

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

**FINANCIAL STATEMENT**  
**FOR 2013**  
**AS WELL AS**  
**OPINION OF AN INDEPENDANT AUDITOR**  
**AND**  
**REPORT OF AN AUDITOR**

**OPINION OF AN INDEPENDENT AUDITOR .....3**

**THE REPORT FROM THE AUDIT OF THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2013.....5**

I.	GENERAL INFORMATION .....	5
1.	General Characteristics of the audited Company .....	5
2.	Information regarding the Financial Statement from the Previous Financial Year .....	8
3.	Data that Identifies an Entitled Entity and an Expert Auditor Carrying Out an Audit on behalf of the Entity .....	9
4.	Data Availability and Statements of the Entity’s Management.....	9
II.	EQUITY AND FINANCIAL SITUATION OF THE COMPANY .....	10
III.	DETAILED INFORMATION .....	11
1.	Accounting System Appraisal .....	11
2.	Information on Audited Financial Statement .....	12
3.	Information on Selected and Significant Items in the Financial Statement .....	12
4.	Completeness and Correctness in the Preparation of the Introduction to the Financial Statement, Additional Information and Commentary and the Report regarding the Entity’s Activities .....	13
IV.	FINAL INFORMATION AND ARRANGEMENTS.....	14

**FINANCIAL STATEMENT OF COMARCH S.A. FOR 2013**

1. Introduction
2. Balance Sheet
3. Income Statement
4. Changes in Equity
5. Cash Flow Statement
6. Additional Information and Commentary

**STATEMENT REGARDING ACTIVITIES OF COMARCH S.A. IN 2013**

## **OPINION OF AN INDEPENDENT AUDITOR**

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

We carried out the audit of the attached financial statement of Comarch S.A. with its registered office in Krakow, at al. Jana Pawła II 39A, including introduction to the financial statement, balance sheet as at 31<sup>st</sup> of December, 2013, income statement, changes in equity, cash flow statement for the period from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013, and additional information and commentary.

The Management Board of the company is responsible for the preparation of the financial statement and report regarding the activities.

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

Our task was to audit this financial statement and present our opinion regarding whether this financial statement has been prepared according to the accounting principles applied by the company, whether it presents, in all significant aspects, a true and fair view of the company's equity and financial situation as well as its financial results, and whether the accounting books, which form the basis for the preparation of the financial statement, are maintained on correctly.

The auditing was planned and conducted according to the following regulations:

- chapter 7 of Act on Accounting,
- national standards for financial review, issued by the National Board of Expert Auditors in Poland.

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

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

- a) presents a true and fair view on the company's equity and financial situation as at 31<sup>st</sup> of December, 2013, and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2013,
- b) was prepared compliant with the binding accounting regulations resulting from Act on Accounting and secondary legislation to this act, and on the basis of accounting books carried on correctly,
- c) was prepared compliant with the binding law and the company's articles of association.

The report regarding the activities of the company in 2013 is complete in the sense of art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state and included information come directly from the audited financial statement and are compliant with it.

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

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

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

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

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

**I. GENERAL INFORMATION**

**1. General Characteristics of the audited Company**

The company operates under the company name of Comarch S. A. The city of Krakow, Al. Jana Pawła II 39 A is the office of the company. The company operates in the form of a joint stock company, formed with a notarial deed on 30<sup>th</sup> of November, 1994 by notary, Maria Kwiecinska-Stybel in Krakow (Repertory No. A 5209/94). Pursuant to the decision dated 20<sup>th</sup> of December, 1994, the company was registered in division B, at number RHB 3218 of a commercial register of the District Court for Kraków-Śródmieście, Economic Division of the National Court Register in Krakow. Currently, the company is registered at no. KRS 0000057567 in the register of business entities of the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register in Krakow.

The company's Tax Identification Number is 677-00-65-406 and was given by the Tax Office, Kraków-Śródmieście in Krakow on 1<sup>st</sup> of August, 2000.

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

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

It also operates compliant with the permit on business activities in the Special Economic Zone in Krakow.

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

- Research and development work within the scope of other natural and technical sciences,
- Research and development work within the scope of biotechnology,
- Production of electronic elements,
- Production of electronic printed circuit boards,
- Production of computer and peripheral devices,
- Production of (tele)communication hardware,
- Production of electronic hardware for common use,
- Production of machines and office devices, excluding computer and peripheral devices,
- Service and maintenance of machines,
- Service and maintenance of electronic and optic devices,
- Service and maintenance of electric devices,
- Installation of industry machines, hardware and equipment,
- Wholesale of computers, peripheral devices and software,
- Software activities,
- Advisement within the scope of informatics,
- Activities within the scope of IT hardware management,
- Other activities within the scope of informatics and computer technologies,

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

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

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

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

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

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

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

- in execution of the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28<sup>th</sup> of June, 2010, regarding the managerial option program for key employees, on the 13<sup>th</sup> of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 shares of nominal value of PLN. The shares were acquired by the persons entitled according to the provisions of the managerial option program adopted with the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28<sup>th</sup> of June, 2010.

As at the 31<sup>st</sup> of December, 2013, the equity was 661,046 thousand PLN.

The financial year of Comarch S.A. is the calendar year.

The company holds a share in the following related parties:

- |  |   |   |
|--|---|---|
| - Comarch AG                           | - | a subsidiary in 100%,   |
| - Comarch R&D S.à r.l.                 | - | a direct subsidiary in 30%,<br>an indirect subsidiary in 70%, |
| - Comarch Software und Beratung AG     | - | a subsidiary in 100%*,  |
| - Comarch Panama, Inc.                 | - | a subsidiary in 100%,   |
| - Comarch Solutions GmbH               | - | a subsidiary in 100%,   |
| - Comarch S.A.S.                       | - | a subsidiary in 100%,   |
| - Comarch Luxembourg S.à r.l.          | - | a subsidiary in 100%,   |
| - Comarch Inc.                         | - | a subsidiary in 100%,   |
| - Comarch Canada, Corp.                | - | a subsidiary in 100%,   |
| - Comarch Middle East FZ-LLC           | - | a subsidiary in 100%,   |
| - Comarch LLC                          | - | a subsidiary in 100%,   |
| - Comarch Software (Shanghai) Co. Ltd. | - | a subsidiary in 100%,   |
| - OOO Comarch                          | - | a subsidiary in 100%,   |
| - Comarch Vietnam Company Ltd.         | - | a subsidiary in 100%,   |
| - Comarch Oy                           | - | a subsidiary in 100%,   |
| - Comarch UK Ltd.                      | - | a subsidiary in 100%,   |
| - Comarch Chile SpA                    | - | a subsidiary in 100%,   |
| - Comarch s.r.o.                       | - | a subsidiary in 100%,   |
| - SouthForge Sp. z o.o.                | - | a subsidiary in 100%,   |
| - CA Consulting S.A.                   | - | a subsidiary in 100%,   |
| - Opso Sp. z o.o.                      | - | a subsidiary in 100%,   |
| - Comarch Management Sp. z o.o.        | - | a subsidiary in 100%,   |

- Comarch Corporate Finance FIZ - a subsidiary in 100%,
- Comarch Management Sp. z o.o. SKA - an indirect subsidiary in 100%,
- Bonus Development Sp. z o.o. SKA - an indirect subsidiary in 100%,
- Bonus Development Sp. z o.o. II Koncept SKA - an indirect subsidiary in 100%,
- Bonus Management Sp. z o.o. SKA - an indirect subsidiary in 100%,
- Bonus Management Sp. z o.o. II Activia SKA - an indirect subsidiary in 100%,
- iMed24 S.A. - an indirect subsidiary in 100%,
- Comarch Polska S.A. - an indirect subsidiary in 100%,
- iReward24 S.A. - an indirect subsidiary in 100%,
- Infrastruktura24 S.A. - an indirect subsidiary in 100%,
- iComarch24 S.A. - an indirect subsidiary 100%,
- CASA Management and Consulting Sp. z o.o. SKA - an indirect subsidiary in 100%,
- CAMS AG - an indirect subsidiary in 100%,
- ESA Projekt Sp. z o.o. - an indirect subsidiary in 100%,
- Comarch Swiss AG - an indirect subsidiary in 100%,
- MKS Cracovia SSA - a subsidiary in 59.82%,
- SoInteractive S.A. - an indirect associate.

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

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

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

According to the Resolution of the Annual General Meeting of Comarch S.A. of the 26<sup>th</sup> of June, 2013, Management Board finished their term of office and new Management Board was elected and consisted of the same persons.

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

For the year 2012, the company achieved net profit in the amount of 41,604 thousand PLN. The company's financial statement for the financial year of 2012 was audited by an expert auditor. An audit was carried out by Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entitled party. There were no reservations in the opinion of an expert auditor dated 30<sup>th</sup> of April, 2013.

The Annual General Meeting that approved the financial statement for the financial year of 2012 was held on 26<sup>th</sup> of June, 2013. The AGM decided to divide net profit for 2012 as follows:

- PLN 12,077,455.50 was paid as dividend,
- PLN 29,526,384.39 was passed to supplementary capital.

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



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

The audit of the financial statement was carried out according to a contract dated 31<sup>st</sup> of July, 2013, concluded between Comarch S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw at al. Jana Pawła II 19. Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. is registered under item no. 73 in the list of entities entitled to audit financial statements (the list of National Council of Auditors). On behalf of the entity entitled to audit financial statements, the audit was carried out under the supervision of the key expert auditor Marek Turczyński (register no. 90114) at the company's office from 10<sup>th</sup> of March to 18<sup>th</sup> of April, 2014, and off-the-office until the date of the opinion.

On 5<sup>th</sup> of July, 2013, according to the authorisation that is included in art. 19 sec. 2 of the company's articles of association, the Board of Supervisors selected the entitled auditor.

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

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

There were no limitations within the audit.

During the audit, all demanded documents and data were made available to the entitled entity and key expert auditor, as well, comprehensive information and explanations were also granted. That was, among other things, confirmed by a written statement from the company's Management Board dated 30<sup>th</sup> of April, 2014.

## II. EQUITY AND FINANCIAL SITUATION OF THE COMPANY

Below is the basic data from the income statement and financial ratios describing the company's financial result, its equity and financial situation compared to parallel data for the previous years.

<u>Basic data from income statement</u> (in thousands of PLN)	<u>2013</u>	<u>2012</u>
Revenues from sales	637,692	666,859
Costs from operating activities	585,712	(601,324)
Other operating revenues	10,622	10,321
Other operating costs	11,297	(13,464)
Financial revenues	4,694	6,384
Finance costs	7,448	(25,160)
Extraordinary profit (loss)	0	0
Income tax	2,967	(2,012)
Net profit (loss)	45,584	41,604
	<u>2013</u>	<u>2012</u>
<u>Profitability ratios</u>		
– gross margin	8%	7%
– net margin	7%	6%
– return on equity	7%	7%
<u>Efficiency ratios</u>		
– assets turnover ratio	0.63	0.63
– receivables turnover ratio (days)	198	196
– liabilities turnover ratio (days)	84	82
– inventories turnover ratio (days)	19	21
<u>Liquidity/net working capital</u>		
– debt rate	35%	41%
– degree of covering assets with equity	65%	59%
– net working capital (in thousands of PLN)	178,510	172,845
– liquidity ratio	1.78	1.56
– cash to current liabilities ratio	1.67	1.45

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

- increases in gross margin and net margin,
- increases in turnover time of receivables and liabilities,
- decrease in inventories turnover ratio,
- increase in covering assets with equity,
- decrease in debt rate,
- increase in working capital in the company,
- increases in liquidity ratios.

### **III. DETAILED INFORMATION**

#### **1. Accounting System Appraisal**

The company has financial records compliant with the regulations specified in art. 10 of the Act on Accounting dated the 29<sup>th</sup> of September, 1994 (Journal of Laws from 2013, pos. 330 and subsequent changes), hereinafter referred to as the “Act on Accounting”, in particular concerning: determination of the financial year, and reporting periods that are included in it, methods of valuation of assets, equity and liabilities, establishing the financial result, methods of preparation of accounting books, data protection systems and data files. The documentation of accounting policy was prepared compliant with Act on Accounting.

The principles applied by the company are compliant with Act on Accounting. Basic principles of valuation of assets, equity and liabilities and of establishing the financial result were presented in the introduction to the financial statement.

The accounting principles selected at the company’s discretion pursuant to section 4 of Act on Accounting have been selected in a manner that correctly reflects specifics of the company’s operations, its financial standing and achieved financial results. These principles have been applied continuously and unchanged compared to those applied to the accounting records and financial statements in the previous year.

The company uses a computer system of accounting records, named Egeria. All economical events are entered in this system. The Egeria system is secured with a password against unauthorized persons and allows for functional limitation of access. Description of this system is compliant with the requirements of art. 10 sec. 1 pt. 3 lit. c) of Act on Accounting.

The opening balance results from the approved financial statement for the previous financial year and was input correctly into the accounting books for the audited period.

In the part we audited, documentary economical operations, the accounting books and the affiliation of accounting writing with the documents and financial statements are compliant with chapter 2 of Act on Accounting.

Accounting books, accounting evidence, documentation of the methods applied to conducting accounting and the approved financial statement of the company are stored in compliance with chapter 8 of Accounting Act.

The company carried out a control of assets, liabilities and equity within the terms and frequency compliant with Act on Accounting. Control differences were presented and settled in the books of the audited period.

## **2. Information on Audited Financial Statement**

The audited financial statement was prepared as at 31<sup>st</sup> of December, 2013 and includes:

- introduction to the financial statement,
- balance sheet as at 31<sup>st</sup> of December, 2013, with total assets and total equity and liabilities amounting to 1,009,603 thousand PLN,
- income statement for the period from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013, with net profit for the year amounting to 45,584 thousand PLN,
- changes in equity for the period from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013, presenting an increase in equity in the amount of 31,661 thousand PLN,
- cash flow statement for the period from 1<sup>st</sup> of January, 2012 to 31<sup>st</sup> of December, 2012, presenting an increase in cash in the amount of 27,911 thousand PLN,
- additional information and commentary.

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

## **3. Information on Selected and Significant Items in the Financial Statement**

### Property, plant and equipment

Property, plant and equipment of the company include:

- property, plant and equipment in use in the amount of 199,486 thousand PLN,
- property, plant and equipment under construction in the amount of 4,210 thousand PLN,
- advances for property, plant and equipment under construction in the amount of 35 thousand PLN.

Commentary notes and information to the financial statement correctly describe changes in property, plant and equipment in use and property, plant and equipment under construction, including the recognition of possible write-offs that reevaluate the above property items.

### Long-term investment

Long-term investment of the company includes:

- interest and shares in subordinated parties in the amount of 202,707 thousand PLN,
- loans granted to subsidiaries in the amount of 3,880 thousand PLN,
- other securities issued by related companies in the amount of 147,749 thousand PLN.

Commentary notes and information to the financial statement correctly describe changes in investment during the financial year.

### Inventories

The inventories structure and revaluating write-offs were correctly prepared in note that describes these balance sheet items.

### Receivables

The trade receivables age structure was correctly prepared in note that describes these balance sheet items, including revaluating write-offs. There were no outdated or extinguished receivables in the audited part of the financial statement. There were no items which were past due or charged with a loss

in value, for which no write-downs would be created in compliance with the accounting principles applied by the company.

### Liabilities

Liabilities with the highest values are:

- long-term credits and loans in the amount of: 83,652 thousand PLN,
- short-term credits and loans in the amount of: 13,079 thousand PLN,
- liabilities due to deliveries and services in the amount 101,328 thousand PLN.

Details about credits and the description of their hedging and maturity were presented in additional notes and information to the financial statement.

There were no outdated or extinguished liabilities in the audited part of the financial statement. There were no significantly past due items, for which financial results of their overdue status would be created, as compliant with the contracts and trade conventions binding the company.

### Prepayments, accruals and provisions for liabilities

Commentary notes that describe prepayments, accruals and provisions for liabilities, correctly describe their structure.

Cost and revenues settled in time are correctly classified within the audited accounting period.

Provisions for liabilities are established in reliably estimated amounts.

These items are presented completely and correctly in essential facets in relation to the total financial statement.

