

# COMARCH

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

KRAKOW, 27<sup>TH</sup> OF APRIL, 2015

|     |  |    |
|-----|--|----|
| 1.  | INFORMATION ABOUT THE COMPANY .....  | 3  |
| 2.  | BASIC ECONOMICS AND FINANCIAL VALUES .....   | 6  |
| 3.  | PRODUCTS AND SERVICES OFFERED BY COMARCH IN 2014 .....   | 8  |
| 4.  | POSITION OF THE GROUP IN THE IT MARKET AND INFORMATION ABOUT MARKETS AND SOURCES OF SUPPLY .....   | 29 |
| 5.  | SALES STRUCTURE .....  | 29 |
| 6.  | FACTORS ESSENTIAL FOR DEVELOPMENT OF THE ISSUER .....  | 31 |
| 7.  | OTHER SIGNIFICANT FACTORS, INCLUDING RISKS AND THREATS.....  | 32 |
| 8.  | PERSPECTIVES OF DEVELOPMENT IN THE COMPANY AND ANTICIPATED FINANCIAL SITUATION IN 2015.....  | 32 |
| 9.  | FINANCIAL ANALYSIS.....  | 34 |
| 10. | CREDITS, LOANS, SURETYSHIPS, BANK GUARANTEES .....   | 38 |
| 11. | THE MOST IMPORTANT EVENTS IN 2014 AND AFTER THE BALANCE-SHEET DATE .....   | 43 |
| 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 ..... | 45 |
| 13. | RESOLUTIONS OF THE AGM AND THE BOARD OF SUPERVISORS .....  | 46 |
| 14. | OPERATIONS ON COMARCH S.A SHARES .....   | 48 |
| 15. | OTHER EVENTS IN 2014 AND AFTER THE BALANCE SHEET DATE .....  | 51 |
| 16. | ACHIEVEMENTS WITHIN RESEARCH AND DEVELOPMENT .....   | 51 |
| 17. | CAPITAL AFFILIATIONS .....   | 52 |
| 18. | BRANCHES OF COMARCH S.A. ....  | 56 |
| 19. | TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON TERMS DIFFERENT FROM MARKET CONDITIONS.....   | 56 |
| 20. | COMMENTARY ON DIFFERENCES BETWEEN FINANCIAL RESULTS PRESENTED IN ANNUAL REPORT AND RESULTS FORECAST FOR THE GIVEN YEAR PUBLISHED BEFORE .....  | 56 |
| 21. | FACTORS AND EVENTS OF UNUSUAL NATURE THAT AFFECT THE ISSUER ACTIVITIES AND THE ACHIEVED RESULTS, AS WELL AS THEIR APPRAISAL.....   | 56 |
| 22. | CHANGES IN METHODS OF COMPANY MANAGEMENT AND ITS CAPITAL GROUP MANAGEMENT.....   | 56 |
| 23. | DATA REFERRING TO THE AGREEMENT SIGNED WITH THE ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS .....  | 56 |
| 24. | SYSTEMS THAT CONTROL EMPLOYEES SHARES PROGRAMMES .....   | 57 |
| 25. | SIGNIFICANT LEGAL, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS .....   | 57 |

## 1. Information about the Company

Name of the company: Comarch Spółka Akcyjna („Company”)  
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 Fax: (12) 646 11 00  
 Regon (the National Official Register of Business Entities): 350527377  
 Tax identification number (NIP): 677-00-65-406

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

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

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

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

### AFTER THE BALANCE SHEET DATE

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

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

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

| Name and surname   | Position                               | Comarch S.A.<br>Number of shares /<br>nominal value | Volatech Capital<br>Advisors S.A.<br>(currently Metrum<br>Capital S.A.)<br>Number of shares /<br>nominal value |
|--------------------|--|---|--|
| Elżbieta Filipiak  | Chairman of the Supervisory Board      | 846,000 / PLN 846,000                               | -  |
| Maciej Brzeziński  | Vice-Chairman of the Supervisory Board | -   | -  |
| Danuta Drobnik     | Member of the Supervisory Board        | -   | -  |
| Wojciech Kucharzyk | Member of the Supervisory Board        | -   | -  |
| Anna Ławrynowicz   | Member of the Supervisory Board        | -   | -  |
| Robert Bednarski*  | Member of the Supervisory Board        | -   | -  |
| Anna Pruska        | Member of the Supervisory Board        | -   | 50,000 / PLN 50,000  |

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

**AFTER THE BALANCE SHEET DATE**

None present.

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

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

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

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

**AFTER THE BALANCE SHEET DATE**

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

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

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

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

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

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

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

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options program for company's Management Board managing Capital Group in 2014-2016. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26<sup>th</sup> of June, 2014, period of execution of the program was limited for 2014. On the 16<sup>th</sup> of February, 2015, the Supervisory Board of Comarch S.A. passed the Resolution no. 01/02/2015 on execution of the managerial option program for 2014, by way of issuance of 7,759 ordinary bearer series L1 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders. More details were presented in point 14.2 of this 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 note 40 of the financial statement.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

|                      | 2014      | 2013      | 2012      | 2011    | 2010    | 2009    | 2008    |
|----------------------|-----------|-----------|-----------|---------|---------|---------|---------|
| Revenues from sales  | 724,825   | 637,692   | 666,859   | 567,673 | 559,453 | 495,512 | 615,379 |
| Operating profit     | 72,508    | 51,305    | 62,392    | 53,748  | 75,219  | 59,253  | 35,448  |
| Net profit           | 41,049    | 45,584    | 41,604    | 55,191  | 68,470  | 51,351  | 39,144  |
| Profit per share     | 5.06      | 5.66      | 5.17      | 6.85    | 8.53    | 6.45    | 4.92    |
| Assets               | 1,041,911 | 1,009,603 | 1,060,650 | 953,265 | 880,873 | 772,192 | 732,520 |
| Book value           | 677,089   | 661,046   | 629,386   | 609,697 | 559,208 | 494,119 | 456,784 |
| Book value per share | 83.33     | 82.10     | 78.17     | 75.72   | 69.45   | 62.07   | 57.38   |

Over 2014, revenues from sales increased by PLN 87.1 million, i.e. 13.7% compared to the previous year. Operating profit reached PLN 72.5 million and it was higher by 41.3% compared to that in 2013. Net profit decreased by 9.9% compared to that in 2013. EBIT margin increased from 8.0% to 10.0% and net margin decreased from 7.1% to 5.7%.

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

As at 31<sup>st</sup> of December, 2014, in Comarch S.A. there were 3,339 employees compared to 3,448 persons as at 31<sup>st</sup> of December, 2013.

Average employment in Comarch S.A. from 2010 to 2014 is presented in tables below:

|                             | 2014         | 2013         | 2012         | 2011         | 2010         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Number of employees:</b> |              |              |              |              |              |
| - full-time                 | 2,647        | 2,675        | 2,426        | 2,210        | 2,257        |
| - co-workers                | 548          | 651          | 535          | 480          | 437          |
| <b>Total</b>                | <b>3,195</b> | <b>3,326</b> | <b>2,961</b> | <b>2,690</b> | <b>2,694</b> |

|  | 2014         | 2013         | 2012         | 2011         | 2010         |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Employees:</b>                                |              |              |              |              |              |
| - production employees and technical consultants | 2,620        | 2,730        | 2,377        | 2,098        | 2,168        |
| - marketing and sales                            | 288          | 306          | 302          | 293          | 255          |
| - management and administrative employees        | 287          | 290          | 282          | 299          | 271          |
| <b>Total</b>                                     | <b>3,195</b> | <b>3,326</b> | <b>2,961</b> | <b>2,690</b> | <b>2,694</b> |

Most of production by Comarch consists in production of company's own, versatile software and hardware 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

2014



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

In 2014, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange increased by 19.1% from PLN 97 to PLN 115.5.

