<sup>th</sup> of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register. On the 2<sup>nd</sup> of September, 2013, an agreement for purchase of own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Comarch Management sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.20. After the transaction, CCF FIZ holds 38.57% of votes and Comarch S.A. holds 61.43% of votes at the company's general meeting. Shares purchased to be redeemed don't give any voting rights.

On the 9<sup>th</sup> of April, 2013, an increase up to 15 million euro in the share capital of Comarch AG was registered.

On the 15<sup>th</sup> of April, 2013, a sole shareholder of Comarch SAS acting through general meeting decided to increase the company's share capital from EUR 1,800,000 to EUR 2,800,000 by issuance of 1,000,000 new shares. The increase was performed on the 22<sup>nd</sup> of April, 2013, and confirmed by CEO of Comarch SAS by their decision approving this increase in the company's share capital.

On the 2<sup>nd</sup> of May, 2013, liquidation of UAB Comarch company with its registered office in Vilnius in Lithuania was registered.

On the 23<sup>rd</sup> of May, 2013, Comarch Chile SpA was registered in Santiago in Chile. The company's share capital amounts to 24 million CLP.

On the 25<sup>th</sup> of June, 2013, Annual General Meeting of Bonus Development sp. z o.o. II Koncept SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 91,863.00 through issue of 5,600 shares of nominal value of PLN 1.00 each. On the 1<sup>st</sup> of October, 2013, it was registered.

On the 1<sup>st</sup> of July, 2013, Extraordinary General Meeting of CASA Management and Consulting sp. z o.o. SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 3,114,000. On the 6<sup>th</sup> of September, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register the increase was registered.

On the 25<sup>th</sup> of October, 2013, Extraordinary Annual General Meeting of Comarch Management sp. z o.o. passed a resolution on an increase in the company's share capital to PLN 250,000.00. On the 2<sup>nd</sup> of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register, the increase was registered.

On the 18<sup>th</sup> of November, 2013, Comarch S.A.'s Management Board announced that the bankruptcy proceedings of SoftM France S.à r.l. was completed (current report no. 24/2013 dated the 18<sup>th</sup> of November, 2013).

On the 17<sup>th</sup> of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SolInteractive S.A. After registration of the increase in share

capital of SolInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ 16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17<sup>th</sup> of December, 2013. The registration was registered in the first quarter of 2014.

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

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. 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 (current report no. 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.

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.

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).

#### **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 2013.

#### **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 2013, the parent company dissolved in part an asset due to activities in the SEZ that was worth 10.055 million PLN and established as at 31<sup>st</sup> of December, 2012. At the same time, the parent company recognised an asset in the amount of 8.795 million PLN (impact on earnings: -1.26 million PLN). During 2013, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31<sup>st</sup> of December, 2012 and worth 3.697 million PLN, as well as an asset due to temporary differences was

recognised in the amount of 9.417 million PLN. An asset due to tax loss was dissolved in the amount of 4.019 million PLN and recognised in the amount of 0.753 million PLN. The total effect of the above-mentioned operations on the net result of 2013 was +1.194 million PLN.

## 23.2. Valuation of Currency Translation Differences

Fluctuations of PLN versus EUR and USD in 2013 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, 2013, increased by 0.49 million PLN revenue and operating result of the Comarch Group. Other exchange differences increased by 0.29 million PLN Comarch's result. Total currency translation differences resulted in an increase of 0.78 million PLN in the Comarch Group's net result.

## 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. 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>2013</b>		
<b>Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (formerly Deloitte Audit sp. z o.o.)</b>		
1 Obligatory audit of annual financial statements for 2013	-	PLN 100,000.00
2 Other certifying services (review of half-year financial statement for H1 2013)	PLN 100,000.00	-

3	Procedures related to Comarch AG and Comarch Software und Beratung AG (including procedures related to review of work of local auditor)	PLN 8,000.00	-
4	Obligatory audit of annual financial statements for 2012	PLN 92,150.00	-
5	Legal and tax advisory services	PLN 5,959.79	-
6	Additional costs within consolidation procedures and transformation of financial statements according to IFRS	PLN 12,000.00	-
7	Training and seminars	PLN 1,130.00	-

**2012****Deloitte Audyt sp. z o.o.**

1	Other certifying services (review of half-year financial statement for H1 2012)	PLN 92,150.00	-
2	Consolidation procedures related to Comarch AG Group and Comarch SuB	PLN 26,325.14	-
3	Obligatory audit of annual financial statements for 2011	PLN 92,150.00	-

**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, 30<sup>th</sup> of April, 2014

<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 2013**

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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>

<http://www.corp-gov.gpw.pl/assets/library/english/publikacje/dpsn%202010%20enx.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)

[http://www.corp-gov.gpw.pl/assets/library/english/regulacje/dobrepraktykien\\_2012.pdf](http://www.corp-gov.gpw.pl/assets/library/english/regulacje/dobrepraktykien_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 2012 as attachment to the annual statement published on 30<sup>th</sup> of April, 2013.

## 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 is 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 6-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 (at least 3 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 26% 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 30<sup>th</sup> of April, 2014

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	120,841	1.49	158,441	1.05
Other shareholders	4,489,434	55.25	4,489,434	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,190</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 statute  
*„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 proceeding 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 Statute 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 Statute 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 statute, 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 Statute or an Issuer's Deed of Partnership**

A General shareholders' Meeting may pass a resolution regarding changes in statute, 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 Statute 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:
  - a) Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - b) Directing the debate: deciding who shall speak and in what order,
  - c) Receiving proposed and draft resolutions and opening them to debate and,
  - d) 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:
  - a) Voting on an issue of selecting or deselecting members of bodies of the company, or liquidators,
  - b) Motions to prosecute members of bodies of the company or liquidators,
  - c) In personal matters,
  - d) At the request of at least one shareholder,
  - e) 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, 2013:**

<b>Name and Surname</b>	<b>Position</b>
Elżbieta Filipiak	Chairman of the Supervisory Board
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
Anna Pruska	Member of the Supervisory Board

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.

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 Statute, 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, 2013, 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, 2013:

Name and surname	Position
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

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 26th 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.

The Management Board leads the affairs of the company and operates according to the provisions of the Polish Commercial Companies Code, the company's Statute, 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 2013, 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 Group 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 the 29<sup>th</sup> of September, 1994 (Journal of Laws No. 121, item 591 with amendments) and compliant with the requirements specified in the Regulation issued by the Minister of Finance on the 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. 1743) 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 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 the 29<sup>th</sup> of September, 1994, the dominant unit 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 (a system called EGERIA, SoftM Suite, etc.). These systems are 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 elected by the company's Supervisory Board, and biannual financial statements are reviewed by an independent auditor. Financial statements of some subsidiaries are also audited by independent auditors.

### 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 2013 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, 30<sup>th</sup> of April, 2014

<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 2013 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, 30<sup>th</sup> of April, 2014

<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		