## **4. Completeness and Correctness in the Preparation of the Introduction to the Financial Statement, Additional Information and Commentary and the Report regarding the Entity's Activities**

The introduction to the financial statement includes all required information of appendix no. 1 of Act on Accounting. The company confirmed that it had been appropriate to use a principle of business continuation when preparing the financial statement. Methods of assets, liabilities and equity valuation, the establishment of financial result and the method of financial statement preparation were completely and correctly described in this introduction.

The company prepared additional information and commentary in tabular notes related to the particular items of the balance sheet, income statement and descriptions.

Commentary notes to the items: property, plant and equipment, intangible assets, investment, liabilities and provisions for liabilities correctly present increases and decreases as well as the reasons for these changes during the financial year. The possibility of administration of the particular assets that are presented in the balance sheet was presented due to hedges made in the interest of creditors.

Additional information and commentary to the financial statement describe the reported items correctly and completely. They clearly present all additional information that is compliant with requirements specified in the regulation issued by the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered office in Poland, to whom Polish accounting principles are proper ones (Journal of Laws of 2005, no. 209, pos. 1743, and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for

recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws of 2014, pos. 133).

The Management Board prepared and attached the report regarding the activities of the company in 2013 to the financial statement. This report contains information that is required by art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state. We've audited this report concerning the presented information that has a direct source in the audited financial statement.

#### **IV. FINAL INFORMATION AND ARRANGEMENTS**

##### The Management Board declarations

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

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

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

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

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

President and CEO: Prof. Janusz Filipiak  
Vice Presidents: Piotr Piątosza, Paweł Prokop, Piotr Reichert,  
Zbigniew Rymarczyk, Konrad Tarański, Marcin Warwas



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

Dear Shareholders,

On behalf of Comarch S.A. I am happy to present our report from activities of the company. 2013 was the symbolic year for us as we celebrated the 20<sup>th</sup> anniversary of the company's operating. History of Comarch's development from its very beginning to the global IT company exporting Polish engineering solutions and capital to many countries in the world, proves one of the most inspiring achievements among Polish entrepreneurship. It was a very good year also in terms of financial results achieved by the company. Revenue reached 637.7 million PLN, operating profit amounted to 51.3 million PLN and net profit was 45.6 million PLN. Net margin amounted to 7.1%.

In the previous year, the company successfully continued its long-term growth strategy based on proprietary products and development of foreign activity. The Comarch brand is renowned both domestically and internationally thanks to wide range of technologically advanced IT systems and high quality services. In 2013, subsidiaries of Comarch S.A. were developing dynamically, especially those operating in Western Europe and North America. In relation to acquiring new contracts on the market of North America, Comarch S.A. founded Comarch Chile SpA, new subsidiary in Santiago, in Chile. On the domestic market, the company is one of the largest IT enterprises on the domestic market and pursues a large number of projects in all sectors of the economy.

In order to strengthen the Comarch's market position as a global provider of IT products and services, as well as to ensure its ability for long-term growth, the company continues the stable development and improvement of existing IT products. Expenditure on research and development has now exceeded 10% of sales revenue, which has been financed both from the company's own resources and by proactively seeking out European funds. In 2013, research and development works related to innovative IT solutions within cloud computing were particularly important. The company invests not only in the latest technologies but also in human resources. In 2013, the company increased by 386 its employment level, mostly with IT specialists, as this is a key factor in executing an increasing number of more and more complex contracts.

In the previous year, Comarch S.A. began construction of a new production and office building, including data centre (SSE6), in the Krakow Special Economic Zone. Purpose of the investment are convenient working places for new employees and high quality technical infrastructure enabling seamless execution of IT projects performed by the company.

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

*Professor Janusz Filipiak*

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

Comarch SA  
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Comarch Spółka Akcyjna with its registered seat in Kraków at Aleja Jana Pawła II 39A, entered in the National Court Register kept by the District Court for Kraków-Śródmieście in Kraków, the 11th Commercial Division of the National Court Register under no. KRS 000057567. The share capital amounts to 8,125,590,00 zł. The share capital was fully paid, NIP 677-00-65-406

## **INTRODUCTION TO THE COMARCH S.A.'S FINANCIAL STATEMENT SA-R 2013**

### **I. General Information about Comarch S.A. (the "Company")**

The basic activities of Comarch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. The duration of the parent company is not limited.

In the tables of this statement:

- the previous period means period 01.01.2012 - 31.12.2012 and refers to 12 months,
- the current period means period 01.01.2013 - 31.12.2013 and refers to 12 months.

As at 31<sup>st</sup> of December, 2013, members of Comarch S.A.'s Board of Supervisors were:

- Elżbieta Filipiak - Chairman of the Board of Supervisors,
- Maciej Brzeziński - Vice-Chairman of the Board of Supervisors,
- Danuta Drobniak - Member of the Board of Supervisors,
- Wojciech Kucharzyk - Member of the Board of Supervisors,
- Anna Ławrynowicz - Member of the Board of Supervisors,
- Anna Pruska - Member of the Board of Supervisors.

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

As at 31<sup>st</sup> of December, 2013, members of Comarch S.A.'s Management Board were:

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

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

The financial statement was prepared with the assumption of the continuation of commercial activities by Comarch S.A. in the foreseeable future. According to the company's management, there are no circumstances suggesting any threat to the continuation of activities. The financial statement includes financial data from Comarch S.A.'s branch in Albany.

Comarch S.A. is parent company in the Capital Group. In addition to financial statement that is prepared pursuant to Act on Accounting, the company prepares also consolidated financial statement according to International Financial Reports Standards that are approved by the European Union.

### **II. There Were no Reservations in the Opinion of an Auditor Entitled to Audit Financial Statements of Comarch S.A. for 2012**

### **III. Principles of Valuation of Assets and Equity and Liabilities and Measure of Financial Result**

This financial statement was prepared according to the Act passed on 29<sup>th</sup> of September, 1994 on



Accounting (“Act on Accounting”) and the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones, and according to the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state.

## **1. Non-Current Assets**

### **1.1 Intangible Assets**

Intangible assets are recorded at their acquisition prices with reference to the current redemption. The company carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

• computer software	30%
• licences	30%
• copyrights	30%
• other rights	10-20%

Adopted depreciation rates are related to the estimated useful life of intangible assets. If the useful life of intangible assets resulting from the contract is shorter than it results from the periods determined above, depreciation write-offs are carried out in the period resulting from the contract. In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

### **1.2 Property, Plant and Equipment**

#### **A) Proprietary property, plant and equipment in use**

Proprietary property, plant and equipment in use were valued according to acquisition prices or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value. The following detailed principles of depreciation of proprietary property, plant and equipment in use have been adopted by the company:

assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for group number I), 30% (for group number IV), 15% (for group number VII) and 20% (for group number VIII). In case of proprietary property, plant and equipment in use that were acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Lands and the right of perpetual usufruct of land are not depreciated.

**B) Proprietary property, plant and equipment under construction** are valued according to acquisition prices less write-offs due to permanent losses in value

**C) Improvements in third party’s proprietary property, plant and equipment** are valued according to the acquisition price less depreciation. They are related to buildings and structures and depreciated with the straight-line method corresponding with periods of their economic utility.

**D) Proprietary property, plant and equipment, which are used according to the lease agreements** concluded after 1<sup>st</sup> of January, 2002, are classified as company’s non-current assets if conditions resulting from article 3, section 4 of Act on Accounting are met and they are valued at fair value established as at the date of the beginning of the agreement or as at reception of the lease object into use, or at the current value of minimum lease fees, if it is lower than the fair value.

### **1.3 Long-Term Investments**

#### **A) Real estates**

Real estates are valued according to acquisition price or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value and principles specified in art. 31, art. 32 section 1-5 and art. 33 section 1 of the Act.

Costs and revenues related to real estates maintenance costs, their updating or reclassification are recognised as other operating revenue/costs (pursuant to art. 3 section 1, point 32 of the Act).

## **B) Non-current financial assets**

As at the balance sheet date, financial assets are classified as non-current in the financial statement if the estimated period of their further owning exceeds 12 months from the balance sheet date.

Shares are recognised at the acquisition or originate date according to acquisition price, and at the balance sheet date according to acquisition price less write-offs due to permanent loss in value. When permanent loss in value appears, the revaluation of write-offs is carried out no later than at the balance sheet date.

Participation units in Comarch Corporate Investment Closed Investment Fund ("CCF FIZ") are valued at fair value and effects of valuation are settled with revaluation reserve.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

## **2. Current Assets**

### **2.1 Inventories (Products in Progress, Materials and Goods)**

Materials are valued according real purchase prices. When loss in value in use is observed, revaluating write-offs are carried not later than as at the balance sheet date.

Components and servicing equipment purchased as inventory, in order to fulfil warranty obligations related to the performed contracts, are recognised according to their acquisition prices and then settled by value in proportion to the guarantee period.

Production in progress given in the statement refers to software produced by Comarch S.A. and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by Comarch S.A. and allocated for multiple sales is valued in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.

Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50% to 100% of the invoiced sale in the above time period of sales, are written off into its own costs. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

Goods are appraised according to actual purchase prices, no higher than net selling prices.

### **2.2 Receivables**

Receivables are recognised initially at nominal value and as at the balance sheet date in the amount of required payment. Receivables due to deliveries and services are classified as current receivables. Other receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).

In order to make their value real, receivables are decreased by write-offs revaluating bad debts.

Receivables in foreign currencies were valued as at the balance sheet date at NBP average exchange rates. The realised and resulting from balance valuation exchange differences are classified as financial revenues and financial costs respectively, after they were compensated.

## 2.3 Current Financial Assets

Assets recognised in the financial statement consist mostly of monetary assets and loans to other entities. Monetary assets consist of cash in hand, cash at banks and accrued interest on financial assets. Cash in domestic currency was valued at nominal value, while cash in foreign currencies was valued at NBP average exchange rates.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

Securities are valued according to acquisition cost or market value, depending on which of the values is lower.

## 2.4 Current and Non-current Prepayments of Costs

Expenses incurred in advance, but related to future reporting periods are settled by prepayments of costs. Prepayments of costs that last longer than 12 months starting with the balance sheet date are regarded as a non-current item.

Prepayments include also surplus of sales in long-term contracts made according to article 34a, section 1 and section 2, point 2 of Act on Accounting over value of sales invoiced to contractors.

## 3. Equity

Equity includes:

- share capital of the company presented at nominal value,
- supplementary capital from profit-sharing in compliance with principles and limitations specified in the Commercial Companies Code and from surpluses of shares sold above their nominal value,
- other reserve capitals from profit-sharing intended for investment targets and other specified in statute – valued at nominal value,
- retained profit from adjustments due to changes in accounting principles in 2002 resulting from amendments to Act on Accounting and adjustments due to changes to the rules of recognising of built-in derivatives,
- revaluation reserve due to valuation of investment certificates in CCF FIZ and settlement of deferred tax on valuation.

## 4. Liabilities and Provisions for Liabilities

### 4.1 Provisions for Liabilities

They are created for reliable and possible losses due to business activities. In particular, they are related to:

- expected expenses that will incur during the next reporting period due to costs that are related to the current period,
- provisions for additional costs of contracts completion that are expected to incur and that exceed the amount of possible to achieve revenues; and provisions for guarantees,
- provisions due to rewards (premium) expected to be paid in the next reporting period, but related to the previous period,
- provisions for leaves.

They include also provisions due to deferred income tax.

### 4.2 Liabilities

At the time of initial recognition, financial liabilities are valued at nominal value and as at the balance sheet date, in the amount of required payment. Liabilities due to deliveries and services are classified as current liabilities. Other liabilities are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date). Liabilities in foreign currencies were valued as at the balance sheet date at NBP average exchange rates.

**4.3 Special Funds** consist of Social Services and Residential Fund that was created from profit-sharing for 1998 and 1999.

#### **4.4 Accruals**

Accruals of revenues include subsidies for financing of research and development works that are received from union funds and domestic funds for science.

Accruals of revenues include also surplus of sales invoiced to contractors over the value of proceeds from sales in long-term contracts determined according to article 34a, section 1 and section 2, point 2 of Act on Accounting.

### **5. Valuation of Assets and Equity and Liabilities Presented in Foreign Currencies and Principles of Determining Exchange Differences**

#### **5.1 Within Reporting Year**

Economic operations which are expressed in foreign currencies are presented in accounting books as of the date of their conducting with the exchange rate respectively:

- A) Operations related to sale and purchase of goods and services at the average NBP exchange rate as of the date preceding conducting the operation; however, import purchases that require customs clearance and export sales of goods are valued according to exchange rates set within evidence for customs clearance,
- B) Operations regarding an influx of foreign currency to a bank account, resulting from payment of receivables for goods and services, securities and additional interest by the bank - at the average NBP exchange rate as of the date preceding conducting the operation.
- C) Incurring credit or loans in foreign currencies at the moment of their inflow to a bank account in addition to inflow of added interest on these credits - at the average NBP exchange rate as of the date preceding conducting the operation.
- D) Purchase and sale of interest, shares and securities stated in foreign currency - at the average NBP exchange rate as of the date preceding conducting the operation.
- E) Operations related to sales or purchases of currencies – at the exchange rate actually applied by the bank on a given day (purchase or sales exchange rate, respectively, applied by the bank).
- F) Payment of receivables in foreign currency (including loans), if the currency does not directly influence the currency account – at the purchase exchange rate, with the bank that converted (acquired) these currencies.
- G) Payment of liabilities, credit and loans with the foreign currency purchased at the bank (i.e. not directly from a currency banking account) – at the sales exchange rate applied by the bank.
- H) Other operations at the average NBP exchange rate – as of the date preceding conducting the operation or exchange rate actually applied (depending on the type of operation).

#### **5.2 As at Balance Sheet Date**

- A) Items of assets and equity and liabilities are valued at binding NBP average exchange rates.

#### **5.3 Principles of Determining Exchange Differences**

- A) Exchange differences related to non-current investment are accounted for adequately with revaluation reserve or revenues and financial costs (according to article 35, section 2 and 4 of Act on Accounting).
- B) Exchange differences related to the other assets and equity and liabilities and those arising on payment of receivables and liabilities are classified to revenues and financial costs, respectively.
- C) Realised exchange differences, related to receivables and liabilities, are determined up to date, while unrealised exchange differences, related to receivables and liabilities and cash at banks are valued at the end of the quarter (in compliance with materiality principle).

### **6. Financial Instruments**

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as fair value hedging, are valued at fair value and change in their valuation refers to the result from financial operations.

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as cash flow

hedging, are valued at fair value change in their valuation refers to:

- the revaluation reserve (in the part that constitutes the effective hedging),
- the result from financial operations (in part that doesn't constitute the effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, are valued at fair value and change in their valuation refers to the result from financial operations.

## **7. Financial Result**

Comarch S.A. prepares its income statement in calculation version in compliance with matching principle revenues and costs.

Comarch S.A.'s operations mostly consist of producing software for multiple sales and implementing IT integration contracts. As part of its integration contracts, Comarch offers the implementation of IT turnkey systems consisting of (own and third party) software and/or computer hardware and/or services such as:

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- other IT and non-IT services necessary for system implementation.

Integration contracts realised by Comarch S.A. are classified according to article 34 a-d of Act on Accounting, whereas degree of progress for contract is determined by share of incurred costs compared to total costs of service execution.

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

- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services.

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).

When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.

Several integration contracts are combined and recognised as one contract, if:

- the agreements are executed at the same time or sequentially one after another and the precise separation of the costs of their execution is impossible, or
- the agreements are so closely inter-related that they are actually parts of a single project and share a single profit margin for the entire project.

### **7.1 Revenues are Classified according to Accrual Basis**

Revenues from uncompleted non-current services (contracts) are classified in proportion to the level of service according to article 34 a, section 2, point 1 of Act on Accounting.

Revenues from sales of other services, products, finished goods and other item of assets are recognised at the moment of delivery of products, finished goods and other items of assets, if the entity transferred significant risk and benefits resulting from their ownership or at the moment of executing the service. Sales are presented in net value, i.e. without commodity and services taxes and taking into account all discounts.