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

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

#### **TELECOMMUNICATIONS DIVISION**

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

#### **PRODUCTS**

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

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

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

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

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

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

**Comarch Smart BSS** is a complete pre-integrated solution that enables communication service providers to comprehensively manage Request-to-Answer, Order-to-Payment, Usage-to-Payment, Request-to-

Change, Termination-to-Confirmation and Problem- / Complaint-to-Solution processes, via customer management and self-care applications. The solution is dedicated for local operators and smaller telecommunication companies, such as Internet suppliers, cable and satellite TV networks or virtual operators.

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

### **Service Design & Fulfilment**

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

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

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

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

### **Network & Service Assurance**

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

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

**Comarch Customer Experience Management** is based on integrated OSS and BSS systems. It enables telecom operators an insight into customer perception of the services, thus network and services management at the level which guarantees the highest level of customers' satisfaction. This product may

be integrated with Comarch Service Monitoring and Comarch Service Quality Management modules, enabling transfer from traditional network management to practical network management which aims at improvement of customer experience.

**Comarch Service Quality Management** transforms traditional network-centric performance management into customer-centric telco service quality management. The insight into customers' perception of service quality enables to prioritize network performance management based on the forecasted influence on customer experience. Comarch SQM enables you to become proactive in managing service quality by preventing customers from experiencing service problems, thanks to trend analyses and prediction capabilities.

### **Network Management and Planning**

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

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

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

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

### **New Sources of Revenue**

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

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

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

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

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

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

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

### **Professional Services**

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

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

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

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

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

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

### **PRODUCTS**

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

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

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

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

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

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

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

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

**Comarch Insurance Front-End** is a platform that aims at integrating multiple business systems and providing an intuitive and ergonomic work interface, consistent for agents, branch and call centre employees, and partners, agencies, multi-agencies and brokers. The platform includes the following solutions: Comarch Mobile Insurance Advisor, Comarch Mobile Claims Adjuster, Comarch Insurance Agent Portal, Comarch Insurance Customer Relationship Management and Comarch Insurance Customer Portal. All systems are designed to satisfy the needs of business users, and they work both online and offline. It is the platform's significant advantage taking into account the mobility of insurance agents and claim adjusters.

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

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

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

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

**Comarch Wealth Management** is a multi-module platform for private banking and wealth management. It supports client wealth management processes as part of personal services and a self-service channel, including the analysis of a client's financial situation, risk profile assessment, financial planning, strategic

asset allocation, recommendations for financial products and investment performance reporting. It consists of the following modules: Comarch Investment Advisor, Comarch Client Front-End, Comarch Client Reporting, Comarch Portfolio Management, and Comarch Performance Attribution & Risk.

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

## **COMARCH TECHNOLOGIES DIVISION**

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

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

### **PRODUCTS**

#### **INTERNET OF THINGS**

**Comarch IoT Platform** is a flexible cloud-based platform to manage smart and mobile devices. The platform enables configuration, management and monitoring of the communication between devices in network. It results in an increase in efficiency of process management and a decrease in both operating and of used resources.

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

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

#### **MOBILITY**

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

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

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

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

## CYBER SECURITY

### Consulting

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

### Identity and Access Management

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

### Public Key Infrastructure

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

### Authentication & Authorization Methods

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

### Security Assurance

- **Comarch SecureAdmin** is a tool dedicated for management, remote monitoring and internal access to resources on servers. In addition, it is equipped with a mechanism for configuration of the limit of session's time and an automatic notification about an unauthorised attempt to access to a server.

- **Comarch FrozenObject** monitors and reports changes in the selected elements of the company's systems and applications.
- **Comarch CentralLog** is a solution used to gather logs coming from IT systems in an entity. The gathered data are filtered, processed online and hosted for audit purposes.

## **OUTSOURCING**

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

## **DESIGN & PROTOTYPING**

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

## **QUALITY ASSURANCE**

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

## **SHORT SERIES MANUFACTURING**

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

## **EMBEDDED SYSTEMS**

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

## **ERP DIVISION**

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

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

**Comarch ERP Optima** – an application for micro, small and medium enterprises which offers sales management, management, accounting services and personnel and payroll management. Along with an

additional Accountant Office module and iKsięgowość<sup>24</sup> Accountant Office Social portal, Comarch ERP Optima is a tool for managing and advertising the accountant offices and tax counselling offices. The application is also available in a service model (SaaS).

**Comarch ERP iFaktry<sup>24</sup>** – an innovative application for on-line invoicing, managing a warehouse and simplified accountancy, it is available through an internet browser or an application installed on computers with Windows 8 and 8.1 systems. A solution dedicated to micro and small enterprises. Its main advantages are the ease of use, a complete process automation, a possibility to integrate it with an accountant office, Wszystko.pl portal and Comarch ERP e-Shop. The application is only available in a service model (SaaS).

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

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

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

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

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

**iKsięgowość<sup>24</sup>** – accountancy and bookkeeping services for enterprises, provided by more than 1,000 accountant offices which use Comarch ERP Optima.

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

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

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

## **PUBLIC DIVISION**

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

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

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

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

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

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

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

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

**Comarch Egeria Education** - This is an integrated tool to provide support for academic institutions. The system consists of two parts: Front Office, to support didactic processes, control over student and scientific issues, and Back Office, which is responsible for accounting, warehousing, HR and other

processes related to administration over higher education institutions. The system is fitted with a wide range of reporting tools.

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

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

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

**ERP Comarch Egeria Leasing Partner Care** - The main functionality of the Leasing Partner Care system is the possibility of entering offers and object data for customers of leasing companies. The system provides customer support (e.g. by providing the repayment schedule) and allows for adding a lease insurance option to the offer. The last stage is pre-valuation, that is a process where specific conditions in configuration of a product are checked.

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

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

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

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

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

**Comarch CBO for media trading companies and distributed recipients** - This is a solution dedicated for companies that trade electricity, heat, gas, water and sewage networks, as well as for recipients. It

ensures fast access to data collected from various sources (such as distribution companies or independent reading operators), tracking the consumption of utilities and providing multiplane analysis of gathered data. Data in the system constitutes a credible basis for settlement of recipients, planning purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analyses and client segmentation in terms of their consumption structure.

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

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

**Comarch IT Cost & Risk Analysis** – This is a tool for determining the total costs of providing IT support and comparing it to the alternative of having no IT support. The system calculates the costs and risks related to migrating support for business processes. It provides valuable information related to the profitability of providing IT support including: ROI, NPV, and IRR. It presents a simulation for processes, systems and entire models of providing IT support.

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

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

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

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

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

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

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

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

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

## **SERVICES DIVISION**

In the services sector, Comarch designs, implements and integrates innovative IT solutions for loyalty programs, marketing campaign management, employee motivation management, electronic data interchange and business information, manages documents and their flow within the company and sales process management using support systems and mobile applications. The offer also includes a comprehensive range of IT infrastructure management for services companies.

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

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

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

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

Comarch CRM&Marketing includes the following solutions and services:

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

auctions, coupons, or benefits for rewarding the best customers - all these in order to maintain a high level of satisfaction and to increase customer retention and sales.

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

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

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

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

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

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

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

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

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

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

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

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

### **Electronic Data Interchange solutions**

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

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

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

Comarch EDI solutions:

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

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

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

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

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

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

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

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

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

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

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

As part of Comarch ECM the following modules are offered:

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

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

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

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

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

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

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

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

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

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

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

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

Comarch SFA platform include:

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

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

**Comarch SFA Online Sales Support Applications** - is a sophisticated B2B platform that integrates business partners - manufacturers, distributors and shops. It provides comprehensive communication, reporting and support for sales and marketing organizations. As part of the system, Comarch SFA also provides applications for managers and business administrators who manage sales forces in the organization. The platform also includes e-commerce and call centre modules.

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

**Comarch SFA Online Distribution** - a communication and integration service for automatic, daily reporting to manufacturers of key information from traditional sales channels, such as inventory or resale. Online Distribution Service is provided on the basis of international standards for the electronic communication of EDI (Electronic Data Interchange), using the necessary integration of financial and

accounting systems with manufacturers' and distributors' (wholesalers) sales departments. It also enables reporting of the producer's sales against the competition.