### **7.2 Costs Consist of:**

- A) In relation to long-term contracts, total expenditures incurred in the period, on execution of contracts that were valued at production costs.
- B) In relation to other services, finished goods and other assets – value of sold (invoiced) products, finished goods and other items valued at production cost or acquisition price.
- C) Total administrative costs and cost of sales incurred in the period.

In the item "Costs of sold products, finished goods and materials from related parties" in the income statement the company presents the value of products, finished goods and materials purchased from related parties excluding these included in administrative costs, cost of sales and other operating costs.

Costs of sales consist of marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch S.A.

General costs consist of the costs of the Comarch S.A. functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the company.

### **7.3 Other Revenues and Operating Costs**

These consist of revenues and costs not related directly to the ordinary activities of entities and comprise mostly: result from sale of property, plant and equipment and intangible assets, subsidies, provisions created, effects of revaluation of assets and result from research and development financed by union.

According to the materiality principle, content-related items are compensated and they are presented resultantly, respectively in operating revenues or costs. In particular, it refers to:

- result on sales and decommissioning of property, plant and equipment; recovered communication damages and costs of repairs after damage,
- received and paid penalties,
- recognised and dissolved write-offs that revalue receivables,
- subsidies, costs of realisation of research and development works financed by them.

### **7.4 Revenues and Financial Costs**

Revenues and financial costs consist of revenues and costs due to interest, result from exchange differences, from disposal of financial assets and effects of investment revaluation.

### **7.5 Deferred Income Tax**

Due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.

Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle.

Deferred income tax provisions are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future.

Provisions and assets due to deferred income tax are established fiscal rates which are legally binding in the tax point year.

The difference between deferred income tax provisions and deferred income tax assets at the end and at the beginning of the reporting period affects the financial results. In addition, provisions and assets due to deferred income tax related to operations settled with equity are referred into equity.

Due to the fact that the company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised on the basis of the annual settlement of income tax, after the end of the fiscal year. Therefore as at the balance sheet date, the company determines only an asset and provision for deferred income tax only in relation to the types of activities, which are always taxable according to principles that are applied by the company, i.e. financial activities and other operating activities.

On 1<sup>st</sup> of July, 2004, Comarch S.A. received a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004 that changed the conditions for tax exemptions for entities operating in special economic zones to conditions included in the act that was passed on 2<sup>nd</sup> of October, 2003 on changing the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840). Pursuant to article 5, section 2, point 1, lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1<sup>st</sup> of January, 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. 22<sup>nd</sup> of March, 1999, until 31<sup>st</sup> of December, 2006. Tax exempt due to income tax is included in this limit. Additional information on methods of recognition of a deferred income asset and tax exempt due to operations in Special Economic Zone are included in Note 4a of additional information and commentary to this financial statement.

Comarch S.A. holds also another permit to operate in a special economic zone, i.e. permit no. 48/2007 dated the 18<sup>th</sup> of April, 2007 issued by Krakowski Park Technologiczny Sp. z o.o.

Financial result is determined according to article 42 of Act on Accounting dated 29<sup>th</sup> of September, 1994 r. Cash flow statement is prepared using the indirect method.

#### **IV. Principles of Conversion PLN to EURO**

EUR rates used when calculating financial data:

NBP average exchange rates as at 31.12.2013:	4.1472
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NBP average exchange rates as at 31.12.2012:	4.0882
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NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2013:	4.2110
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NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2012:	4.1736
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NBP minimum rate in the period 1.01 - 31.12.2013:	4.0671
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NBP minimum rate in the period 1.01 - 31.12.2012:	4.0465
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NBP maximum rate in the period 1.01 - 31.12.2013:	4.3432
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NBP maximum rate in the period 1.01 - 31.12.2012:	4.5135
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In the table "Selected financial data" points I-VIII and XVI-XVII are valued at NBP arithmetic average exchange rates as at the end of every months in the period, while points IX-XIV and XVIII-XIX at NBP rate binding at the end of the period.

#### **V. Differences between Polish Accounting Principles and International Financial Reporting Standards**

Differences:

##### **1. The Right of Perpetual Usufruct of Land**

In IFRS, the method of presentation of the right of perpetual usufruct of land is not defined explicitly. There are different opinions in that case. Comarch S.A. as the parent company prepares consolidated financial statement according to IFRS and presents the right of perpetual usufruct of land as non-current prepayments settled in time. According to Act on Accounting the law of perpetual usufruct of land is presented as "lands" in property, plant and equipment and is not depreciated.

## **2. Operating in the Special Economic Zone (“SEZ”)**

As a result of Poland joining the European Union, there was a change within terms of income tax from legal persons from unlimited relief to relief that is limited in value and depends on the value of investments made. Pursuant to IAS 12, unused tax relief as at the balance sheet date constitutes a deferred income tax asset. As at 31<sup>st</sup> of December, 2012, the company determined the asset that is worth 10.055 million PLN and presented it in the consolidated financial statement according to IFRS. Within 2013 the assets were dissolved, however as at 31<sup>st</sup> of December, 2013 an asset worth 8.795 million PLN was created. Total effect on result would amount to -1.26 million PLN.

## **3. Managerial Option Programme**

### **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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch S.A. shares (hereinafter referred to as the “Option”) dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees (details of this programme were presented in note 40 of this financial statement).

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

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the 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).

Pursuant to Act on Accounting dated the 29<sup>th</sup> of September, 1994, managerial option programme is not presented in the income statement. The Option is recognised as cost in the consolidated income statement prepared according to IFRS. In 2013, determined option’s value amounted to 2.871 million PLN.

### **b) for 2014-2016**

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 is 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 is executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees (details of this programme were presented in note 40 of the financial statement).

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

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the 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).

Pursuant to Act on Accounting dated the 29<sup>th</sup> of September, 1994, managerial option programme is not presented in the income statement. The Option is recognised as cost in the consolidated income statement prepared according to IFRS. In 2014, determined option’s value will amount to 3.022 million PLN.

#### 4. Differences compared to IFRS

Item	Equity as at 31 December 2013	Net result for 2013
Corrections according to the Polish accounting principles:	661,046	45,584
a) presentation of managerial option (pt V 3)	-	-2,873*
b) an asset due to tax exemption in the SEZ (pt V 2)	8,795	-1,260
c) depreciation due to the right of perpetual usufruct of lands (pt V 1)	-905	-92
Equity and net result after adjusting above-mentioned differences:	668,936	41,359
Change		

*\*) The item has an effect on the amount of result from the current year, however at the same time it is settled with equity.*

## FINANCIAL SUPERVISION AUTHORITY

## ANNUAL REPORT SA-R 2013

(pursuant to §2 sec.1, pt.3 of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of Feb., 2009- Journal of Laws No. 33, pos. 259 and subsequent changes)

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

For financial year 2013 from 2013-01-01 to 2013-12-31  
And for the previous year 2012 from 2012-01-01 to 2012-12-31.

Date of publication: 2014-04-30

<b>COMARCH SA</b>	
(full name of an issuer)	
<b>COMARCH</b>	<b>INFORMATION TECHNOLOGY</b>
(abbreviated name of issuer)	(sector according to WSE classification)
<b>31-864</b>	<b>Krakow</b>
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(NIP)	(REGON)

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

(An auditor entitled to audit financial statements)

Annual report includes:

- Opinion and Report of an Auditor regarding the Annual Financial Statement
- The Management Board's Statement regarding the Reliability of Financial Statement
- The Management Board's Statement regarding the Auditor Independence
- Letter of the President of the Management Board
- Annual Financial Statement
  - Introduction
  - Balance Sheet
  - Income Statement
  - Changes in Equity
  - Cash Flow Statement
  - Additional Information and Commentaries
- Report of the Management Board (Report regarding the Activities of Issuer)
  - Report regarding the Corporate Governance

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2013	2012	2013	2012
I. Net revenues from sales of products, goods and materials	637,692	666,859	151,436	159,780
II. Profit (loss) on operating activities	51,305	62,392	12,184	14,949
III. Gross profit (loss)	48,551	43,616	11,530	10,450
IV. Net profit (loss)	45,584	41,604	10,825	9,968
V. Cash flows from operating activities	113,830	62,711	27,032	15,026
VI. Cash flows from investing activities	-65,473	-95,458	-15,548	-22,872
VII. Cash flows from financing activities	-20,446	-4,584	-4,855	-1,098
VIII. Total net cash flows	27,911	-37,331	6,628	-8,945
IX. Total assets	1,009,603	1,060,650	243,442	259,442
X. Liabilities and provisions for liabilities	348,557	431,264	84,046	105,490
XI. Non-current liabilities	84,298	83,849	20,326	20,510
XII. Current liabilities	157,106	238,050	37,882	58,229
XIII. Equity	661,046	629,386	159,396	153,952
XIV. Share capital	8,051	8,051	1,941	1,969
XV. Number of shares	8,051,637	8,051,637	8,051,637	8,051,637
XVI. Earnings (losses) per single share (PLN/EUR)	5.66	5.17	1.34	1.24
XVII. Diluted earnings (losses) per single share (PLN/EUR)	5.61	5.17	1.33	1.24
XVIII. Book value per single share (PLN/EUR)	82.10	78.17	19.80	19.12
XIX. Diluted book value per single share (PLN/EUR)	81.35	78.17	19.62	19.12
XX. Dividend per one share (paid or declared)	1.50	1.50	0.36	0.36

**OPINION OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Opinion.pdf	Opinion of an Auditor -Appendix No. 1

**REPORT OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Report.pdf	Report of an Auditor -Appendix No. 2

**THE MANAGEMENT BOARD'S STATEMENT REGARDING THE RELIABILITY OF FINANCIAL STATEMENT**

File	Description
The Management Board's Statement regarding the Reliability of Financial Statement.pdf	The Management Board's Statement regarding the Reliability of Financial Statement -Appendix No. 3

**THE MANAGEMENT BOARD'S STATEMENT REGARDING AUDITOR INDEPENDENCY**

File	Description
The Management Board's Statement regarding Auditor Independence.pdf	The Management Board's Statement regarding Auditor Independence - Appendix No. 4

**LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD**

File	Description
Letter of the President of the Management Board.pdf	Letter of the President of the Management Board -Appendix No. 5

**ANNUAL FINANCIAL STATEMENT****INTRODUCTION TO THE FINANCIAL STATEMENT**

File	Description
Introduction to the Financial Statement.pdf	Introduction to the Financial Statement - Appendix No. 6

**BALANCE SHEET**

	Notes	thousands of PLN	
		2013	2012
<b>ASSETS</b>			
I. Non-current assets		603,433	578,820
1. Intangible assets	1	11,119	10,563
2. Property, plant and equipment	2	203,731	211,348
3. Non-current investment	3	380,613	349,593
3.1 Non-current financial assets		354,336	322,083

a) in related parties		354,336	322,083
3.2 Real estates		26,234	27,467
3.3 Other non-current investment		43	43
4. Non-current prepayments	4	7,970	7,316
4.1 Deferred income tax assets		7,066	6,413
4.2 Other prepayments		904	903
II. Current assets		406,170	481,830
1. Inventories	5	26,511	34,798
2. Current receivables	6 7	295,304	403,608
2.1 from related parties		86,475	149,328
2.2 from other entities		208,829	254,280
3. Current investment		53,964	20,118
3.1 Current financial assets	8	53,964	20,118
a) in related parties		8,050	1,437
b) in other entities		1,781	1,205
- granted loans		25	124
- interest and shares		112	22
- other current financial assets		1,644	1,059
c) cash and cash equivalents		44,133	17,476
4. Current prepayments	9	30,391	23,306
Total assets		1,009,603	1,060,650
EQUITY AND LIABILITIES			
I. Equity		661,046	629,386
1. Share capital	10	8,051	8,051
2. Capital from merger settlement		0	0
3. Supplementary capital	11	487,672	458,146
4. Revaluation reserve	12	118,818	120,664
5. Other reserve capitals	13	745	745
6. Previous years' profit (loss)		176	176
7. Net profit (loss)		45,584	41,604
II. Liabilities and provisions for liabilities		348,557	431,264
1. Provisions for liabilities	14	99,738	100,483
1.1 Provisions due to deferred income tax		29,423	29,847
1.2 Other provisions		70,315	70,636
a) current		70,315	70,636
2. Non-current liabilities	15	84,298	83,849
2.1 to related parties		337	306
2.2 to other entities		83,961	83,543
3. Current liabilities	16	157,106	238,050
3.1 to related parties		12,765	31,715
3.2 to other entities		142,843	205,108
3.3 special funds		1,498	1,227
4. Accruals	17	7,415	8,882
4.1 Other accruals		7,415	8,882
a) current		7,415	8,882
Total equity and liabilities		1,009,603	1,060,650
Book value		661,046	629,386
Number of shares		8,051,637	8,051,637
Book value per single share (PLN)	18	82.10	78.17
Diluted number of shares		8,125,590	8,051,637
Diluted book value per single share (PLN)	18	81.35	78.17

**OFF-BALANCE SHEET ITEMS**

	Notes	thousands of PLN	
		2013	2012
1. Contingent liabilities to related parties (due to)	19	162,699	151,085
-bank guarantees and suretyships		162,699	136,998
-payment for purchase of shares issued within the frame of conditional increase in the share capital of MKS Cracovia SSA		0	14,087
2. Contingent liabilities to other entities (due to)		70,774	67,860
-bank guarantees and suretyships		70,774	67,860
Total off-balance sheet items		233,473	218,945

**INCOME STATEMENT**

	Notes	thousands of PLN	
		2013	2012
I. Net revenues from sales of products, goods and materials, including:		637,692	666,859
-revenues from related parties		154,439	129,980
1. Net revenues from sales of products	20	506,697	485,945
2. Net revenues from sales of goods and materials	21	130,995	180,914
II. Costs of products, goods and materials sold, including:		480,929	496,325
-to related parties		32,884	35,560
1. Manufacturing cost of products sold	22	362,887	328,119
2. Value of products, goods and materials sold		118,042	168,206
III. Gross profit on sales		156,763	170,534
IV. Costs of sales	22	64,540	62,302
V. Administrative costs	22	40,243	42,697
VI. Profit (loss) on sales		51,980	65,535
VII. Other operating revenues		10,622	10,321
1. Profit on disposal of non-financial non-current assets		0	67
2. Other operating revenues	23	10,622	10,254
VIII. Other operating costs		11,297	13,464
1. Loss on disposal of non-financial non-current assets		337	0
2. Other operating costs	24	10,960	13,464
IX. Profit (loss) on operating activities		51,305	62,392
X. Financial revenues	25	4,694	6,384
1. Dividends and share in profits		0	762
-from related parties		0	762
2. Interest, including:		1,620	2,003
-from related parties		708	1,266
3. Other		3,074	3,619
XI. Finance costs	26	7,448	25,160
1. Interest		2,729	3,268
2. Revaluation of investment		110	11,816
3. Other		4,094	10,076
XII. Profit (loss) on business activities		625	43,616
XIII. Gross profit (loss)		48,551	43,616
XIV. Income tax	27	48,551	2,012
a) current		2,967	5,219
b) deferred		3,612	-3,207
XV. Net profit (loss)		45,584	41,604
Net profit (loss) (annualised)		45,584	41,604

Weighted average number of shares		8,051,637	8,051,637
Earnings (losses) per single share (PLN)	29	5.66	5.17
Diluted weighted average number of shares		8,125,590	8,051,637
Diluted earnings (losses) per single share (PLN)	29	5.61	5.17

**CHANGES IN EQUITY**

	thousands of PLN	
	2013	2012
I. Opening balance of equity (BO)	629,386	609,697
I. a. Opening balance of equity after adjustments	629,386	609,697
1. Opening balance of share capital	8,051	8,051
1.2. Closing balance of share capital	8,051	8,051
2. Opening balance of supplementary capital	458,146	415,032
2.1. Changes in supplementary capital	29,526	43,114
a) increases (due to)	29,526	43,114
-profit-sharing for the previous years	29,526	43,114
2.2. Closing balance of supplementary capital	487,672	458,146
3. Opening balance of revaluation reserve	120,664	130,502
-changes in applied accounting principles	0	0
3.1. Changes in revaluation reserve	-1,846	-9,838
a) increases (due to)	433	2,308
-provision for deferred income tax due to certificates valuation	433	2,308
a) decreases (due to)	2,279	12,146
-provision for deferred income tax due to certificates valuation	2,279	12,146
3.2 Closing balance of revaluation reserve	118,818	120,664
4. Opening balance of capital from merger	0	0
4.1 Closing balance of capital from merger	0	0
5. Opening balance of other reserve capitals	745	745
5.1 Closing balance of other reserve capitals	745	745
6. Opening balance of the previous years' profit (loss)	41,780	55,367
6.1. Opening balance of the previous years' profit	41,780	55,367
a) changes in applied accounting principles	0	0
6.2. Opening balance of the previous years' profit after adjustments	41,780	55,367
b) decreases (due to)	41,604	55,191
-transferring the result for the previous years to supplementary capital	29,526	43,114
-payment of dividend	12,078	12,077
6.3. Closing balance of the previous years' profit	176	176
7. Net result	45,584	41,604
a) net profit	45,584	41,604
II. Closing balance of equity	661,046	629,386
III. Equity including proposed profit-sharing (loss coverage)	661,046	629,386

## CASH FLOW STATEMENT

	thousands of PLN	
	2013	2012
<b>A. Cash flows from operating activities</b>		
I. Net profit (loss)	45,584	41,604
II. Total adjustments	68,246	21,107
1. Depreciation	28,857	22,387
2. Exchange gains (losses)	1,247	461
3. Interest and shares in profits (dividends)	1,976	-3,561
4. Profit (loss) on investing activities	4,507	11,749
5. Change in provisions	-2,283	8,512
6. Change in inventories	8,293	-1,611
7. Change in receivables	106,810	-75,992
8. Change in current liabilities, excluding credits and loans	-73,926	70,989
9. Change in prepayments and accruals	-7,235	-11,827
10. Other adjustments	0	0
III. Net cash used in operating activities (I+/-II)-indirect method	113,830	62,711
<b>B. Cash flows from investing activities</b>		
I. Inflows	29,801	58,607
1. Disposal of property, plant and equipment and intangible assets	4,399	385
2. From financial assets, including:	25,402	58,222
a) in related parties	23,872	56,590
-dividends and share in profits	0	762
-repaid loans	13,058	49,889
-interest	814	5,939
-received loans	10,000	0
b) in other entities	1,530	1,632
-interest	0	3
-other inflows from financial assets	1,530	1,629
II. Outflows	-95,274	-154,065
1. Purchase of property, plant and equipment and intangible assets	-26,641	-37,146
2. Expenses for investment in real estates	-19	-23
3. For financial assets, including:	-68,614	-116,896
a) in related parties	-68,614	-116,154
-purchase of financial assets	-43,305	-110,354
-granted non-current loans	-15,288	-5,800
-payment of loans to related parties	-10,021	0
b) in other entities	0	-742
-purchase of financial assets	0	-410
-granted non-current loans	0	-332
4. Other investment expenditures	0	0
III. Net cash used in investing activities (I-II)	-65,473	-95,458
I. Inflows	49,452	19,547
1. Inflows from share issue and other capital instruments as well as surcharges to capital	0	0
2. Loans and credits	49,443	19,543
3. Other financial inflows	9	4
II. Outflows	-69,898	-24,131
1. Dividends and other payments to owners	-12,077	-12,488
2. Repayment of loans and credits	-55,022	-8,496
3. Interest	-2,799	-3,147
4. Other financial outflows	0	0

III. Net cash (used in)/generated from financing activities (I-II)	-20,446	-4,584
D. Total net cash flows (A.III+/-B.III+/-C.III)	27,911	-37,331
E. Balance sheet change in cash and cash equivalents, including:	26,657	-37,862
-change in cash and cash equivalents due to exchange differences	-1,254	-531
F. Cash and cash equivalents opening balance	17,473	55,335
G. Closing balance of cash and equivalents (F+/-E), including:	44,130	17,473
-limited disposal	668	698

**ADDITIONAL INFORMATION AND COMMENTARY**

**A. COMMENTARY NOTES**

**BALANCE SHEET COMMENTARY NOTES**

**Note 1 a**

<b>INTANGIBLE ASSETS</b>	thousands of PLN	
	2013	2012
a) costs of finished development works	0	0
b) goodwill	0	0
c) licences, patents and similar items, including:	8,081	8,404
-computer software	400	373
d) other intangible assets	3,023	2,151
e) advance payments for intangible assets	15	8
Total intangible assets	11,119	10,563



## Note 1 b

CHANGES IN INTANGIBLE ASSETS (BY TYPES)							
thousands of PLN							
	a	b	c		d	e	Total intangible assets
	costs of completed development work	goodwill	licences, patents and similar items, including	-computer software	other intangible assets	advances for intangible assets	
a) opening balance of gross value of intangible assets	0	0	17,236	1,077	3,236	8	20,480
b) increases (due to)	0	0	3,051	245	2,730	7	5,788
-purchase	0	0	3,051	245	2,730	7	5,788
c) decreases (due to)	0	0	110	84	0	0	110
-decommissioning	0	0	110	84	0	0	110
d) closing balance of gross value of intangible assets	0	0	20,177	1,238	5,966	15	26,158
e) opening balance of accumulated depreciation (amortisation)	0	0	8,832	704	1,085	0	9,917
f) depreciation for the period (due to)	0	0	3,264	134	1,858	0	5,122
-increases (costs depreciation)	0	0	3,374	218	1,858	0	5,232
-decreases	0	0	110	84	0	0	110
g) closing balance of accumulated depreciation (amortisation)	0	0	12,096	838	2,943	0	15,039
h) closing balance of net value of intangible assets	0	0	8,081	400	3,023	15	11,119

## Note 1 c

INTANGIBLE ASSETS (PROPRIETARY STRUCTURE)	thousands of PLN	
	2013	2012
a) proprietary	11,119	10,563
Total intangible assets	11,119	10,563

## Note 2 a

PROPERTY, PLANT AND EQUIPMENT	thousands of PLN	
	2013	2012
a) property, plant and equipment in use, including:	199,486	206,852
-lands (including right of perpetual usufruct of land)	28,559	30,297
-buildings, premises and water and civil engineering structures	122,180	125,205
-technical equipment and machines	39,067	41,993
-means of transport	6,352	5,769
-other property, plant and equipment	3,328	3,588
b) property, plant and equipment under construction	4,210	4,459
c) advances for property, plant and equipment under construction	35	37
Total property, plant and equipment	203,731	211,348

## Note 2 b

<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN USE (BY TYPES)</b>						
thousands of PLN						
	- lands (including right of perpetual usufruct of land)	- buildings, premises and water and civil engineering structures	- technical equipment and machines	- means of transport	- other non-current assets	Total non-current assets in use
a) opening balance of gross value of property, plant and equipment in use	30,444	154,959	119,332	13,990	11,258	329,983
b) increases (due to)	0	1,002	12,284	2,757	1,270	17,313
-purchase	0	1,002	12,284	2,757	1,270	17,313
c) decreases (due to)	1,738	10	5,922	2,102	197	9,969
-decommissioning	0	10	5,199	276	172	5,657
-sales	1,738	0	723	1,826	25	4,312
d) closing balance of gross value of property, plant and equipment in use	28,706	155,951	125,694	14,645	12,331	337,327
e) opening balance of accumulated depreciation (amortisation)	147	29,754	77,339	8,221	7,670	123,131
f) depreciation for the period (due to)	0	4,017	9,288	72	1,333	14,710
-increases (costs depreciation for the period)	0	4,020	15,141	1,820	1,392	22,373
-decreases (decommissioning)	0	3	5,182	200	34	5,419
-decreases (sales)	0	0	671	1,548	25	2,244
g) closing balance of accumulated depreciation (amortisation)	147	33,771	86,627	8,293	9,003	137,841
h) closing balance of net value of property, plant and equipment in use	28,559	122,180	39,067	6,352	3,328	199,486

## Note 2 c

<b>BALANCE SHEET PROPERTY, PLANT AND EQUIPMENT IN USE (PROPRIETARY STRUCTURE)</b>	thousands of PLN	
	2013	2012
a) proprietary	198,543	205,039
b) used on the basis of an agreement of rental, lease or others, including lease agreements	943	1,813
Total balance sheet property, plant and equipment in use	199,486	206,852

## Note 3 a

<b>CHANGES IN REAL ESTATES (BY TYPES)</b>	thousands of PLN	
	2013	2012
a) opening balance	27,467	28,689
b) increases (due to)	20	23
-acceptance for use of a building dedicated to rent	0	0
-fittings of a building dedicated for rent	20	23
c) decreases (due to)	1,253	1,245
-depreciation for the period	1,253	1,245
d) closing balance	26,234	27,467

## Note 3b

<b>NON-CURRENT FINANCIAL ASSETS</b>	thousands of PLN	
	2013	2012
a) in subsidiaries	354,336	322,083
-interest or shares	202,707	163,587
-granted loans	3,880	8,005
-other securities	147,749	150,027
-other non-current financial assets (by types)	0	464
-interest due to non-current loans	0	464
b) in associates	0	0
c) in other entities	0	0
Total non-current financial assets	354,336	322,083

## Note 3 c

<b>CHANGES IN NON-CURRENT FINANCIAL ASSETS (BY TYPES)</b>	thousands of PLN	
	2013	2012
a) opening balance	322 083	288,030
Interest and shares		
b) opening balance	163,587	64,635
c) increases (due to)	43,305	110,764
-purchase of shares in subsidiaries	43,305	110,764
d) decreases (due to)	4,185	11,812
-balance sheet valuation of shares (revaluation of shares)	4,185	11,812
e) closing balance	202,707	163,587
Other securities		
f) opening balance	150,027	162,173
g) increases (due to)	0	0
h) decreases (due to)	2,278	12,146
-valuation of shares in CCF Closed Investment Fund	2,278	12,146
i) closing balance	147,749	150,027

Non-current loans and other non-current assets in subsidiaries		
j) opening balance	8,469	61,222
k) increases (due to)	5,484	7,315
-loans granted to subsidiaries	4,039	5,498
-loans granted to other entities	0	332
-interest due to non-current loans	7	772
-transferring loans from subsidiaries from current to non-current loans	1,022	213
-transferring interest on loans from subsidiaries from current to non-current loans	64	0
-balance-sheet valuation of non-current loans	142	500
-balance-sheet valuation of interest on non-current loans	210	0
l) decreases (due to)	10,073	60,068
-repayment of subsidiaries' loans	2,237	49,889
-repayment of loans to other entities	131	0
-repayment of interests on subsidiaries' loans	0	5,943
-repayment of interests on other entities' loans	0	22
-transferring non-current loans from related entities to current loans	6,898	1,022
-transferring non-current loans from other entities to current loans	75	52
-transferring non-current interests on loans from related entities to current loans	739	64
-creating write-offs revaluating interests	6	0
-balance sheet valuation	0	3,126
-dissolving write-offs revaluating loans	-13	-48
-dissolving write-offs revaluating interests	0	-2
l) closing balance	3,880	8,469
Other loans		
m) opening balance	0	0
o) closing balance	0	0
p) Closing balance	354,336	322,083

## Note 3 d

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			193,428	183,045
b) in foreign currencies (by currencies and after conversion to PLN)			157,028	131,033
b1. in currency	in thou.	USD	51	52
after conversion to thousands of PLN			153	161
b2. in currency	in thou.	EUR	37,694	31,872
after conversion to thousands of PLN			156,325	130,300
other currencies in thousands of PLN			550	572
Total securities, shares and other non-current financial assets			350,456	314,078

## Note 3 e

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY DISPOSAL)	thousands of PLN	
	2013	2012
A. Total securities, shares and other non-current financial assets	350,456	314,078
a. shares (balance sheet value) – admitted do public trading	0	0
-opening balance value	0	0
-value according to the acquisition price	0	0

b. shares (balance sheet value)-other	199,421	160,492
-opening balance value	160,492	61,834
-revaluating corrections (for the period)	-4,173	-11,000
-increase - purchase of shares	43,102	109,658
-value according to the acquisition price	217,817	174,715
c. participation units	147,749	150,027
-opening balance value	150,027	162,173
-value according to the acquisition price	1,060	1,060
-revaluating corrections (for the period)	-2,278	-12,146
d. shares in limited companies	3,286	3,095
-opening balance value	3,095	2,800
-revaluating corrections (for the period)	-12	-812
-increase in value – purchase of shares	203	1,107
-value according to the acquisition price	7,211	7,008
e. others-interest from non-current loans (balance sheet value)	0	464
-opening balance value	464	5,475
-revaluating corrections (for the period)	0	-2
Total value according to the acquisition price	226,088	182,783
Total opening balance value	314,078	232,283
Total revaluating corrections (for the period)	137,717	130,922
Total balance sheet value	350,456	314,078

## Note 3 f

GRANTED NON-CURRENT LOANS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			3,859	5,305
b) in foreign currencies (by currencies and after conversion to PLN)			21	2,700
b1. in currency	in thou.	EUR	5	660
after conversion to thousands of PLN			21	2,698
b2. in currency	in thou.	USD	0	0
Total non-current loans			3,880	8,005

## Note 3 g

OTHER NON-CURRENT INVESTMENTS (BY TYPES)	thousands of PLN	
	2013	2012
-works of art	43	43
Total other non-current investments	43	43

## Note 3 h

CHANGES IN OTHER NON-CURRENT INVESTMENTS (BY TYPES)	thousands of PLN	
	2013	2012
a) opening balance	43	43
b) closing balance	43	43

## Note 3 i

OTHER NON-CURRENT INVESTMENT (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			43	43
Total other non-current investment			43	43

## Note 4 a

CHANGE IN DEFERRED INCOME TAX ASSETS	thousands of PLN	
	2013	2012
1. Opening balance of deferred income tax assets	6,413	4,022
2. Increases	2,807	3,389
a) referred into the financial result of the period	2,807	3,389
3. Decreases	2,154	998
a) referred into the financial result of the period	2,154	998
4. Closing balance of deferred income tax assets, including:	7,066	6,413
a) referred into the financial result	7,066	6,413

**I. Tax exempt due to activities in Special Economic Zone.**

Comarch S.A. operates in the Special Economic Zone ("SEZ") in Krakow and claims the tax relief resulting from its activities in the SEZ on the basis of a permit obtained on the 22<sup>nd</sup> of March, 1999, and amended with a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004. The period in which Comarch S.A. is entitled to use this public aid ends on the 31<sup>st</sup> of December, 2017. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit until 31<sup>st</sup> of December, 2006. The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Council of Ministers from 14<sup>th</sup> of September, 2004 on the Krakow Special Economic Zone (Journal of Laws 220, pos. 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8<sup>th</sup> of February, 2005 that changed the Regulation on the Krakow Special Economic Zone (Journal of Laws No. 32, pos. 270) and with Par. 2 of the latter Regulation taken into consideration. The limit of the unused investment relief as at 31<sup>st</sup> of December, 2013, discounted as at the permit date, is 7.67 million PLN. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, the company does not include tax exempt due to activities in Special Economic Zone in calculating a value of a deferred income tax asset. The company holds also another permit for operating in the special economic zone in Krakowski Park Technologiczny, issued in 2007, valid till the 31<sup>st</sup> of December, 2017. In 2013, the company obtained another permit for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the company emphasises that on the 23<sup>rd</sup> of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026. That means lengthening (maximum till 2026) the period when the company may use the tax relief within the determined limit of public aid due in relation to investments incurred in the SEZ and specified in the regulations.

**II. Temporary differences and tax losses to be settled**

Due to the fact that the company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2013, assets due to temporary differences in income tax, worth 2.807 million PLN, were recognised. Tax assets worth 2.154 million PLN, recognised at 31<sup>st</sup> of December, 2012, were dissolved in part. A provision for deferred income tax due to temporary differences in the amount of 0.111 million PLN was recognised and a provision in the amount of 0.103 million PLN was dissolved. The total effect of these operations on the result of 2013 was plus 0.645 million PLN. A provision for deferred income tax in the amount of 0.432 million PLN (a decrease) has been settled with revaluation reserve.