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

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

### **Comarch Data Centre**

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

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

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

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

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

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

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

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

- Optional help-desk for end users

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

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

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

### **Comarch IT and Outsourcing**

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

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

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

### **Comarch IT Networks**

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

**Comarch Network Managed Services (CNMS)** - is a concept of solutions designed to create and maintain data networks, including WAN/LAN/WLAN. CNMS is a comprehensive solution for the construction or modernization of existing transmission networks, as well as the management and administration of these networks. In addition, we provide solutions for network security.

**Comarch Contact Centre (CCC)** - This is a comprehensive package of solutions that supports customer relationship management, and internal communications of organizations, as well as many other areas of business. The solution proposed by Comarch facilitates efficient management of information in the enterprise and allows the user to optimize the customer service process using customer-owned systems.

Within the proposed solution, we provide both the supply of the necessary hardware layer - such as servers, gateways, phones or headphones - as well as an integrated application layer, equipped with business logic modules. On request, Comarch Contact Centre can also be provided in a service model, allowing for availability of Comarch Contact Centre customer resources. The customer, under this solution, gains access to the Contact Centre infrastructure and a required number of agent stations (IP phone with the CC, CC Agent application and headphones). The customer itself provides only CC agents and internet access.

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

#### 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 S.A., 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 company'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 company's offer is dedicated to both Polish and foreign customers. Currently, the company's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe and South and North America. Sale in the company is highly diversified, with no dependency on one major client. In 2014, the share of none of the customer exceeded 10% of the sale in Comarch S.A. sales.

Due to the specific nature of the industry, in which Comarch S.A. manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply.

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

#### 5. Sales Structure

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

|              | 2014           | %             | 2013           | %             | 2012           | %             |
|--------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Domestic     | 469,576        | 64.8%         | 454,485        | 71.3%         | 478,496        | 71.8%         |
| Export       | 255,249        | 35.2%         | 183,207        | 28.7%         | 188,363        | 28.2%         |
| <b>Total</b> | <b>724,825</b> | <b>100.0%</b> | <b>637,692</b> | <b>100.0%</b> | <b>666,859</b> | <b>100.0%</b> |

In 2014, revenues from the company's sales increased by PLN 87.1 million, i.e. 13.7% compared to those in the previous year. Export sales increased by PLN 72.0 million, i.e. 39.3%. An increase in domestic sales was PLN 15.1 million, i.e. 3.3%. The geographical sales structure has remained at the stable level throughout the year.

##### 5.2. Revenues from Sales – Market Structure (in thousands of PLN)

|                              | 2014           | %             | 2013           | %             | 2012           | %             |
|------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Telecommunication, Media, IT | 165,444        | 22.8%         | 144,689        | 22.7%         | 154,055        | 23.1%         |
| Finance and Banking          | 121,524        | 16.8%         | 123,700        | 19.4%         | 217,943        | 32.7%         |
| Trade and Services           | 90,261         | 12.5%         | 83,498         | 13.1%         | 57,669         | 8.6%          |
| Industry & Utilities         | 89,441         | 12.3%         | 87,730         | 13.7%         | 66,238         | 9.9%          |
| Public Sector                | 147,969        | 20.4%         | 105,056        | 16.5%         | 92,525         | 13.9%         |
| Small and Medium Enterprises | 99,598         | 13.7%         | 84,127         | 13.2%         | 73,986         | 11.1%         |
| Others                       | 10,588         | 1.5%          | 8,892          | 1.4%          | 4,443          | 0.7%          |
| <b>Total</b>                 | <b>724,825</b> | <b>100.0%</b> | <b>637,692</b> | <b>100.0%</b> | <b>666,859</b> | <b>100.0%</b> |

In 2014, market sales structure was shaped similarly as that in 2013. Sales to the TMT sector increased by PLN 20.8 million, i.e. 14.3% however their share in total sales has remained at the similar level (22.8% in 2014 and 22.7% in 2013). Sales to customers in the finance and banking sector constituted 16.8% of total sales (compared to 19.4% in the previous year). Sales to the industry and utilities sector increased by PLN 1.7 million, i.e. 2%, and their share in total sales decreased from 13.7% in 2013 to 12.3% in 2014. There was also a significant increase in sales to the trade and services sector (of PLN 6.8 million, i.e. 8.1%) and their share in total sales decreased from 13.1% in 2013 to 12.5% in 2014. There were also increases in sales to customers in the public sector (an increase of PLN 42.9 million, i.e. 40.8%), and to the SME (an increase of PLN 15.5 million, i.e. 18.4%). The market sales structure has remained at the stable level throughout the 2014.

**5.3. Revenues from Sales – Products Structure (in thousands of PLN)**

|                      | <b>2014</b>    | <b>%</b>      | <b>2013</b>    | <b>%</b>      | <b>2012</b>    | <b>%</b>      |
|----------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Services             | 496,733        | 68.5%         | 445,907        | 69.9%         | 410,719        | 61.6%         |
| Proprietary Software | 102,413        | 14.1%         | 91,884         | 14.4%         | 84,624         | 12.7%         |
| Third party Software | 42,337         | 5.8%          | 72,788         | 11.4%         | 128,512        | 19.3%         |
| Finished goods       | 38,948         | 5.4%          | 111            | 0.0%          | 0              | 0.0%          |
| Hardware             | 26,439         | 3.7%          | 18,990         | 3.0%          | 35,567         | 5.3%          |
| Others               | 17,955         | 2.5%          | 8,012          | 1.3%          | 7,437          | 1.1%          |
| <b>Total</b>         | <b>724,825</b> | <b>100.0%</b> | <b>637,692</b> | <b>100.0%</b> | <b>666,859</b> | <b>100.0%</b> |

Sales of IT services are still the largest part of Comarch S.A.'s revenue year by year. In 2014, there was a growth of PLN 50.8 million, i.e. 11.4% in these sales and they constituted 68.5% in overall sales. Sales of Comarch own software also grew (an increase of PLN 10.5 million, i.e. 11.5%). Sales of third party software diminished (a decrease of PLN 30.5 million, i.e. 41.8% compared to the previous year's level). Sales of hardware increased by PLN 7.4 million, i.e. 39.2%. Looking back at 2014, the structure of sales by product type remained at a stable level, except for the third and fourth quarters, when sales of finished goods began.

## 6. Factors Essential for Development of the Issuer

### 6.1. Internal Factors

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

### 6.2. External Factors

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

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

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

### 7.1. Credit Risk

Comarch S.A. 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 company 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 been hedging this interest rate risk and 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 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, GBP/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 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 from PLN to EUR performed lately). 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.

### 7.4. Financial Liquidity Risk

The company 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 company are fixed, while revenue from sales, as is typical for a services company, fluctuates. The company 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 Company and Anticipated Financial Situation in 2015

In 2014, the company observed significant increase in demand for IT products and services. Thus, its backlog grew and ensures full use of its productive capacity in the following periods. Economic situation in Poland and abroad will still have a detrimental impact on situation on the IT market and the financial results achieved by the Comarch Group in 2015. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of an annually increasing client base; most of these being international companies. It allows for the limitation of activities' risk during a period of economic slowdown. Dynamically developing activity of Comarch in international markets should additionally increase sales volume and enhance the image of Comarch S.A. among international corporations, thus strengthening the competitive position of Comarch. Execution of Comarch

strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector and labour market becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. Growth in demand for delivery of IT solutions in services model is a chance for company, as Comarch S.A. holds wide suits of own products, own infrastructure, as well as human and capital resources and it may flexibly fit to business models required by customers.

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

- a) risks related to R&D work (developing proprietary software products);
- b) risks related to assessment of time requirements for long-term contracts;
- c) risks related to failure to observe contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- d) risk of foreign legal and political environment related to execution of export contracts;
- e) risk of decreased possibility (difficulty) of controlling and monitoring financial standing of foreign contractors;
- f) risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees;
- g) risk of Fluctuation in the Exchange Rates.

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

## 9. Financial Analysis

|                                  | 31<br>December<br>2014 |               | 31<br>December<br>2013 |               | 2014/2013     |             |
|----------------------------------|------------------------|---------------|------------------------|---------------|---------------|-------------|
|                                  |                        | %             |                        | %             |               | %           |
| <b>I. Non-current assets</b>     | <b>634,573</b>         | <b>60.9%</b>  | <b>603,433</b>         | <b>59.8%</b>  | 31,140        | 5.2%        |
| 1. Intangible assets             | 7,506                  | 0.7%          | 11,119                 | 1.1%          | -3,613        | -32.5%      |
| 2. Property, plant and equipment | 242,742                | 23.3%         | 203,731                | 20.2%         | 39,011        | 19.1%       |
| 3. Long-term investment          | 377,055                | 36.2%         | 380,613                | 37.7%         | -3,558        | -0.9%       |
| 4. Non-current prepayments       | 7,270                  | 0.7%          | 7,970                  | 0.8%          | -700          | -8.8%       |
| <b>II. Current assets</b>        | <b>407,338</b>         | <b>39.1%</b>  | <b>406,170</b>         | <b>40.2%</b>  | 1,168         | 0.3%        |
| 1. Inventories                   | 20,846                 | 2.0%          | 26,511                 | 2.6%          | -5,665        | -21.4%      |
| 2. Current receivables           | 264,035                | 25.3%         | 295,304                | 29.2%         | -31,269       | -10.6%      |
| 3. Short-term investment         | 87,345                 | 8.4%          | 53,964                 | 5.4%          | 33,381        | 61.9%       |
| 4. Current prepayments           | 35,112                 | 3.4%          | 30,391                 | 3.0%          | 4,721         | 15.5%       |
| <b>Total assets</b>              | <b>1,041,911</b>       | <b>100.0%</b> | <b>1,009,603</b>       | <b>100.0%</b> | <b>32,308</b> | <b>3.2%</b> |

As of the end of 2014, the value of the company's assets increased by 3.2% compared to 2013, i.e. from PLN 1,009.6 million to PLN 1,041.9 million, as a result of an increase of current assets. There was an increase of PLN 31.1 million compared to the previous year and this is mostly a consequence of increase in property, plant and equipment from PLN 203.7 million to PLN 242.7 million, as a result of the company's infrastructure extension (SEZ6 building in Krakow). The share of particular items of non-current assets in the total structure of assets has remained at a similar level to those in 2013. The increase of PLN 1.2 million in current assets is mostly a consequence of an increase of 61.9% in short-term investment from PLN 54.0 million to PLN 87.3 million and an increase of 15.5% in current prepayments (with simultaneous decrease of 10.6% current receivables and a decrease of 21.4% in inventories). The share of other items of current assets in the total structure of assets has remained at a similar level to those in 2013.

|   | 31<br>December<br>2014 |               | 31<br>December<br>2013 |               | 2014/2013     |             |
|---|------------------------|---------------|------------------------|---------------|---------------|-------------|
|   |                        | %             |                        | %             |               | %           |
| <b>I. Equity</b>                                      | <b>677,089</b>         | <b>65.0%</b>  | <b>661,046</b>         | <b>65.5%</b>  | <b>16,043</b> | <b>2.4%</b> |
| 1. Share capital                                      | 8,125                  | 0.8%          | 8,051                  | 0.8%          | 74            | 0.9%        |
| 3. Supplementary capital                              | 521,244                | 50.0%         | 487,672                | 48.3%         | 33,572        | 6.9%        |
| 4. Revaluation reserve                                | 105,926                | 10.2%         | 118,818                | 11.8%         | -12,892       | -10.9%      |
| 5. Other reserve capitals                             | 745                    | 0.1%          | 745                    | 0.1%          | 0             | 0.0%        |
| 6. Previous years' profit (loss)                      | 0                      | 0.0%          | 176                    | 0.0%          | -176          | -100.0%     |
| 7. Net profit (loss)                                  | 41,049                 | 3.9%          | 45,584                 | 4.5%          | -4,535        | -9.9%       |
| <b>II. Liabilities and provisions for liabilities</b> | <b>364,822</b>         | <b>35.0%</b>  | <b>348,557</b>         | <b>34.5%</b>  | <b>16,265</b> | <b>4.7%</b> |
| 1. Provisions for liabilities                         | 129,679                | 12.4%         | 99,738                 | 9.9%          | 29,941        | 30.0%       |
| 2. Non-current liabilities                            | 103,993                | 10.0%         | 84,298                 | 8.3%          | 19,695        | 23.4%       |
| 3. Current liabilities                                | 119,648                | 11.5%         | 157,106                | 15.6%         | -37,458       | -23.8%      |
| 4. Accruals   | 11,502                 | 1.1%          | 7,415                  | 0.7%          | 4,087         | 55.1%       |
| <b>Total equity and liabilities</b>                   | <b>1,041,911</b>       | <b>100.0%</b> | <b>1,009,603</b>       | <b>100.0%</b> | <b>32,308</b> | <b>3.2%</b> |

Over the course of 2014, equity grew by 2.4%, which was mostly the result of high net profit generated in 2013. The share of equity in total equity and liabilities was at a little lower level than that in 2013 (65.0% in 2014 compared to 65.5% in 2013). Liabilities and provisions for liabilities constituted 35.0% in total equity and liabilities compared to 34.5% in the previous year. In 2014, there was a significant decrease of PLN 37.5 million in current liabilities and their share in equity and liabilities also diminished (a decrease from 15.6% to 11.5% in 2014). Provisions for liabilities increased by 30.0%, i.e. PLN 29.9 million, resulting from an increase in provisions for bad debts, court proceedings and premiums. Value of non-current liabilities

increased by PLN 19.7 million. Accruals increased by 55.1%, however their share in total equity and liabilities remained at the previous year's level. Other items of total equity and liabilities did not change significantly.

|  | 12 months ended 31 December 2014 |        | 12 months ended 31 December 2013 |        | 2014/2013 |        |
|--|----------------------------------|--------|----------------------------------|--------|-----------|--------|
|  |                                  | %      |                                  | %      |           | %      |
| I. Net revenues from sales of products, finished goods and materials | 724,825                          | 100.0% | 637,692                          | 100.0% | 87,133    | 13.7%  |
| II. Cost of products, finished goods and materials sold              | 503,226                          | 69.4%  | 480,929                          | 75.4%  | 22,297    | 4.6%   |
| III. Gross profit (loss) from sales (I-II)                           | 221,599                          | 30.6%  | 156,763                          | 24.6%  | 64,836    | 41.4%  |
| IV. Costs of sales   | 68,135                           | 9.4%   | 64,540                           | 10.1%  | 3,595     | 5.6%   |
| V. Administrative costs  | 48,533                           | 6.7%   | 40,243                           | 6.3%   | 8,290     | 20.6%  |
| VI. Profit (loss) on sales (III-IV-V)                                | 104,931                          | 14.5%  | 51,980                           | 8.2%   | 52,951    | 101.9% |
| VII. Other operating revenues  | 913                              | 0.1%   | 10,622                           | 1.7%   | -9,709    | -91.4% |
| VIII. Other operating costs  | 33,336                           | 4.6%   | 11,297                           | 1.8%   | 22,039    | 195.1% |
| IX. Profit (loss) on operating activities (VI+VII-VIII)              | 72,508                           | 10.0%  | 51,305                           | 8.1%   | 21,203    | 41.3%  |
| X. Financial revenues  | 4,117                            | 0.6%   | 4,694                            | 0.7%   | -577      | -12.3% |
| XI. Finance costs  | 22,890                           | 3.2%   | 7,448                            | 1.2%   | 15,442    | 207.3% |
| XII. Profit (loss) on business activities (IX+X-XI)                  | 53,735                           | 7.4%   | 48,551                           | 7.6%   | 5,184     | 10.7%  |
| XIII. Gross profit (loss) (XII)                                      | 53,735                           | 7.4%   | 48,551                           | 7.6%   | 5,184     | 10.7%  |
| XIV. Income tax  | 12,686                           | 1.8%   | 2,967                            | 0.5%   | 9,719     | 327.6% |
| XV. Net profit (loss) (XIII-XIV)                                     | 41,049                           | 5.7%   | 45,584                           | 7.1%   | -4,535    | -9.9%  |

Over 2014, revenues from sales increased by PLN 87.1 million, i.e. 13.7% compared to the previous year. Operating profit reached PLN 72.5 million and increased by 41.3% compared to operating profit in 2013. Net profit decreased by 9.9% compared to that in the previous year, in relation to the higher than in the previous year share of sales not comprised by the tax relief related to activities in the Special Economic Zone and in relation to the write-offs performed on account of loss in value of investments in subsidiaries. EBIT margin increased from 8.0% to 10.0% and net margin decreased from 7.1% to 5.7%.