## Note 4 b

OTHER PREPAYMENTS	thousands of PLN	
	2013	2012
a) prepayments of costs, including:	904	903
-non-current prepayments due to costs	904	903
Total other prepayments	904	903

## Note 5 a

INVENTORIES	thousands of PLN	
	2013	2012
a) materials	672	229
b) rough products and products in progress	21,819	19,840
c) finished goods	3,969	14,729
d) advances for deliveries	51	0
Total inventories	26,511	34,798

Due to loss in value, write-offs that reevaluate inventories were done and worth 0.127 million PLN. At the same time, write-offs that reevaluate inventories were dissolved and amounted to 0.848 million PLN (including those from using in the amount of 0.646 million PLN). Total value of write-offs that are included in the result, as operating revenue, amounts to 0.721 million PLN.

## Note 6 a

CURRENT RECEIVABLES	thousands of PLN	
	2013	2012
a) from related parties	86,475	149,328
-due to deliveries and services with payment period of:	85,341	148,706
-up to 12 months	85,341	148,706
-other	1,134	622
b) from other entities	208,829	254,280
-due to deliveries and services with payment period of:	206,315	251,129
-up to 12 months	199,867	216,824
-over 12 months	6,448	34,305
-other	2,514	3,151
-settlements with employees due to advances and loans	237	154
-deposits, securities, overpayments	1,143	1,612
-due subsidies	1,127	1,385
-investments receivables	7	0
Total net current receivables	295,304	403,608
c) write-offs revaluating receivables	7,151	16,596
Total gross current receivables	302,455	420,204

## Note 6 b

CURRENT RECEIVABLES FROM RELATED PARTIES	thousands of PLN	
	2013	2012
a) due to deliveries and services, including:	85,341	148,706
-from subsidiaries	85,298	148,612
-from associates	43	94



b) others, including:	1,134	622
-from subsidiaries	1,134	622
Total net current receivables from related parties	86,475	149,328
c) write-offs revaluating receivables from related parties	1,539	12,473
Total gross current receivables from related parties	88,014	161,801

## Note 6 c

CHANGE IN WRITE-OFFS THAT REVALUATE CURRENT RECEIVABLES	thousands of PLN	
	2013	2012
Opening balance	16,596	29,983
a) increases (due to)	7,514	10,227
-establishing write-offs for bad debts	7,514	10,227
b) decreases (due to)	16,959	23,614
-dissolution of provisions - paid receivables	15,800	16,862
-dissolution of provisions – listing of outdated receivables	1,159	5,995
-dissolution of write-offs for receivables – accumulated depreciation	0	757
Closing balance of write-offs that revalue current receivables	7,151	16,596

## Note 6 d

GROSS CURRENT RECEIVABLES (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			181,776	260,615
b) in foreign currencies (by currencies and after conversion to PLN)			120,679	159,589
b1. in currency	in thou.	EUR	22,910	32,930
after conversion to thousands of PLN			95,028	134,660
b2. in currency	in thou.	USD	5,184	7,327
after conversion to thousands of PLN			15,633	22,695
b3. in currency	in thou.	CHF	69	15
after conversion to thousands of PLN			234	53
b4. in currency	in thou.	GBP	1,649	257
after conversion to thousands of PLN			8,217	1,286
other currencies in thousands of PLN			1,567	895
Total current receivables			302,455	420,204

## Note 6 e

GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, WITH PAYMENT PERIOD OF THE BALANCE SHEET DATE:	thousands of PLN	
	2013	2012
a) less than 1 month	129,956	185,035
b) over 1 month and less than 3 months	32,520	23,938
c) over 3 month and less than 6 months	4,984	37,678
d) over 6 months and less than 1 year	36,518	36,828
e) over 1 year	7,331	800
f) outdated receivables	87,380	132,152
Total gross receivables due to deliveries and services	298,689	416,431
g) write-offs that revalue receivables due to deliveries and services	7,034	16,596
Total net receivables due to deliveries and services	291,655	399,835

Receivables listed in items a) to e) are related with the regular course of sales. Payment deadline is one of integral elements of the financial offer of the Comarch Group. The Group applies different payment deadlines depending on agreement type and contractor. In particular, long payment deadlines result from using by public institutions of the so-called guarantee deposits settled after completion of a contract (i.e. withholding part of payment of each invoice until the contract is completely executed).

**Note 6 f**

<b>GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, OUTDATED, BY RECEIVABLES OUTSTANDING IN THE PERIOD:</b>	thousands of PLN	
	2013	2012
a) less than 1 month	25,269	18,940
b) over 1 month and less than 3 months	19,550	24,217
c) over 3 month and less than 6 months	16,491	18,270
d) over 6 months and less than 1 year	15,692	45,293
e) over 1 year	10,378	25,432
Total gross receivables due to deliveries and services, outdated	87,380	132,152
f) write-offs that revalue receivables due to deliveries and services, outdated	7,034	16,596
Total net receivables due to deliveries and services, outdated	80,346	115,556

**Note 7 a**

Contested debts and outdated receivables (by titles) as at 31<sup>st</sup> of December, 2013:  
a) contested debts – comprised by revaluating write-offs: 0.317 million PLN.  
b) gross outdated receivables: 87.38 million PLN, including:  
- due to deliveries of finished goods and services: 87.38 million PLN.  
Outdated receivables on which revaluating write-offs were not made: 80.346 million PLN.  
Outdated receivables comprised by revaluating write-offs: 7.034 million PLN.  
Including receivables that are prosecuted – comprised by revaluating write-offs: 1.334 PLN.

File	Description

**Note 8 a**

<b>CURRENT FINANCIAL ASSETS</b>	thousands of PLN	
	2013	2012
a) in subsidiaries	8,050	1,437
-granted loans	7,643	1,437
-other current financial assets (by types)	407	0
b) in other parties	1,781	1,205
-interest and shares	112	22
-granted loans	25	124
-other current financial assets (by types)	1,644	1,059
-forward contracts	1,644	1,059
c) cash and cash equivalents	44,133	17,476
-cash in hand and at banks	44,130	17,473
-other monetary assets	3	3
Total current financial assets	53,964	20,118

## Note 8 b

SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			112	22
Total securities, shares and other current financial assets			112	22

## Note 8 c

SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (BY DISPOSAL)	thousands of PLN	
	2013	2012
A. With unlimited disposability, not registered on regulated market (balance sheet value)	0	0
a) other-by types (balance sheet value):	0	0
-market value	0	0
-value by acquisition price	0	0
B. Shares registered in regulated market (balance sheet value)	112	22
-market value	112	22
-value by acquisition price	72	72
Total balance sheet value	112	22

## Note 8 d

GRANTED CURRENT LOANS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			4,899	423
b) in foreign currencies (by currencies and after conversion to PLN)			2,768	1,138
b1. in currency	in thou.	EUR	667	278
after conversion to thousands of PLN			2,768	1,138
Other currencies in thousands of PLN			0	0
Total granted current loans			7,667	1,561

## Note 8 e

CASH AND CASH EQUIVALENTS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			35,138	7,307
b) in foreign currencies (by currencies and after conversion to PLN)			8,995	10,169
b1. in currency	in thou.	EUR	1,493	1,318
after conversion to thousands of PLN			6,190	5,387
b2. in currency	in thou.	USD	605	821
after conversion to thousands of PLN			1,823	2,545
b3. in currency	in thou.	GBP	176	375
after conversion to thousands of PLN			875	1,880
b4. in currency	in thou.	DKK	9	9
after conversion to thousands of PLN			5	5
B5. in currency	in thou.	CHF	5	8
after conversion to thousands of PLN			15	28

B6. in currency	in thou.	CAD	22	87
after conversion to thousands of PLN			62	273
other currencies in thousands of PLN			25	51
Total cash and cash equivalents			44,133	17,476

## Note 9 a

CURRENT PREPAYMENTS	thousands of PLN	
	2013	2012
a) current prepayments of costs, including:	5,384	4,697
-costs related to the future sales	4,689	4,124
-property and motor insurance	662	542
-other	33	31
b) other prepayments, including:	25,007	18,609
-prepayments due to revenues from non-current contracts	25,007	18,609
Total current prepayments	30,391	23,306

## Note 10 a

SHARE CAPITAL (STRUCTURE)								
in thousands of PLN								
Series/ issue	Type of shares	Type of shares preference	Type of limitation of rights to shares	Number of shares	Value of series/ issue by nominal value	Capital covering	Registration date	Right to dividend (from)
A	Registered preference	vote 5:1	not limited	864,800	865	transformation of limited company	1994-12-20	1994-12-20
A	ordinary bearer shares		not limited	75,200	75	transformation of limited company	1994-12-20	1994-12-20
B	Registered preference	vote 5:1	not limited	883,600	884	cash	1995-03-24	1994-12-20
B	ordinary bearer shares		not limited	56,400	56	cash	1995-03-24	1994-12-20
C	ordinary bearer shares		not limited	3,008,000	3,008	cash	1997-06-20	1996-11-01
D	ordinary bearer shares		not limited	1,200,000	1,200	cash	1999-03-01	1997-11-01
E	ordinary bearer shares		not limited	638,600	638	cash	2000-03-08	1999-01-01
G	ordinary bearer shares		not limited	125,787	126	cash	2004-06-29	2004-01-01
G3	ordinary bearer shares		not limited	102,708	103	cash	2005-06-23	2005-01-01
H	ordinary bearer shares		not limited	543,025	543	conversion of convertible	2006-03-20	2006-01-01

						bonds into shares		
H	ordinary bearer shares		not limited	20,650	21	conversion of convertible bonds into shares	2006-03-31	2006-01-01
I2	ordinary bearer shares		not limited	441,826	441	execution of managerial option programme	2007-04-20	2007-01-01
J2	ordinary bearer shares		not limited	91,041	91	execution of managerial option programme	2010-03-31	2010-01-01
Total number of shares				8,051,637				
Total share capital					8,051			
Nominal value of one share (PLN)			1,00					

**I. Shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A.**

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

-Janusz Filipiak held 2,620,010 shares (32.54% of the company's share capital), which gave him 6,192,010 votes at the AGM and constituted 41.16% of all votes at the AGM;

-Elżbieta Filipiak held 846,000 shares (10.51% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 28.12% of all votes at the AGM.

**AFTER THE BALANCE SHEET DATE:**

None present except for those specified in point II. As a consequence, as at the date of publication of this report, shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A. were:

-Janusz Filipiak held 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;

-Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM.

**II. Managerial Option Program for Members of the Management Board and Other Key Employees 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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares dependent on increases in the value of the company and increase in its capitalisation. The program is executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees (details of this programme were presented in note 40 of the financial statement).

Execution of this programme for 2012

The difference between the average capitalisation in December, 2011 and the average capitalisation in December, 2010 was 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.

Execution of this programme for 2013

The difference between the average capitalisation in December, 2012 and the average capitalisation in December, 2011 was 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.

Execution of this programme for 2014

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

Acting in execution of the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28<sup>th</sup> of June, 2010, regarding the managerial option program for key employees, on the 13<sup>th</sup> of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of

PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13<sup>th</sup> of January, 2014). In consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20<sup>th</sup> of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20<sup>th</sup> of January, 2014).

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

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

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

### III. Managerial Option Program for Members of the Management Board and Other Key Employees for 2014 - 2016

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is to additionally motivate members of the company's Management Board by options on Comarch shares dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's Management Board (details of this programme were presented in note 40 of the financial statement).

#### Note 11 a

SUPPLEMENTARY CAPITAL	thousands of PLN	
	2013	2012
a) from sales of shares above par	84,448	84 448
b) created according to the law	2,684	2 684
c) created according to the statute/agreement, above the (minimal) value that is required by law	400,540	371 014
Total supplementary capital	487,672	458 146

#### Note 12 a

REVALUATION RESERVE	thousands of PLN	
	2013	2012
Opening balance of revaluation of reserve	120,664	130,502
a) increases	432	2,308
-provision for deferred tax due to certificates valuation	432	2,308
b) decreases	2,278	12,146
-balance-sheet valuation of investment certificates	2,278	12,146
Total revaluation reserve	118,818	120,664

## Note 13 a

OTHER RESERVE CAPITALS (BY PURPOSES)	thousands of PLN	
	2013	2012
-investment capital	79	79
-supplementary capital for covering the tax liabilities	666	666
Total reserve capitals	745	745

## Note 14 a

CHANGES IN PROVISION DUE TO DEFERRED INCOME TAX	thousands of PLN	
	2013	2012
1. Opening balance of provision due to deferred income tax	29,847	32,971
2. Increases	111	201
-referred into the financial result of the period due to positive temporary differences	111	201
3. Decreases	535	3,325
-referred into revaluation reserve due to CCF FIZ investment certificates valuation	432	2,308
-referred into the financial result	103	1,017
4. Closing balance of provision due to deferred income tax	29,423	29,847
-referred into the financial result	1,534	1,543
-referred into the equity	27,889	28,304

## Note 14 b

CHANGES IN OTHER CURRENT PROVISIONS (BY TITLES)	thousands of PLN	
	2013	2012
a) opening balance	70,636	63,277
b) increases (due to)	73,950	80,444
-creating provisions due to contractual penalties and recoveries related to delays in contract execution and withdrawal from the contracts	2,058	975
-provisions for leaves	8,164	6,623
-provisions for contracts costs	8,441	14,619
-provisions for rewards	55,287	58,227
c) decreases	74,272	73,085
-dissolving provisions for leaves	6,167	5,372
-dissolving provisions for contractual penalties due to no reasons for creating them	2,666	5,508
-provisions for contracts costs	9,752	7,951
-provisions for rewards	55,687	54,254
-other provisions	0	0
c) closing balance	70,315	70,636

## Note 15 a

NON-CURRENT LIABILITIES	thousands of PLN	
	2013	2012
a) opening balance	337	306
-other (by types)	337	306
-due to lease	337	306

a) to other entities	83,961	83,543
-credits and loans	83,652	83,543
-financial leasing	309	0
Total non-current liabilities	84,298	83,849

## Note 15 b

NON-CURRENT LIABILITIES WITH PAYMENT PERIOD (FROM THE BALANCE SHEET DATE)	thousands of PLN	
	2013	2012
a) over 1 year up to 3 years	37,931	36,899
b) over 3 years up to 5 years	17,468	13,967
c) over 5 years	28,899	32,983
Total non-current liabilities	84,298	83,849

## Note 15 c

NON-CURRENT LIABILITIES (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			15,530	30,989
b1. in currency	in thou.	EUR	16,582	12,930
after conversion to thousands of PLN			68,768	52,860
Total non-current liabilities			84,298	83,849

## Note 16 a

CURRENT LIABILITIES	thousands of PLN	
	2013	2012
a) to subsidiaries	12,766	31,715
-due to deliveries and services with payment period of:	10,772	28,867
-up to 12 months	10,772	28,867
-other (by types)	1,994	2,848
-liabilities due to lease	138	141
-liabilities due to loan	473	482
-investment liabilities	323	2,224
-other	1,060	1
c) to other entities	142,842	205,108
-credits and loans	13,079	21,083
-other financial liabilities	284	0
-due to deliveries and services with payment period of:	90,556	140,258
-up to 12 months	84,021	105,953
-over 12 months	6,535	34,305
-advances for received deliveries	44	1,877
-due to taxes, customs, insurance and other benefits	34,392	37,442
-due to remuneration	74	51
-other (by titles)	4,413	4,397
-investment liabilities	3,248	2,856
-liabilities to employees	380	280
-other	785	1,261
d) special funds (by types)	1,498	1,227
-Social Services Fund and Residential Fund	1,498	1,227



Total current liabilities	157,106	238,050
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**Note 16 b**

CURRENT LIABILITIES (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2013	2012
a) in polish currency			125,328	109,674
b) in foreign currencies (by currencies and after conversion to PLN)			31,778	128,376
b1. in currency	in thou.	EUR	7,205	30,899
after conversion to thousands of PLN			29,505	126,290
b2. in currency	in thou.	USD	62	486
after conversion to thousands of PLN			187	1,507
b3. in currency	in thou.	GBP	271	33
after conversion to thousands of PLN			1,353	166
b3. in currency	in thou.	CHF	207	116
after conversion to thousands of PLN			701	395
Other currencies in thousands of PLN			32	18
Total current liabilities			157,106	238,050

**Note 17 a**

OTHER ACCRUALS	thousands of PLN	
	2013	2012
a) costs related to the current period that will be incurred in future	238	300
b) accruals of revenues	7,177	8,582
-current (by titles)	7,177	8,582
-subsidies received	594	507
-accruals due to long-term contracts	6,583	8,075
Total other accruals	7,415	8,882

**Note 18 a**

Book value per single share in column "2013" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2013. Book value per single share in column "2012" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2012.