**Profitability Analysis:**

|                  | 2014  | 2013  | 2012  | 2011  |
|------------------|-------|-------|-------|-------|
| Margin on sales  | 30.6% | 24.6% | 25.6% | 33.5% |
| EBIT margin      | 10.0% | 8.0%  | 9.4%  | 9.5%  |
| Gross margin     | 7.4%  | 7.6%  | 6.5%  | 11.0% |
| Net margin       | 5.7%  | 7.1%  | 6.2%  | 9.7%  |
| Return on assets | 3.9%  | 4.5%  | 3.9%  | 5.8%  |
| Return on equity | 6.5%  | 7.4%  | 7.1%  | 10.0% |

In 2014, margin on sales and EBIT margin increased (from 24.6% to 30.6% and from 8.0% to 10.0%, respectively). Gross and net margin, as well as return on assets and on equity were lower compared to those in the previous year.

**Liquidity analysis:**

|                                   | 2014 | 2013 | 2012 | 2011 |
|-----------------------------------|------|------|------|------|
| Current ratio                     | 3,11 | 2,47 | 1,95 | 2,46 |
| Quick ratio                       | 2,68 | 2,12 | 1,72 | 2,19 |
| Cash to current liabilities ratio | 0,67 | 0,33 | 0,08 | 0,32 |

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

| <b>Turnover analysis</b>   | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> |
|--|-------------|-------------|-------------|-------------|
| Current asset turnover ratio   | 1.78        | 1.57        | 1.38        | 1.34        |
| Receivables turnover ratio (days)  | 131         | 167         | 218         | 204         |
| Inventories turnover ratio (days)  | 12          | 16          | 21          | 25          |
| Liabilities turnover ratio (days)  | 130         | 148         | 193         | 182         |
| Liabilities turnover excluding liabilities due to investment credit ratio (days) | 69          | 97          | 143         | 125         |

Turnover ratios confirm the effective use of the company's funds. In 2014, the receivables turnover ratio, the liabilities turnover ratio and the inventory turnover ratio decreased significantly. In 2014, current assets turnover ratio improved from 1.57 to 1.78.

| <b>Debt analysis:</b>                 | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Debt ratio                            | 35.0%       | 34.5%       | 40.7%       | 36.0%       |
| Debt ratio due to non-current credits | 10.0%       | 8.3%        | 7.9%        | 7.9%        |
| Debt/equity ratio                     | 53.9%       | 52.7%       | 68.5%       | 56.4%       |

In 2014, debt ratios slightly increased compared to the previous year's levels. Debt/equity ratio increased from 52.7% to 53.9% and debt ratio due to credits grew from 8.3% to 10.0%. 65.0% of the company's funds come from internal financing and 35.0% come from outside financing.

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

#### **Debt ratios**

$$\text{Debt ratio} = \frac{\text{Liabilities and provisions for liabilities}}{\text{Total equity and liabilities}}$$

$$\text{Debt ratio due to non-current credits} = \frac{\text{Non-current liabilities}}{\text{Total equity and liabilities}}$$

$$\text{Debt/equity ratio} = \frac{\text{Liabilities and provisions for liabilities}}{\text{Equity}}$$

#### **Profitability Ratios**

$$\text{Return on equity} = \frac{\text{Net profit}}{\text{Equity} - \text{Net profit}}$$

$$\text{Margin on sales} = \frac{\text{Gross profit from sales}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{EBIT margin} = \frac{\text{Operating profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Gross margin} = \frac{\text{Gross profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Net margin} = \frac{\text{Net profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

**Liquidity ratios**

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities} + \text{Prepayments}}$$

$$\text{Quick ratio} = \frac{\text{Current investment} + \text{Current receivables}}{\text{Current liabilities} + \text{Prepayments}}$$

$$\text{Cash to current liabilities ratio} = \frac{\text{Current investment}}{\text{Current liabilities} + \text{Accruals}}$$

**Turnover ratios**

$$\text{Current asset turnover ratio} = \frac{\text{Net revenues from sales of products, finished goods and materials}}{\text{current assets}}$$

$$\text{Receivables turnover ratio (days)} = \frac{(\text{current receivables}) * 360}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Inventories turnover ratio (days)} = \frac{\text{inventory} * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{Liabilities turnover ratio (days)} = \frac{(\text{non-current liabilities} + \text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{Liabilities turnover excl. liabilities due to invest. credit ratio (days)} = \frac{(\text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

## 10. Credits, Loans, Suretyships, Bank Guarantees

### 10.1. Investment Credits:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.25 million, i.e. PLN 1.065 million.
- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate amounted to EURIBOR1M+0.95%. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 6.042 million, i.e. PLN 25.75 million.
- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate amounted to WIBOR1M+0.95%. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29<sup>th</sup> of May, 2012, an annex was concluded which extended it till 2015. At 31<sup>st</sup> of October, 2014, the credit was repaid in total.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.13 million. The crediting period may last 8 years at a variable interest rate amounted to EURIBOR1M+1.2%. The real estate mortgage in the amount of EUR 6.19 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 3.482 million, i.e. PLN 14.838 million.
- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate amounted to EURIBOR3M+1.3%. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 0.873 million, i.e. PLN 3.72 million.
- f) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Wroclaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate amounted to EURIBOR1M+1.3%. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to EUR 5.729 million, i.e. PLN 24.419 million.

- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate amounted to EURIBOR3M+1.4%. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 20<sup>th</sup> of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of December, 2014, value of the credit taken out amounted to EUR 10.557 million, i.e. PLN 44.997 million.
- h) A nonrevolving operating credit from bank Pekao S.A. with its registered office in Warsaw for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014 The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate amounted to WIBOR1M+0.6%. It should be drawdown by 30<sup>th</sup> of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit (current report no. 9/2014 dated the 9<sup>th</sup> of April, 2014). At 10<sup>th</sup> of October, 2014, credit was repaid in total, i.e. PLN 27.416 million.

As at the 31<sup>st</sup> of December, 2014, Comarch S.A. had liabilities due to credits in the amount of PLN 114.789 million.

## 10.2. Current Credit Lines (Variable Interest)

As at 31<sup>st</sup> of December, 2014, Comarch S.A. has the credit limits in current account in the amount of PLN 49.262 million.

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of 10 million PLN. It can be used by the 13<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 10 million. It can be used by the 28<sup>th</sup> of September, 2015. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 24.262 million. It can be used by the 31<sup>st</sup> of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.
- d) Credit limit in current account in bank Millennium S.A. with its registered office in Warsaw in the amount of PLN 5 million. It can be used by the 11<sup>th</sup> of December, 2015. An authorisation to manage Comarch S.A.'s accounts in bank Millennium S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2014, the credit was not used.

### 10.3. Loans

#### a) Loans Taken by Comarch S.A.

On the 27<sup>th</sup> of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 0.343 million and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate (approx. 5.63%). The loan is not secured. As at the 31<sup>st</sup> of December, 2014, the value of the credit to be repaid amounted to PLN 0.121 million.

#### b) Loans Granted to Companies in Comarch Group

As at 31<sup>st</sup> of December, 2014, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

| Company                          | Due date   | Value        | Currency | Interest<br>(variable interest rate) | Value in PLN         |
|----------------------------------|------------|--------------|----------|--------------------------------------|----------------------|
| OOO Comarch                      | 30.06.2016 | 150,000.00   | USD      | 2.33%                                | 526,080.00           |
| Comarch Chile SpA                | 30.06.2016 | 50,000.00    | USD      | 2.42%                                | 175,360.00           |
|                                  | 30.06.2016 | 50,000.00    | USD      | 2.33%                                | 175,360.00           |
|                                  | 31.12.2016 | 50,000.00    | USD      | 2.33%                                | 175,360.00           |
|                                  | 31.12.2016 | 100,000.00   | USD      | 2.33%                                | 350,720.00           |
|                                  | 31.12.2016 | 100,000.00   | USD      | 2.33%                                | 350,720.00           |
| Comarch R&D S.à r.l.             | 31.12.2016 | 250,000.00   | EUR      | 2.30%                                | 1,065,575.00         |
|                                  | 31.12.2016 | 300,000.00   | EUR      | 2.31%                                | 1,278,690.00         |
| iMed24 S.A.                      | 31.12.2017 | 5,120,000.00 | PLN      | 4.70%                                | 5,120,000.00         |
| ESAProjekt Sp. z o.o.            | 31.12.2017 | 1,750,000.00 | PLN      | 4.72%                                | 1,750,000.00         |
|                                  | 31.12.2016 | 2,000,000.00 | PLN      | 4.05%                                | 2,000,000.00         |
| Bonus Development Sp. z o.o. SKA | 31.12.2028 | 3,858,729.00 | PLN      | 3.47%                                | 3,858,729.00         |
| <b>Total</b>                     |            |              |          |                                      | <b>16,826,594.00</b> |

The value of the revaluation write-off of the loans amounts to as follows: for OOO Comarch (PLN 526,080), for Comarch R&D S.à r.l. (PLN 1,065,575 and PLN 1,278,690). The total value of revaluation write-off amounts to PLN 2,870,345.

#### c) Loans Granted to Employees of Comarch S.A.

None present.

**d) Loans Granted to Members of the Management Board and Members of the Supervisory Board**

As at 31<sup>st</sup> of December, 2014, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

**10.4. Suretyships**

a) Due to conclusion of a subcontracting agreement by CA Consulting S.A., a subsidiary of Comarch S.A. in relation to a contract with a client, Comarch S.A. granted a surety for obligations of CA Consulting S.A. The surety was granted up to the amount of liabilities of CA Consulting S.A. resulting from subcontracting agreement, i.e. to the maximum amount of PLN 6,698,434.82 and USD 1,356,861.70, and it is valid till the moment when all payments resulting from the agreement will be made.

b) Due to conclusion of a loan agreement by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations resulting from this agreement. The surety was granted up to the amount of PLN 1,416,662.70 and is valid till all payment obligations related to the loan agreement are completed, i.e. the 30<sup>th</sup> of April, 2014.

c) Due to granting a trade credit to CA Consulting S.A., a subsidiary of Comarch S.A., for sales of products and services in the amount of PLN 2 million, Comarch S.A. granted a surety for future obligations of CA Consulting S.A. resulting from using the trade credit. The surety was granted up to the amount of PLN 2 million and was valid till the 28<sup>th</sup> of February, 2014.

d) Due to conclusion in August, 2010, of a contract with a customer, issuer has granted a guarantee for the customer. This guarantee has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG, a subsidiary of Comarch S.A. The value of the guarantee equals the value of the contract, i.e. approximately EUR 54,580,752. The financial conditions, that the guarantee was provided on, do not differ from the market conditions.

e) Due to DnB Bank Polska S.A. granting a credit line for bank guarantees to CA Consulting S.A., a Comarch S.A. subsidiary, on the 13<sup>th</sup> of May, 2010, the issuer granted a surety for the benefit of DnB Bank Polska S.A. in order to guarantee the fulfilment of any obligations resulting from the credit agreement by CA Consulting S.A. The value of the surety equals PLN 3,000,000 and is valid for the whole term of the agreement.

f) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract, i.e. EUR 5.495 million.

g) Due to Bank Pekao S.A. granting a loan in the amount of 15,888,666.42 PLN to iMed24 S.A., a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals 23,832,999.63 PLN and is valid until the 31<sup>st</sup> of December, 2021.

h) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1<sup>st</sup> of January, 2012, the parent company granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals EUR 147,669 and is valid until the 31<sup>st</sup> of March, 2015.

i) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety

was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 807,680 and in addition, GBP 86,400 annually for SLA, and it is valid for the whole term of the agreement.

j) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,681,747 and is valid for the whole term of the contract.

k) Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion, i.e. till March, 2020. Contract's value amounts to EUR 3,504,513.

l) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through 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.

m) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of 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.

n) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,351,316.50 and is valid for the whole term of the contract.

o) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 2,807,329 and is valid till the end of this project.

p) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 235,611.08 and is valid till the termination of the Project.

q) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,243,479.50 and is valid for 12 years after the contract completion.

r) Due to conclusion of a contract for fuel cards service signed by ESAPROJEKT sp. z o.o., a subsidiary of Comarch S.A., on the 20<sup>th</sup> of December, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by ESAPROJEKT sp. z o.o. At the 20<sup>th</sup> of December, 2014, the guarantee was renewed. The surety was granted up to the maximum amount of PLN 100 thousand and is valid till the 19<sup>th</sup> of November, 2015.

s) Due to conclusion of a contract for SLA services, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was

granted up to the amount of the signed agreement, i.e. approximately EUR 10,000 monthly and is valid till the termination of the contract.

t) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838,425 and is valid till the termination of the contract.

u) On the 31<sup>st</sup> of May, 2014, surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of obligations by subsidiaries: iReward24 S.A., iMed24 S.A., Ca Consulting S.A. i Comarch Polska S.A. granted by Comarch S.A. expired. On the 1<sup>st</sup> of June, 2014, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of obligations by subsidiaries: iMed24 S.A. and CA Consulting S.A. resulting from this contract signed with this entity. The total value of the sureties equals PLN 100 thousand (PLN 50 thousand for each company) and they are valid till the 31<sup>st</sup> of May, 2015.

v) Due to granting to Comarch Polska S.A., a subsidiary of Comarch S.A., operating credit limit for sales of products and services by a supplier, on the 29<sup>th</sup> of September, 2014, Comarch S.A. granted a surety for liabilities of Comarch Polska S.A. resulting from the agreement. The surety was granted up to the amount of PLN 3,300,000 and expired on the 23<sup>th</sup> of December, 2014, when Comarch Polska S.A. repaid in total all obligations resulting from the agreement.

w) Due to conclusion of a framework agreement signed by branch of Comarch AG in Belgium with a customer, Comarch S.A. granted a surety for liabilities of Comarch AG. The surety was granted up to the amount of the agreement, i.e. EUR 3,240,759 and is valid till the termination of the project.

x) Due to conclusion of a contract for implementation of Comarch Loyalty Management For Airlines, Comarch Smart Analytics and Comarch Customer Engagement Platform-Gamification, as well as the maintenance and management of the system by Comarch Middle East FZ-LLC, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch Middle East FZ-LLC resulting from this project. The surety was granted up to the amount of the signed agreement, i.e. USD 5 million and is valid till the moment when all obligations resulting from the agreement will be made.

## **10.5. Bank Guarantees**

On 31<sup>st</sup> of December, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 60.327 million, whereas it was PLN 70.774 million on 31<sup>st</sup> of December, 2013.

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

## **11. The Most Important Events in 2014 and after the Balance-Sheet Date**

### **11.1 Contracts Significant for Issuers' Activities**

The most important contracts signed in 2014 are:

#### **11.1.1. 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. RB-6-2014 of the 21<sup>st</sup> of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation,

configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. RB-11-2014 dated the 25<sup>th</sup> of April, 2014.

## **AFTER THE BALANCE SHEET DATE**

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

On the 16<sup>th</sup> of January, 2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium. On the 30<sup>th</sup> of March, 2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium. The company announced details in current reports no. RB-5-2015 dated the 16<sup>th</sup> of January, 2015 and RB-9-2015 dated the 30<sup>th</sup> of March, 2015.