Diluted book value per single share in column "2013" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2013. Diluted book value per single share in column "2012" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2012. Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

**OFF-BALANCE ITEMS COMMENTARY NOTES**  
Note 19 a

<b>CONTINGENT LIABILITIES TO RELATED PARTIES (DUE TO)</b>	thousands of PLN	
	2013	2012
a) granted bank guarantees and suretyships	162,699	136,998
-to subsidiaries	162,699	136,998
b) payment for purchase of shares issued within the frame of conditional increase in the share capital of MKS Cracovia SSA, including:	0	14,087
-to subsidiaries	0	14,087
Total contingent liabilities to related parties	162,699	151,085

**INCOME STATEMENT COMMENTARY NOTES**  
Note 20 a

<b>NET REVENUES FROM SALES OF PRODUCTS (MATERIAL STRUCTURE-TYPES OF ACTIVITIES)</b>	thousands of PLN	
	2013	2012
-sales of IT services	409,592	396,175
-including: from related parties	96,087	96,055
-sales of proprietary software and licences	78,028	70,768
-including: from related parties	17,243	9,290
-sales of finished goods	13,967	13,856
-other sales	5,110	5,146
-including: from related parties	3,377	2,802
Total net revenues from sales of products	506,697	485,945
-including: from related parties	116,707	108,147

Note 20 b

<b>NET REVENUES FROM SALES OF PRODUCTS (GEOGRAPHICAL STRUCTURE)</b>	thousands of PLN	
	2013	2012
a) domestic	325,608	299,267
-including: from related parties	24,851	6,577
b) export	181,089	186,678
-including: from related parties	91,856	101,570
Total net revenues from sales of products	506,697	485,945
-including: from related parties	116,707	108,147

Note 21 a

<b>NET REVENUES FROM SALES OF GOODS AND MATERIALS (MATERIAL STRUCTURE- TYPES OF ACTIVITIES)</b>	thousands of PLN	
	2013	2012
-computer hardware	18,990	35,567
-including: from related parties	9,764	19,267
-proprietary software and licences	72,788	128,512
-including: from related parties	14,862	356
-other	39,217	16,835
-including: from related parties	13,106	2,210
Total net revenues from sales of goods and materials	130,995	180,914
-including: from related parties	37,732	21,833

## Note 21 b

NET REVENUES FROM SALES OF GOODS AND MATERIALS (GEOGRAPHIC STRUCTURE)	thousands of PLN	
	2013	2012
a) domestic	128,877	179,229
-including: from related parties	36,572	20,803
b) export	2,118	1,685
-including: from related parties	1,160	1,030
Total net revenues from sales of goods and materials	130,995	180,914
-including: from related parties	37,732	21,833

## Note 22 a

COSTS BY TYPES	thousands of PLN	
	2013	2012
a) depreciation	28,857	22,387
b) consumption of materials and energy	10,208	9,900
c) third party services	104,780	101,282
d) taxes and charges	5,547	5,642
e) remuneration	265,217	235,759
f) social insurance and other benefits	47,180	39,931
g) other (by types)	23,054	21,242
Total costs by types	484,843	436,143
Change in inventories, products and prepayments	-17,173	-3,025
Costs of sales (negative value)	-64,540	-62,302
Administrative costs (negative value)	-40,243	-42,697
Manufacturing costs of products sold	362,887	328,119

## Note 23 a

OTHER OPERATING REVENUES	thousands of PLN	
	2013	2012
a) provision dissolution (due to)	721	1,551
-write-offs that reevaluate materials and finished goods	721	1,551
b) other, including:	9,901	8,703
-recovered communication damages	46	25
-refund of VAT which paid abroad	331	558
-received contractual penalties, compensation	0	13
-refunded court expenses	104	0
-remuneration of taxpayer, refunds from Social Securities Institution	164	86
-cancelled training contracts	13	20
-dissolving of provisions for penalties, damages, claims	303	511
-money bonus	262	14
-creating-dissolving of write-offs revaluating receivables	8,293	7,442
-other	385	34
Total operating revenues	10,622	10,254

## Note 24 a

OTHER OPERATING COSTS	thousands of PLN	
	2013	2012
a) other, including:	10,960	13,464
-membership fees	350	517
-donations	61	59
-paid penalties and damages	0	253
-court expenses	0	100
-costs of projects that are in part financed with subsidies	9,090	9,831
-social costs	40	128
-receivables amortisation	0	793
-real estate maintenance costs	1,184	1,590
-other	235	193
Total operating costs	10,960	13,464

## Note 25 a

FINANCIAL REVENUES DUE TO DIVIDENDS AND SHARES IN PROFITS	thousands of PLN	
	2013	2012
a) dividends from related parties, including	0	762
-dividends from subsidiaries:	0	762
Total financial revenues due to dividends and shares in profits	0	762

## Note 25 b

FINANCIAL REVENUES DUE TO INTEREST	thousands of PLN	
	2013	2012
a) due to granted loans	712	1,277
-from related parties, including:	708	1,266
-from subsidiaries	701	1,266
-from other entities	4	11
b) other interest	908	726
-from other parties	908	726
Total financing revenues due to interest	1,620	2,003

## Note 25 c

OTHER FINANCING REVENUES	thousands of PLN	
	2013	2012
a) other, including:	3,074	3,619
-executed forward transactions	1,530	1,629
-exchange differences	403	0
-forward valuation	1,053	1,744
-other	88	246
Total financing revenues	3,074	3,619

## Note 26 a

FINANCING COSTS DUE TO INTEREST	thousands of PLN	
	2013	2012
a) other interest	2,729	3,268
-for subsidiaries	110	20
-for other parties	2,619	3,248
Total financing costs due to interest	2,729	3,268

## Note 26 b

OTHER FINANCING COSTS	thousands of PLN	
	2013	2012
a) other, including:	625	10,076
-commissions on guarantees	605	631
-exchange differences	0	9,425
-other	20	20
Total other financing costs	625	10,076

## Note 27 a

CURRENT INCOME TAX	thousands of PLN	
	2013	2012
1. Gross profit (loss)	48,551	43,616
2. Permanent differences between gross profit (loss) and basis of taxation for income tax	-12,212	-10,922
3. Temporary differences between gross profit (loss) and basis of taxation for income tax	21,202	40,551
4. Other differences between gross profit (loss) and basis of taxation for income tax, including:	-38,160	-45,229
-income exempt due to activities in Special Economic Zone	-38,160	-45,229
5. Basis of taxation for income tax	19,381	28,016
6. Income tax at the rate of 19% in Poland and 10% in Albany	3,612	5,219
7. Income tax recognised in income statement	2,967	2,012
-presented in tax declaration (current tax to be paid)	3,612	5,219
-deferred	-645	-3,207

## Note 27 b

DEFERRED INCOME TAX RECOGNISED IN INCOME STATEMENT:	thousands of PLN	
	2013	2012
-deferred income tax due to temporary differences	-645	-3,207
Total deferred income tax	-645	-3,207

## Note 28 a

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

a) PLN 12,077,455.50 was paid as dividend. Persons who were the company's shareholders on the 1<sup>st</sup> of August, 2013 (dividend's day), got the dividend in the amount of PLN 1.50 per one share. The dividend was allocated to 8,051,637 shares.

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

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

Comarch S.A.'s Management Board has not made a decision until publication date of this report concerning a proposed profit-sharing for 2013.

File	Description

#### Note 29 a

Net profit per single share in column "2013" is equal to net profit for the period from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013, divided by weighted average number of shares between 1<sup>st</sup> of January, 2013 and 31<sup>st</sup> of December, 2013, where number of days is the weight. Net profit per single share in column "2012" is equal to net profit for the period from 1<sup>st</sup> of January, 2012 to 31<sup>st</sup> of December, 2012, divided by weighted average number of shares between 1<sup>st</sup> of January, 2012 and 31<sup>st</sup> of December, 2012, where number of days is the weight.

Diluted net profit per single share in column "2013" is equal to net profit for the period from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013 divided by weighted average number of shares between 1<sup>st</sup> of January, 2013 and 31<sup>st</sup> of December, 2013 that was calculated according to IAS 33. Diluted net profit per single share in column "2012" is equal to net profit for the period from 1<sup>st</sup> of January, 2012 to 31<sup>st</sup> of December, 2012 divided by weighted average number of shares between 1<sup>st</sup> of January, 2012 and 31<sup>st</sup> of December, 2012 that was calculated according to IAS 33. Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

#### CASH FLOW COMMENTARY NOTES

File	Description
Cash flow commentary notes.pdf	Cash flow commentary notes- Appendix no. 7

CASH FLOWS FROM INVESTING ACTIVITIES (INDIRECT METHOD)	in thousands of PLN	
	2013	2012
I. Net profit (loss)	45,584	41,604
II. Total adjustments	68,246	21,107
1. Depreciation	28,857	22,387
2. Exchange gains (losses)	1,247	461
3. Interest and shares in profits (dividends)	1,976	-3,561
4. Profit (loss) on investing activities	4,507	11,749
5. Change in provisions	-2,283	8,512
6. Change in inventories	8,293	-1,611
7. Change in receivables	106,810	-75,982
8. Change in current liabilities, excluding credits and loans	-73,926	70,989
9. Change in prepayments and accruals	-7,235	-11,827
10. Other adjustments	0	0
III. Net cash used in operating activities (I+/-II)	113,830	62,711

**B. ADDITIONAL COMMENTARY NOTES**

File	Description
Additional commentary notes.pdf	Additional commentary notes-Appendix no. 8
Additional balance-sheet commentary notes.pdf	Additional balance-sheet commentary notes -Appendix no. 9

**SIGNATURES**

<b>SIGNATURES OF ALL MEMBERS OF THE BOARD</b>			
Date	Name and surname	Position	Signature
2014-04-30	Janusz Filipiak	President of the Management Board	
2014-04-30	Piotr Piątosza	Vice-president of the Management Board	
2014-04-30	Paweł Prokop	Vice-president of the Management Board	
2014-04-30	Piotr Reichert	Vice-president of the Management Board	
2014-04-30	Zbigniew Rymarczyk	Vice-president of the Management Board	
2014-04-30	Konrad Tarański	Vice-president of the Management Board	
2014-04-30	Marcin Warwas	Vice-president of the Management Board	

<b>SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS</b>			
Date	Name and surname	Position	Signature
2014-04-30	Maria Smolińska	Head Accountant	

**REPORT OF THE MANAGEMENT BOARD (REPORT REGARDING THE ACTIVITIES OF ISSUER)**

File	Description
Report of the Management Board.pdf	Report of the Management Board-Appendix no. 10

**REPORT REGARDING THE CORPORATE GOVERNANCE**

File	Description
Report regarding the Corporate Governance.pdf	Report regarding the Corporate Governance- Appendix no. 11

In this report, the following notes have not been filed in:

Property, plant and equipment in use recognised off-balance sheet

Non-current receivables, Change in non-current receivables (by titles), Change in write-offs revaluating non-current receivables

Non-current receivables (currency structure)

Change in intangibles (by types), Interest or shares in related units that are valued by equity method, including:

Change in goodwill-subidiaries, Change in goodwill-co subsidiaries, Change in goodwill-associates, Change in negative goodwill-subidiaries, Change in negative goodwill- co subsidiaries, Change in negative goodwill-associates, Interest or shares in subsidiaries, Interest or shares in subsidiaries-cont., Interest or shares in other entities

Other current investment (by types), Other current investment (currency structure)

Revaluating write-offs

Proprietary shares (interest), Shares (interest) of issuer that are propriety of related parties

Write-offs from net profit during financial year (due to)

Change in non-current provision for retirement pension and similar (due to), Change in current provision for retirement pension and similar (due to), Change in other non-current provisions (due to)  
Non-current liabilities due to credits and loans, Non-current liabilities due to issued debts  
Current liabilities due to credits and loans, Current liabilities due to issued debts  
Change in negative goodwill  
Contingent receivables from related entities (due to)  
Profit (loss) on sales of entirety or part of shares of related parties  
Extraordinary profits  
Extraordinary losses  
Total amount of deferred tax, Income tax recognised in income statement related  
Other obligatory decreases in profit (increases in losses), due to:  
Share in net profits (losses) of related parties that are valued by equity method, including:



NOTE 3j INTEREST OR SHARES IN RELATED UNITS												
in thousands of PLN												
a	b	c	d	e	f	g	h	i	j	k	l	
name of entity (company) including legal form	office	activities	nature of relationship (subsidiary, correlate or associate, including direct and indirect relationship)	the applied method of consolidation / equity method valuation or indication that an entity is not subject to consolidation/ valued by equity method	date of control / co-control accession / obtaining major share	value of interest / shares by acquisition price	revaluating corrections (total)	balance sheet value of interest / shares	% of share capital held	share in total number of votes at AGM	indication of basis for control / co control / major share different than the one specified under clauses j) or k)	
1 Comarch AG	Dresden	Sales of software and services in European market	subsidiary	consolidated	13.09.1999	154 456	- 1 320	153 136	100	100		
2 Comarch Software und Beratung AG	Munich	Software producer (especially ERP) and integrator of IT systems	second degree subsidiary (Comarch AG)	consolidated	18.11.2008	109 382	- 38 485	70 897	100	100	100% subsidiary through Comarch AG*	
3 Comarch Solutions GmbH	Innsbruck	Software producer (especially ERP) and integrator of IT systems	third degree subsidiary (Comarch Software und Beratung AG)	consolidated	18.11.2008	6 286	- 4 960	1 326	100	100	100% subsidiary through Comarch Software und Beratung AG	
4 Comarch SAS	Lezennes	Sales of software and services in European market	subsidiary	consolidated	14.09.2007	13 677	- 13 677	-	100	100		
5 ComArch R&D S.a r.l.	Montbonnot-Saint-Martin	Sales of software and services in European market	second degree subsidiary (Comarch SAS)	consolidated	16.09.2008	26	- 5	21	100	100	70% subsidiary through Comarch SAS, 30% held by Comarch SA	
6 Comarch Luxembourg S.a r.l.	Luxemburg	Sales of software and services in European market	subsidiary	consolidated	21.04.2011	1 981	-	1 981	100	100		
7 ComArch, Inc.	Rosemont	Sales of software and services in American market	subsidiary	consolidated	24.06.1999	991	- 991	-	100	100		
8 ComArch Panama, Inc.	Panama	Sales and production of IT systems in Central and Southern American markets	second degree subsidiary (ComArch, Inc.)	consolidated	22.11.2004	914	-	914	100	100	100 % subsidiary through ComArch Inc.	
9 ComArch Canada Corp.	New Brunswick	Sales of software and services in Canadian market	subsidiary	consolidated	01.06.2011	162	- 20	142	100	100		
10 ComArch Middle East FZ-LLC	Dubai	Sales of IT systems in the Middle East and support of delivered IT systems	subsidiary	consolidated	08.04.2004	203	- 44	159	100	100		
11 ComArch LLC	Kiev	Sales of IT systems in Ukraine and support of delivered IT systems	subsidiary	consolidated	01.06.2004	34	- 34	-	100	100		
12 OOO ComArch	Moscow	Sales of IT systems in Russia and support of delivered IT systems	subsidiary	consolidated	26.01.2005	147	- 147	-	100	100		
13 Comarch Software (Shanghai) Co. Ltd.	Shanghai	Sales of IT systems in China and support of delivered IT systems	subsidiary	consolidated	q3 2009	597	- 597	-	100	100		
14 Comarch Vietnam Company Ltd. (Comarch Co., Ltd)	Ho Chi Minh City	under liquidation proceedings	subsidiary	consolidated	05.01.2010	892	- 892	-	100	100		
15 Comarch Oy	Espoo	Sales of IT systems in Finland and support of delivered IT systems	subsidiary	consolidated	16.12.2010	198	- 198	-	100	100		
16 Comarch UK Ltd.	London	Sales of IT systems in Great Britain and support of delivered IT systems	subsidiary	consolidated	20.03.2012	271	- 32	239	100	100		
17 Comarch Chile SpA	Santiago	Sales of IT systems in Chile and support of delivered IT systems	subsidiary	consolidated	23.05.2013	153	- 37	116	100	100		
18 ComArch s.r.o.	Bratislava	Limited activities	subsidiary	consolidated	31.08.2004	494	- 494	-	100	100		
19 SouthForge Sp. z o.o.	Krakow	acquires and executes contracts related to Comarch Software und Beratung software in Poland and executes IT contracts acquired by the Comarch Group	subsidiary	consolidated	18.11.2008	298	-	298	100	100		

20	CA Consulting SA	Warsaw	Delivering of connections and outsourcing services	subsidiary	consolidated	18.06.2004	1 053	-	1 053	99,9	99,9	
21	ComArch Management Sp. z o.o	Krakow	Activities related to IT	subsidiary	consolidated	19.10.2007	250	-	250	100	100	
22	ComArch Corporate Finance FIZ	Krakow	investment activity in the scope of new technologies and Internet services	subsidiary	consolidated	24.10.2007	1 060	146 689	147 749	100	100	100% certificates held by Comarch S.A.
23	ComArch Management Sp z o.o. SK-A	Krakow	Activities related to IT	second degree subsidiary	consolidated	21.11.2007	28	7 068	7 096	100	100	38.57% shares held by CCF CIF 61.43% held by Comarch S.A., shares purchased by Comarch Management Spółka z o.o. SK-A to be redeemed don't give any votes
24	Bonus Management Sp. z o.o. SK-A	Krakow	investment activity on capital market and activities related to IT	second degree subsidiary	consolidated		28 201	1 186	29 387	100	100	subsidiary through CCF CIF
25	Bonus Development Sp. z o.o. SK-A	Krakow	activities related to real estates in Comarch	second degree subsidiary	consolidated		55 950	25 316	30 634	100	100	subsidiary through CCF CIF
26	Bonus Management Sp. z o.o. II Activia SK-A	Krakow	investment activity on capital market and activities related to IT	second degree subsidiary	consolidated		15 427	462	15 889	100	100	subsidiary through CCF CIF
27	Bonus Development Sp. z o.o. II Koncept SK-A	Krakow	activities related to real estates in Comarch	second degree subsidiary	consolidated		8 839	656	9 495	100	100	subsidiary through CCF CIF
28	iMed24 S.A.	Krakow	conducts IT projects related medicine (software to manage medicine units, telemedicine) and medical and diagnostic centre	second degree subsidiary	consolidated	08.04.2008	37 000	34 887	2 113	100	100	subsidiary through CCF CIF
29	Comarch Polska S.A.	Krakow	Activities in the scope of financial services	second degree subsidiary	consolidated	09.06.2008	10 000	3 378	13 378	100	100	subsidiary through CCF CIF
30	iReward24 S.A.	Krakow	produces and implements loyalty software for the customers in small and medium sized enterprises	second degree subsidiary	consolidated	21.10.2008	3 000	629	2 371	100	100	subsidiary through CCF CIF
31	Infrastruktura24 S.A.	Krakow	offers services related to Data Centre for the customers in small and medium sized enterprises	second degree subsidiary	consolidated	09.12.2008	1 150	1 805	2 955	100	100	subsidiary through CCF CIF
32	iComarch24 S.A.	Krakow	provides accounting services for domestic subsidiaries in Comarch Group and conducts IT projects related to e-accounting	second degree subsidiary	consolidated	04.05.2009	2 500	1 755	745	100	100	subsidiary through CCF CIF
33	CASA Management and Consulting Sp. z o.o. SK-A	Krakow	investment activity on capital market	second degree subsidiary	consolidated	12.10.2009	31 140	7 232	23 908	100	100	subsidiary through CCF CIF
34	ESAProjekt Sp. z o.o.	Chorzów	production and delivery of comprehensive IT solutions in medicine sector	third degree subsidiary	consolidated	27.04.2012	12 200	-	12 200	100	100	subsidiary through CASA Management and Consulting Sp. z o.o. SK-A
35	Comarch Swiss AG	Luzern	produces software, especially ERP solutions and integrates IT systems	third degree subsidiary	consolidated	18.11.2008	12 142	-	12 142	100	100	subsidiary through CASA Management and Consulting Sp. z o.o. SK-A
36	CAMS AG	Luzern	investment activity on capital market and related to IT	third degree subsidiary	consolidated	21.01.2013	175	-	175	51	51	subsidiary through CASA Management and Consulting Sp. z o.o. SK-A
37	Opso Sp. z o.o.	Krakow	catering services	subsidiary	consolidated	20.12.2011	205	-	205	100	100	
38	MKS Cracovia SSA	Krakow	Activities in the scope of physical education and sport	subsidiary	consolidated	29.09.2003	37 209	3 341	33 868	66,11	66,11	
39	SolInteractive S.A.	Krakow	Activities related to interactive internet technologies	associate	equity method valuation	29.09.2008	4 000	3 874	126	30,72	18,52	associate through CCF CIF
(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group												

Note 3k INTEREST OR SHARES IN RELATED PARTIES																		
thousands of PLN																		
a	name of entity	equity, including:							liabilities and provisions for liabilities					receivables of entity, including:				
		-share capital	- due payments on share capital (negative value)	-supplementary capital	-other equity, including:			-non-current	-current liabilities	receivables of entity, including:		assets, including:	revenues from sales	value of interest/ shares in entity unpaid by issuer	dividends from entity received or due for the financial year			
					profit (loss) from previous years	net profit (loss)	-non-current			-current								
1	Comarch AG	105 633	61 887	0	90 973	-47 227	-47 910	148	124 538	18 019	106 519	66 230	337	65 893	230 171	101 969	0	0
2	Grupa Comarch Software und Beratung AG	7 044	24 590	0	62 947	-80 493	-65 564	-5 183	16 702	967	15 735	9 073	239	8 834	23 746	83 246	0	0
3	Comarch SAS	-1 673	11 315	0	0	-12 988	-8 801	-6 688	15 099	0	15 099	3 657	0	3 657	13 425	13 553	0	0
4	ComArch R&D S.A.R.L	815	26	0	0	789	-310	1017	2 610	0	2 610	1 496	0	1 496	3 424	9 102	0	0
5	Comarch Luxembourg S.a.r.l.	3 586	1 981	0	0	1 605	1 294	273	4 733	0	4 733	5 133	0	5 133	8 319	10 813	0	0
6	ComArch, Inc.	3 128	154	0	852	2 122	-7 954	11 162	10 565	0	10 565	10 493	0	10 493	13 693	38 256	0	0
7	ComArch Panama, Inc.	3 337	914	0	0	2 423	1 483	964	896	0	896	2 473	0	2 473	4 234	3 174	0	0
8	Comarch Canada Corp.	1 756	162	0	0	1 594	436	1 291	4 195	0	4 195	3 724	0	3 724	5 951	14 536	0	0
9	ComArch Middle East FZ-LLC	-96	200	0	0	-296	752	-2 722	1 226	0	1 226	307	0	307	1 131	601	0	0
10	ComArch LLC	-586	15	0	0	-601	23	-425	2 545	0	2 545	1 416	0	1 416	1 959	5 098	0	0
11	OOO ComArch	330	140	0	584	-394	-403	90	1 363	642	721	412	0	412	1 692	3 133	0	0
12	Comarch Software (Shanghai) Co. Ltd.	-386	597	0	0	-983	-923	-21	400	0	400	0	0	0	14	0	0	0
13	Comarch Vietnam Company Ltd. (Comarch Co., Ltd)	7	892	0	0	-885	-859	-14	0	0	0	0	0	0	7	0	0	0
14	Comarch Oy	1 195	198	0	0	997	683	320	2 351	0	2 351	2 841	0	2 841	3 546	5 690	0	0
15	Comarch UK LTD	1 181	271	0	0	910	-740	1 630	11 588	1 271	10 317	11 499	0	11 499	12 769	17 112	0	0
16	Comarch Chile SpA	-24	153	0	0	-177	0	-180	32	0	32	0	0	0	8	0	0	0
17	ComArch s.r.o.	484	487	0	0	-3	-100	-20	8	0	8	474	0	474	491	0	0	0
18	SouthForge Sp. z o.o.	9 389	50	0	1 646	7 693	7 404	176	417	0	417	4 181	0	4 181	9 807	4 117	0	0
19	CA Consulting SA	16 560	1 050	0	14 025	1 485	677	810	10 459	157	10 302	5 907	0	5 907	27 018	70 175	0	0
20	ComArch Management Sp. z o.o	76	250	0	0	-174	-143	-31	10	0	10	34	0	34	85	0	0	0
21	ComArch Corporate Finance FIZ	147 748	1 000	0	0	146 748	149 027	-2 279	100	0	100	4 632	0	4 632	147 849	0	0	0
22	ComArch Management Sp. z o.o. SK-A	18 380	90	0	6 634	11 656	1 741	685	86	54	32	188	0	188	18 466	32	0	0
23	Bonus Management Sp. z o.o. SK-A	28 598	2 865	0	22 369	3 364	2 064	-37	577	564	13	15 630	0	15 630	29 174	15	0	0
24	Bonus Development Sp. z o.o. SK-A	41 985	5 640	0	42 401	-6 056	-4 612	-1 454	4 214	3 859	355	1 104	0	1 104	46 200	2 118	0	0
25	Bonus Management Sp. z o.o. II Activia SK-A	15 911	1 543	0	13 885	483	0	483	13	8	5	5 942	1400	4 542	15 924	0	0	0
26	Bonus Development Sp. z o.o. II Koncept SK-A	9 274	92	0	8 748	434	0	434	855	0	855	1 938	0	1 938	10 129	781	0	0
27	iMed24 S.A.	3 603	2 450	0	34 550	-33 397	-25 893	-11 504	20 814	9 864	10 950	1 664	0	1 664	24 417	5 423	0	0
28	Comarch Polska S.A.	11 434	500	0	9 500	1 434	-2 664	4 098	22 105	0	22 105	10 540	0	10 540	33 539	72 595	0	0
29	iReward24 S.A.	2 609	750	0	2 250	-391	-1 246	855	416	47	369	858	0	858	3 025	5 001	0	0
30	infrastruktura24 S.A.	3 181	575	0	575	2 031	928	1 103	242	2	240	770	0	770	3 423	2 034	0	0
31	iComarch24 S.A.	773	500	0	2 000	-1 727	-1 679	-48	224	8	216	409	0	409	997	1 719	0	0
32	CASA Management and Consulting Sp. z o.o. SK-A	30 891	3 114	0	28 027	-250	-176	-74	28	0	28	34	0	34	30 918	0	0	0
33	ESAProjekt Sp. z o.o.	8 422	123	0	0	8 299	266	-1 122	6 861	2 392	4 469	2 084	0	2 084	15 283	11 738	0	0
34	Comarch Swiss AG	4 193	1 016	0	508	2 669	451	-3 473	5 226	525	4 701	3 613	0	3 613	9 419	30 673	0	0
35	CAMS AG	308	343	0	0	-35	0	-30	30	0	30	0	0	0	339	0	0	0
36	Opso Sp. z o.o.	122	205	0	0	-83	-68	-15	361	0	361	253	0	253	483	2 069	0	0
37	MKS Cracovia S.A.	32 394	21 840	0	22 728	-12 174	-30 395	-4 928	14 859	5 734	9 125	3 720	0	3 720	47 252	21 337	0	0
38	SolInteractive S.A.	1 499	651	0	0	848	-621	69	1 423	88	1 335	959	0	959	2 969	7 276	0	0

Note 15d NON-CURRENT LIABILITIES (DUE TO CREDITS AND LOANS)													
thousands of PLN													
Name of entity (company) including legal form	Office	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BNP Paribas Bank Polska S.A.	Warsaw	20 000		thou	PLN	1 037	250	thou	EUR	EURIBOR1M+0,95%	05-04-2015	promissory note, mortgage on land up to the amount of 2.812 million euro and cession on the building insurance policy	related to SEZ2 building; in January, 2009 there was a currency change in this credit
BZ WBK (formerly Kredyt Bank S.A)	Warsaw	30 925	7 400	thou	EUR	23 759	5 729	thou	EUR	EURIBOR1M+1,3%	31-12-2020	mortgage on land up to the amount of 11.1 million EUR and cession on the building insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44 000		thou	PLN	25 054	6 041	thou	EUR	EURIBOR1M+0,95%	29-07-2024	promissory note, mortgage on land up to the amount of 53.815 million PLN and cession on the building insurance policy	related to SEZ4 building, in October, 2011 there was a currency change in this credit
PKO Bank Polski SA	Warsaw	17 396	4 126	thou	EUR	14 438	3 481	thou	EUR	EURIBOR1M+1,2%	30-09-2021	mortgage on land in the amount of 6.189 million euro and cession on the building insurance policy	related to SEZV building
BNP Paribas Bank Polska S.A.	Warsaw	9 717	2 400	thou	EUR	3 619	873	thou	EUR	EURIBOR3M+1,3%	29-04-2016	transfer of due payments resulting from contract with a customer, pledge registered on a financed teleinformatic hardware, declaration of submission to enforcement	related to purchase of a teleinformatic hardware in order to perform contract with a customer
PEKAO SA	Warsaw	15 100		thou	PLN	15 100		thou	PLN	WIBOR1M+0,95%	31-05-2015	promissory note, mortgage on land in the amount of 15.1 million PLN and maximum mortgage up to the amount of 2.5 million PLN	related to lands in SSE
PEKAO SA	Warsaw	56 000	13 323	thou	EUR	524	126	thou	EUR	EURIBOR3M+1,4%	04-12-2023	mortgage up to the amount of 84 million PLN, cession on the building insurance policy, cession of rights on performance and warranty guarantees	related to SEZVI building
IBM Polska Sp. z o.o.	Warsaw	343		thou	PLN	121		thou	PLN	fixed interest	01-12-2015	-	related to purchases of equipment and IBM licences in order to perform contract with a customer

Note 16c CURRENT LIABILITIES (DUE TO CREDITS AND LOANS)													
thousands of PLN													
Name of entity (company) including legal form	Office	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BNP Paribas Bank Polska S.A.	Warsaw	20 000		thou.	PLN	2 073	500	thou.	EUR	EURIBOR1M+0,95%	05-04-2015	promissory note, mortgage on land up to the amount of 2.812 million euro and cession on the building insurance policy	related to SEZ2 building; in January, 2009 there was a currency change in this credit
BZ WBK (dawniej Kredyt Bank S.A)	Warsaw	30 925	7 400	thou.	EUR	3 960	955	thou.	EUR	EURIBOR1M+1,3%	31-12-2020	mortgage on land up to the amount of 11.1 million EUR and cession on the building insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44 000		thou.	PLN	2 570	620	thou.	EUR	EURIBOR1M+0,95%	29-07-2024	promissory note, mortgage on land up to the amount of 53.815 million PLN and cession on the building insurance policy	related to SEZ4 building, in October, 2011 there was a currency change in this credit
PKO Bank Polski SA	Warsaw	17 396	4 126	thou.	EUR	2 139	516	thou.	EUR	EURIBOR1M+1,2%	30-09-2021	mortgage on land in the amount of 6.189 million euro and cession on the building insurance policy	related to SEZV building
BNP Paribas Bank Polska S.A.	Warsaw	9 717	2 400	thou.	EUR	2 715	655	thou.	EUR	EURIBOR3M+1,3%	29-04-2016	transfer of due payments resulting from contract with a customer, pledge registered on a financed teleinformatic hardware, declaration of submission to enforcement	related to purchase of a teleinformatic hardware in order to perform contract with a customer
IBM Polska Sp. z o.o.	Warsaw	343		thou.	PLN	114		thou.	PLN	fixed interest	01-12-2015	-	related to purchases of equipment and IBM licences in order to perform contract with a customer