## **11.2 Other**

### **11.2.1. Accounting note from Agency for Restructuring and Modernisation of Agriculture**

On 16<sup>th</sup> of May, 2014, Management Board of Comarch S.A. received the accounting note issued by Agency for Restructuring and Modernisation of Agriculture (ARMA), which amounts to PLN 32,455,497.28. The subjective accounting note in accordance with its contents, was issued by ARMA by way of contractual penalties for delay-default SLA level in one month (August 2013) the provision of services under the contract of 29 April 2013. The company announced details in current report no. RB-14-2014 dated the 19<sup>th</sup> of May, 2014.

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

On the 22<sup>nd</sup> of May, 2014, with the current report no. RB-15-2014, the Management Board of Comarch S.A. announced that they shall recommend to the company's General Shareholders' Meeting pass the net profit achieved by Comarch S.A. in financial year from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013 in the amount of PLN 45,584,120.35 in whole to supplementary capital.

## **AFTER THE BALANCE SHEET DATE**

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

The Management Board of Comarch S.A. has announced that on 14<sup>th</sup> of January, 2015, it received from Regional Court in Warsaw, the Third Civil Division, a claim filed by ARMA against Comarch S.A., for payment of PLN 34,493,717.28 by way of contractual penalties. According to the court's notice, Comarch S.A. will answer to the claim within 60 days from receiving the claim. At the same time, the Management Board of Comarch S.A. sustains its position that calculation of these penalties has neither justification nor grounds in the provisions of the Contract. Comarch S.A. announces also that, despite the dispute concerning the charged contractual penalties, the Contract is still executed in accordance with the requirements of the SLA. The company announced details in current report no. RB-4-2015 dated the 15<sup>th</sup> of January, 2015.

### **11.2.4. Resignation of Managing Persons**

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

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

## **12. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside the Group of Related Parties, as well as a Description of their Financing, as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned**

The Group does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, Comarch 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 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. RB-4-2014 dated the 28<sup>th</sup> of January, 2014).

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.

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

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

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

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

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

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

### **12.2. Real Estates**

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o, for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure.

Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounted to 62,268 thousand PLN. In the fourth quarter of 2013, Comarch S.A. began construction works.

On the 16<sup>th</sup> of January, 2015, with the current report no. RB-5-2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,268,000 to PLN 62,884,213.23 as a result of extension of the scope of work provided by the Consortium. On the 30<sup>th</sup> of March, 2015, with the current report RB-9-2015, Comarch S.A. announced that has received a signed amendment to the above-mentioned contract. As a consequence, the value of this contract increased from PLN 62,884,213.23 to PLN 64,249,400.00 as a result of extension of the scope of work provided by the Consortium. The planned completion date of this investment is the second quarter of 2015.

## **13. Resolutions of the AGM and the Board of Supervisors**

### **13.1. Corporate Governance Principles**

Pursuant to the rule number 3) included in the third part, point 1 of the "Corporate Governance Principles", Comarch S.A.'s Management Board reports that on the 26<sup>th</sup> of May, 2014 Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2014 in which projects of the resolutions at the AGM, to be held on the 26<sup>th</sup> of June, 2014, are given positive opinions.

Pursuant to the rule number 1) included in the third part, point 1 of the "Corporate Governance Principles", Comarch S.A.'s Management Board conveys 2013 activities' report of Comarch S.A.'s Supervisory Board and assessment of the company's situation in 2013 including assessment of the company's internal system control and risk management in the company.

### **13.2. Annual General Meeting – 26.06.2014**

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

On the 26<sup>th</sup> of May, 2014, pursuant to article 398, 399 § 1, article 402<sup>1</sup> and 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 11:00 o'clock on the 26<sup>th</sup> of June, 2014, at Aleja Jana Pawła II 41e in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, the company's Management Board has presented information on participation in the company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 10<sup>th</sup> of June, 2014,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The company's website and e-mail address.

The company announced details in current reports no. RB-16-2014 dated the 25<sup>th</sup> of May, 2014, RB-16-2014\_K dated the 26<sup>th</sup> of May, 2014, RB-17-2014 dated the 6<sup>th</sup> of June, 2014 which included a request from Mrs. Elżbieta Filipiak, a shareholder of Comarch S.A., to include in the agenda of the next Annual General Meeting of Comarch S.A., a resolution on changing in part a resolution no. 36 of the ordinary

annual general meeting of the company of the 26th of June, 2013 regarding to the managerial option programme, a resolution on granting additional bonus for members of the company's Management Board, a resolution on dismissal of a member of the Supervisory Board, a resolution on appointment of a member of the Supervisory Board, a resolution on change in remuneration for members of the company's Supervisory Board, as well as RB-18-2014 dated the 25th of June, 2014 whereat Mrs. Elżbieta Filipiak submitted draft of a resolution related to additional monetary bonuses for members of the company's Management Board.

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

The AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board regarding the activities of the company in 2013;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2013;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2013, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2013 - 31.12.2013;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2013 - 31.12.2013;
- annulling in part and changes in the resolution no. 36 of the annual general meeting of the 26<sup>th</sup> of June, 2013 regarding to managerial option program;
- granting additional bonuses to the Management Board;
- election of a member of the Supervisory Board;
- changes in remuneration of the Supervisory Board members.

The full content of the resolutions was published on 26<sup>th</sup> of June, 2014, in the current report no. 19/2014 and on 30<sup>th</sup> of June, 2014, in the current report no 19/2014\_K and on the 26<sup>th</sup> of June, 2014, in current report no. RB-21-2014.

#### c) Resolution of the AGM Regarding Dividend for 2013

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2013-31 December 2013 net profit in the amount of PLN 45,584,120.35 will be divided as follows:

1. PLN 12,188,385.00 will be paid as dividend.

Persons who were the company's shareholders on the 31<sup>st</sup> of July, 2014 (dividend's day), got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,125,590 shares and was paid out on the 18<sup>th</sup> of August, 2014.

2. The remaining part of the net profit in the amount of PLN 33,395,735.35 was passed in total to supplementary capital. Company announced details in current report no. RB-20-2014 dated the 26<sup>th</sup> of June, 2014.

#### d) The List of Shareholders Participating the Annual General Shareholders Meeting

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2014, Elżbieta Filipiak and Janusz Filipiak held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak – 1,099,640 registered preference shares which gave 4,671,640 votes at the AGM, which constituted 41.75% of the all votes at this AGM and which constituted 30.90% of the total number of votes;

2. Elżbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 37.81% of the all votes at this AGM and which constituted 27.98% of the total number of votes.

3. AMPLICO OFE - 640,000 registered shares which gave 640,000 votes at the AGM, which constituted 5.72% of the all votes at this AGM and which constituted 4.23% of the total number of votes.

The total number of votes from all emitted Comarch S.A. shares is 15,119,190. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2014 held shares giving 11,188,286 votes. Company announced details in current report no. RB-22-2014 dated the 27<sup>th</sup> of June, 2014.

## **14. Operations on Comarch S.A Shares**

### **14.1. Purchase/Disposal Transactions on Comarch S.A. Shares**

On the 25<sup>th</sup> of July, 2014, a member of Comarch S.A.'s Management Board purchased 187 ordinary bearer Comarch S.A shares for price of PLN 78 each. The value of the transaction amounted to PLN 14,586.00. The company announced details in current report no. RB-3-2015 dated the 13<sup>th</sup> of January, 2015.

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

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

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

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

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

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

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,
- for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
- for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,

where the average capitalisation of the company in the given year was the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the

Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

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

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

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

In execution of the Resolution no. 23 of the Annual General Meeting dated 28<sup>th</sup> of June, 2010, regarding the managerial option program for key employees, on the 13<sup>th</sup> of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. RB-2-2014 dated the 13<sup>th</sup> of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20<sup>th</sup> of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares, in addition to changes in the company's articles of association within the scope (current report no. RB-3-2014 dated the 20<sup>th</sup> of January, 2014 and RB-8-2014 dated the 4<sup>th</sup> of April, 2014).

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

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

With the resolution no. 540/2014 dated the 6<sup>th</sup> of May, 2014, the Management Board of the Warsaw Stock Exchange decided that 73,953 ordinary bearer series K3 Comarch S.A. shares of nominal value of PLN 1 each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 8<sup>th</sup> of May, 2014, providing that on the 8<sup>th</sup> of May, 2014, they will be registered by the National Deposit for Securities and marked with the code "PLCOMAR00012". The company announced details in current report no. RB-12-2014 dated the 6<sup>th</sup> of May, 2014. On the 6<sup>th</sup> of May, 2014, the Operating Department of the National Deposit for Securities announced that on the 8<sup>th</sup> of May, 2014, 73,953 Comarch S.A. shares will be registered in the National Deposit for Securities, ISIN code: PLCOMAR00012, (resolution no. 424/14 dated the 25<sup>th</sup> of April, 2014 of the KDPW S.A. Management Board). The company announced details in current report no. RB-13-2014 dated the 6<sup>th</sup> of May, 2014.

**b) for 2014-2016**

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

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

In the fourth quarter of 2013, the Board of Supervisors established a list of members of the company's Management Board participating the Program and Individual Option Ratios. Total value of Individual Option Ratios for all members of the company's Management Board amounts to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

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

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

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

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

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

the company's articles of association within the scope. The company announced details in current report no. RB-8-2015 dated the 16<sup>th</sup> of March, 2015 in Krakow.

## **15. Other Events in 2014 and after the Balance Sheet Date**

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

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. RB-1-2014 dated the 13<sup>th</sup> of January, 2014, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2014.

### **15.2. Correction of the Selected Financial Data Presented in the Consolidated Report for the Three Quarters of 2014**

On the 24<sup>th</sup> of November, 2014, corrected consolidated quarterly report of the Comarch Group for the three quarters of 2014 was published. The company announced details in current report no. RB-23-2014 dated the 24<sup>th</sup> of November, 2014.

## **AFTER THE BALANCE SHEET DATE**

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

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

- 1) Q4 2014 - on 2<sup>nd</sup> of March, 2015
- 2) Q1 2015 - on 15<sup>th</sup> of May, 2015
- 3) Q3 2015 - on 16<sup>th</sup> of November, 2015
- 4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2015 - on 28<sup>th</sup> of August, 2015
- 5) Annual report for 2014 - on 30<sup>th</sup> of April, 2015
- 6) Consolidated annual report for 2014 - on 30<sup>th</sup> of April, 2015

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

Between the 1<sup>st</sup> of January, 2015 and the 27<sup>th</sup> of April, 2015, Comarch S.A. concluded forward contracts for the sales of EUR 0.5 million, USD 3.5 million, GBP 0.5 million and for the purchase of EUR 1.0 million of reverse transactions. The total net value of open forward contracts as of the 27<sup>th</sup> of April, 2015 amounted to EUR 9.35 million, USD 9.00 million, CAD 1.05 million and GBP 3.40 million. The open forward contracts as of the 27<sup>th</sup> of April, 2015 were valued at plus PLN 0.741 million. The contracts will be settled within 24 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in euro.

## **16. Achievements within Research and Development**

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally. Therefore, the main strategic objectives of the

company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to PLN 73.9 million, thus reached almost 11% of revenue in 2014. Comarch allocated there internal funds as well as acquired actively European funds.

In 2014, Comarch S.A. continued "Efficient, Ergonomic and Secure Systems of Browsing and Transmission of Medical Images" in the e-Health field (contracts for financing signed in 2012) within the Operational Programme Innovative Economy 1.4.



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Fundusze Europejskie – dla rozwoju innowacyjnej gospodarki

In addition, in 2014, Comarch continued the project: "Innovative Platform for Market Research Analysis" funded through the **IniTech initiative**. The project is implemented on the basis of the agreement for financing with the National Centre for Research and Development (NCBiR). In the second half of 2013, a new agreement was signed and it is for financing of a project „Social Business Intelligence Module” within the **Demonstrator Plus**, pilot undertaking „Support of Research and Development in Demonstrative Scale”.

Within the **7<sup>th</sup> Framework Programme** of the European Union, Comarch S.A. continued as a partner, agreement for financing of the “Shaping the Future of Electronic Identity” (FutureID) project. 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).

## 17. Capital Affiliations

### 17.1. Organisational Structure of the Comarch Group

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

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Sistemas LTDA with its registered office in Sao Paulo in Brazil (80% votes held by Comarch AG, 20% votes held by Comarch Software und Beratung AG),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG\*),
    - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
  - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),

- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch Software Spain S.L.U. with its registered office in Madrid in Spain (100%),
- Comarch Yazilim A.S. with its registered office in Istanbul in Turkey (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- Comarch Technologies sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
  - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - “Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SKA (66.67% votes held by Bonus Management sp. z o.o. SKA, 33.33% votes held by MKS Cracovia SSA),
  - Bonus Development sp. z o.o. SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Management sp. z o.o. II Activia SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. II Koncept SKA with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A.),
    - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
    - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

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

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

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

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

## **17.2. Changes in Ownership and Organisational Structure in 2014**

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

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

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

On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7<sup>th</sup> of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register. On the 5<sup>th</sup> of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of PLN 1 each. The change was registered in the National Court Register on the 27<sup>th</sup> of June, 2014. On the 5<sup>th</sup> of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change was registered in the proper register on the 9<sup>th</sup> of September, 2014.

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

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

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

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

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

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

On the 13<sup>th</sup> of June, 2014, AGM of Comarch Management Sp. z o.o. SKA passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110.

On the 10<sup>th</sup> of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SKA was registered in the proper register.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **18. Branches of Comarch S.A.**

As at 31<sup>st</sup> of December, 2014, Comarch S.A. had branches in the following cities:

- Tirana (branch in Albany),
- Białystok,
- Bielsko-Biała,
- Gdańsk,
- Gliwice,
- Katowice,
- Kraków,
- Lublin,
- Łódź,
- Poznań,
- Rzeszów,
- Warsaw,
- Wrocław.

Activities conducted in branches are related to the basic activities of the company.

## **19. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions**

None present.

## **20. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before**

The company has not published the results forecast for 2014.

## **21. Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal**

None present.

## **22. Changes in Methods of Company Management and Its Capital Group Management**

None present.

## **23. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements**

With resolution no. 1/7/2013, dated the 5<sup>th</sup> of July, 2013, the Supervisory Board of Comarch S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. to audit and review the financial statements of Comarch S.A. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k., with its

registered seat in Warsaw at ul. Jana Pawła II 19, is registered at no. 73 in the list of entities entitled to audit financial statements. Comarch S.A. has used the services of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. within the scope of reviewing the financial statements for the first 6 months of 2006-2009 and 2011-2012, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A for 2006- 2009 and 2011-2012.

A two-year agreement was concluded within the scope of:

- a) Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2013 and the first 6 months of 2014;
- b) Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A for 2013 and 2014.

Details related to the remuneration of entities entitled to audit financial statements were included in note 45 of the financial statement. The company announced details in current report no. RB-17-2013.

## 24. Systems that Control Employees Shares Programmes

None present.

## 25. Significant Legal, Arbitration or Administrative Proceedings

### 25.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities

None present.

### 25.1. Two or More Proceedings Related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10% of Equities and the Issuer's Opinion on the Matter

None present.

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

|  |  |   |
|--|--|---|
| <b>Janusz Filipiak</b><br>President<br>of the Management Board     | <b>Piotr Piątosa</b><br>Vice-President<br>of the Management Board      | <b>Paweł Prokop</b><br>Vice-President<br>of the Management Board    |
| <b>Piotr Reichert</b><br>Vice-President<br>of the Management Board | <b>Zbigniew Rymarczyk</b><br>Vice-President<br>of the Management Board | <b>Konrad Tarański</b><br>Vice-President<br>of the Management Board |
| <b>Marcin Warwas</b><br>Vice-President<br>of the Management Board  |  |   |