## CASH FLOW COMMENTARY NOTES, SA-R 2013 COMARCH S.A. ANNUAL REPORT

### Nota 30

#### CASH STRUCTURE (CURRENT YEAR)

	31 December 2013	31 December 2012	Change
Cash in hand	523	482	41
Cash in banks	43,607	16,991	26,616
<b>Total</b>	<b>44,130</b>	<b>17,473</b>	<b>26,657</b>
<i>-including exchange differences</i>	<i>(1,256)</i>	<i>531</i>	<i>(1,787)</i>

### Note 31

#### CALCULATION DETAILS OF SELECTED ITEMS IN CASH FLOW STATEMENT (CURRENT YEAR)

##### Operating activities

##### Pos. A II 1 Depreciation

Depreciation of intangible assets	5,233
Depreciation of property, plant and equipment	22,373
Depreciation of investment real estates	1,251
<b>Total</b>	<b>28,857</b>

##### Pos. A II 3

Paid-out interest on credits	2,538
Received interest on loans	-562
Received dividend	-
<b>Total</b>	<b>1,976</b>

##### Pos. A II 4

Revenues from sales of property, plant and equipment	-4,179
Cost of sold and decommissioned property, plant and equipment in use	4,592
Revaluation of shares	4,094
<b>Total</b>	<b>4,507</b>

##### Pos. A II 7

Change in trade receivables	106,468
Change in other receivables	-1,417
Investment receivables	-221
Granted loans	15,288
Paid loans	-13,308
<b>Total</b>	<b>106,810</b>

**Pos. A II 8**

Change in current liabilities excluding loans, credits and other financial liabilities	-73,298
Change in investment liabilities	1,509
Change in financial liabilities	-2,137
Change in Social Services Fund	-
<b>Total</b>	<b>-73,926</b>

**Pos. A II 9**

Change in prepayments	-7,085
Change in accruals	503
Change in tax asset	-653
<b>Total</b>	<b>-7,235</b>

**Investment activities****Inflows****Pos. B I 1**

Revenues from sales of property, plant and equipment	4,179
Paid receivables	220
<b>Total</b>	<b>4,399</b>

**Wydatki****Pos. B II 1**

Purchase of intangible assets and property, plant and equipment and real estates	-25,132
Payment of investment liabilities	-1,509
<b>Total</b>	<b>-26,641</b>

ADDITIONAL COMMENTARY NOTES SA-R 2013 COMARCH S.A. ANNUAL REPORT

Note 32

FINANCIAL INSTRUMENTS

A) Changes in Financial Instruments (by categories)

Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2012 to 31<sup>st</sup> of December, 2012 were as follows:

Change in financial instruments by categories	Financial assets held for trading	Held to maturity financial assets	Granted loans and proprietary receivables	Financial liabilities
<b>1 January 2012</b>	0		56,086	100,671
+ increases	1,059		6,239	19,632
- decreases	0		52,759	14,747
<b>31 December 2012</b>	<b>1,059</b>		<b>9,566</b>	<b>105,556</b>
<b>Balance sheet approach</b>				
<b>Non-current financial assets</b>			<b>8,005</b>	
<i>in related parties</i>			8,005	
<i>in other entities</i>			0	
<b>Current financial assets</b>	<b>1,059</b>		<b>1,561</b>	
<i>in related parties</i>	0		1,437	
<i>in other entities</i>	1,059		124	
<b>Current financial liabilities</b>				<b>21,707</b>
<i>to related parties</i>				624
<i>to other entities</i>				21,083
<b>Non-current financial liabilities</b>				<b>83,849</b>
<i>to related parties</i>				306
<i>to other entities</i>				83,543



Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2013 to 31<sup>st</sup> of December, 2013 were as follows:

Change in financial instruments by categories	Financial assets held for trading	Held to maturity financial assets	Granted loans and proprietary receivables	Financial liabilities
<b>1 January 2013</b>	1,059		9,566	105,556
+ increases	1,644		15,287	57,652
- decreases	1,059		13,306	65,043
<b>31 December 2013</b>	<b>1,644</b>		<b>11,547</b>	<b>98,165</b>
<b>Balance sheet approach</b>				
<b>Non-current financial assets</b>			<b>3,880</b>	
<i>in related parties</i>			3,880	
<i>in other entities</i>			0	
<b>Current financial assets</b>	<b>1,644</b>		<b>7,667</b>	
<i>in related parties</i>	0		7,642	
<i>in other entities</i>	1,644		25	
<b>Current financial liabilities</b>				<b>13,867</b>
<i>to related parties</i>				504
<i>to other entities</i>				13,363
<b>Non-current financial liabilities</b>				<b>84,298</b>
<i>to related parties</i>				337
<i>to other entities</i>				83,961

#### Financial assets held for trading

This refers to forward contracts held to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk.

#### Granted loans and proprietary receivables

Granted loans are appraised to according to depreciated costs using the effective interest method. When there are no differences significant for valuation, they are recognised according to nominal value accrued interest using interest rate resultant from contracts.

#### Financial liabilities

Liabilities are related to investment credit and liabilities due to lease and received loans.

**B) Interest on Financial Liabilities for 2013**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	over 12 months		
Interest on financial liabilities held for trading	260		107		107	367
Interest on other current financial liabilities (leasing)	32	5	13	25	43	75
Interest on non-current financial liabilities (credit)	2,538					2,538
<b>Total</b>	<b>2,830</b>	<b>5</b>	<b>120</b>	<b>25</b>	<b>150</b>	<b>2,980</b>

**C) Interest on Granted Loans and Debt Financial Instruments for 2013**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	over 12 months		
Interest on granted loans	823		407		407	1,230
Interest on debts						
<b>Total</b>	<b>823</b>		<b>407</b>		<b>407</b>	<b>1,230</b>

**Note 33  
CONTINGENT LIABILITIES**

On 31<sup>st</sup> of December, 2013, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was 70.77 million PLN, whereas it was 67.86 million PLN on 31<sup>st</sup> of December, 2012.

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

As at 31<sup>st</sup> of December, 2013, obligation due to subsidies exceeding incurred expenses amounted to 0.43 million PLN.

The Comarch Group is the defendant in legal proceedings and is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is 2.14 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2013 and are worth 0.28 million PLN. They include provisions for claims in legal proceedings recognised in 2013 and worth 0.08 million PLN. In the opinion of the Management Board in Comarch S.A. and based on the opinions of legal counsels, there are no circumstances suggesting the necessity to create provisions for the rest of the claims in legal proceedings and matters in disputes but not legal proceedings.

Due to legal proceedings and matters in disputes but not legal proceedings conducted in 2013, Comarch S.A. created write-offs that reevaluate receivables and were worth 2.28 million PLN.

Comarch S.A. credit lines:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of 20 million PLN, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0.75 million EUR, i.e. 3.11 million PLN.
- b) An investment credit from BZ WBK Bank S.A. (formerly Kredyt Bank S.A.) with its registered office in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80% of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2022. This credit has a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of January, 2013, the company repaid total due amount resulting from the afore-mentioned credit. The information was announced in current report RB-2-2013 dated the 31<sup>st</sup> of January, 2013. On the 8<sup>th</sup> of March, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established as a security for the afore-mentioned investment credit. Information was announced by current report no. 5/2013 dated the 8<sup>th</sup> of March, 2013. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to PLN 0.
- c) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of 44 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.66 million EUR, i.e. 27.62 million PLN.
- d) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years, i.e. until 2012. This credit has a variable interest rate. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29<sup>th</sup> of May, 2012, an annex was concluded which extended it till 2015. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 15.1 million PLN.
- e) An investment credit from Bank DnB NORD Polska S.A. (previously DnB NORD Polska S.A.) with its registered office in Warsaw, for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to a maximum of 80% of the investment value of up to 22 million PLN. The crediting period may last 11 years, i.e. until 2021. This credit has a variable interest rate. The real estate mortgage and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. On the 1<sup>st</sup> of October, 2013, Comarch S.A. paid total due debt resulting from the above-mentioned credit agreement (current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013). On the 18<sup>th</sup> of November, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established in 2010 as a security for the afore-mentioned investment credit (current

report no. 23/2013 dated the 18<sup>th</sup> of November, 2013). As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0 PLN.

- f) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow (point e) above). The credit amounts to 4.13 million EUR. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of 6.19 million EUR and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. On the 4<sup>th</sup> of October, 2013, the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered the afore-mentioned mortgage in the Land and Mortgage Register. Company announced details in current report no. 22/2013 dated the 14<sup>th</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 4 million EUR, i.e. 16.58 million PLN.
- g) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to 2.4 million EUR. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 1.53 million EUR, i.e. 6.33 million PLN.
- h) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to 7.4 million EUR. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate. The real estate mortgage located in the Special Economic Zone in Krakow was registered on the 30<sup>th</sup> of January, 2013, made by the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register (current report no. 3/2013 dated the 6<sup>th</sup> of February, 2013) and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.68 million EUR, i.e. 27.72 million PLN.
- i) An investment credit from bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to 56 million PLN, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of 84 million PLN (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 19<sup>th</sup> of February, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of December, 2013, value of the credit taken out amounted to 0.13 million EUR, i.e. 0.52 million PLN (current report no. 26/2013 dated the 4<sup>th</sup> of December, 2013).

#### **Note 34**

#### **REVENUES AND COSTS FROM DISCARDED ACTIVITIES – NOT CONCERN**

**Note 35****PLANNED INVESTMENT EXPENDITURES**

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o, for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounts to 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

As at 31<sup>st</sup> of December, 2013, other property, plant and equipment under construction comprise mostly expenditures for the modernisation works of buildings used by Comarch S.A. as well as the purchase of equipment that is not yet accepted for use.

**Note 36****COMARCH S.A.'s REVENUES FROM SALES OF FINISHED GOODS AND SERVICES TO OTHER ENTITIES OF THE GROUP AND ASSOCIATES (thousands of PLN)**

	2013	2012
Comarch AG	47,348	62,877
Comarch SuB Group	306	872
Comarch SAS	4,517	2,563
Comarch R&D S.à r.l.	8	97
Comarch, Inc.	15,680	12,030
Comarch Panama, Inc.	841	1,089
Comarch Canada, Corp.	2,388	812
Comarch LLC	2,073	1,875
Comarch Middle East FZ-LLC	307	601
OOO Comarch	1,880	2,048
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	35
Comarch Oy	3,268	8,082
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	3,602	3,906
Comarch UK	10,291	2,152
Comarch Swiss AG	387	-
Comarch Chile SpA	-	-
CA Consulting S.A.	21,565	5,410
SouthForge sp. z o.o.	41	106
MKS Cracovia SSA	56	35
Comarch Management sp. z o.o.	10	10
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	10	10
iMed24 S.A.	645	743
Comarch Polska S.A.	38,598	22,398
iReward24 S.A.	58	85
Infrastruktura24 S.A.	9	191
iComarch24 S.A.	184	729
Opso sp. z o.o.	226	51
ESAProjekt sp. z o.o.	12	418
Bonus Development sp. z o.o. SK-A	-	-
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SolInteractive S.A.	5	196
Comarch S.A.'s branch in Albany	124	559
<b>Total</b>	<b>154,439</b>	<b>129,980</b>

Comarch S.A.'s trade receivables from subsidiaries and associates are:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Comarch AG	42,322	93,809
Comarch SuB Group	302	863
Comarch SAS	8,767	4,261
Comarch R&D S.à r.l.	1	1
Comarch, Inc.	8,146	7,024
Comarch Panama, Inc.	303	245
Comarch Canada, Corp.	1,339	682
Comarch LLC	1,702	1,099
Comarch Middle East FZ-LLC	1,152	877
OOO Comarch	581	684
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Oy	1,452	357
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	602	535
Comarch UK	8,025	1,111
Comarch Swiss AG	407	-
Comarch Chile SpA	-	-
CA Consulting S.A.	1,845	5,274
SouthForge sp. z o.o.	5	7
MKS Cracovia SSA	50	506
Comarch Management sp. z o.o.	3	11
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	2	3
iMed24 S.A.	1,990	1,960
Comarch Polska S.A.	5,939	27,495
iReward24 S.A.	66	210
Infrastruktura24 S.A.	2	1
iComarch24 S.A.	13	889
ESAProjekt sp. z o.o.	6	130
Opso sp. z o.o.	21	40
Bonus Development sp. z o.o. SK-A	-	-
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SolInteractive S.A.	43	94
Comarch S.A.'s branch in Albany	255	538
<b>Total</b>	<b>85,341</b>	<b>148,706</b>

**Note 37****COMARCH S.A.'s PURCHASES FROM OTHER ENTITIES OF THE GROUP AND ASSOCIATES  
(finished goods and services)**

	<b>2013</b>	<b>2012</b>
Comarch AG	1,191	1,527
Comarch SuB Group	435	260
Comarch SAS	3,621	3,322
Comarch R&D S.à r.l.	5,932	8,417
Comarch, Inc.	16	-
Comarch Panama, Inc.	7	-
Comarch Canada, Corp.	-	12
Comarch LLC	1,336	868
Comarch Middle East FZ-LLC	-	-
OOO Comarch	-	-
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Oy	871	223
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	3	-
Comarch UK	23	-
Comarch Swiss AG	-	-
Comarch Chile SpA	-	-
CA Consulting S.A.	9,925	11,071
SouthForge sp. z o.o.	1,943	2,858
MKS Cracovia SSA	286	221
Comarch Management sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	-	47
iMed24 S.A.	149	58
Comarch Polska S.A.	-	1,261
iReward24 S.A.	2,737	434
Infrastruktura24 S.A.	210	709
iComarch24 S.A.	591	577
ESAProjekt sp. z o.o.	535	1,742
Opso sp. z o.o.	22	2
Bonus Development sp. z o.o. SK-A	1,890	1,746
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SolInteractive S.A.	1,038	454
<b>Total</b>	<b>32,761</b>	<b>35,809</b>



Comarch S.A.'s trade liabilities to subsidiaries and associates are:

	<b>31 December 2013</b>	<b>31 December 2012</b>
Comarch AG	231	215
Comarch SuB Group	13	557
Comarch SAS	557	283
Comarch R&D S.à r.l.	702	506
Comarch, Inc.	-	-
Comarch Panama, Inc.	-	-
Comarch Canada, Corp.	-	11
Comarch LLC	724	760
Comarch Middle East FZ-LLC	-	-
OOO Comarch	-	-
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Oy	142	218
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	1	5
Comarch UK	-	-
Comarch Swiss AG	650	-
Comarch Chile SpA	-	-
CA Consulting S.A.	1,643	15,249
SouthForge sp. z o.o.	3,278	3,216
MKS Cracovia SSA	800	684
Comarch Management sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management sp. z o.o. SK-A	-	58
iMed24 S.A.	147	140
Comarch Polska S.A.	-	2,501
iReward24 S.A.	157	80
Infrastruktura24 S.A.	401	1,182
iComarch24 S.A.	173	832
ESAProjekt sp. z o.o.	59	734
Opso sp. z o.o.	241	2
Bonus Development sp. z o.o.	194	190
Bonus Management sp. z o.o. SK-A	-	-
Bonus Development sp. z o.o. II Koncept SK-A	-	-
Bonus Management sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting sp. z o.o. SK-A	-	-
SolInteractive S.A.	404	905
Comarch S.A.'s branch in Albany	255	539
<b>Total</b>	<b>10,772</b>	<b>28,867</b>

**Note 38****INFORMATION ON TRANSACTIONS WITH RELATED UNITS AND OTHER RELATED PERSONS ON TERMS DIFFERENT FROM MARKET CONDITIONS – NONE PRESENT****Note 39****AN AVERAGE EMPLOYMENT IN COMARCH S.A.**

<b>2013</b>			
Employees:		Employees:	
- full-time	2,675	- directly production and technical consultants	2,845
- co-workers	651	- marketing and sales	191
		- management and administrative employees	290
<b>Total</b>	<b>3,326</b>	<b>Total</b>	<b>3,326</b>
<b>2012</b>			
Employees:		Employees:	
- full-time	2,426	- directly production and technical consultants	2,377
- co-workers	535	- marketing and sales	302
		- management and administrative employees	282
<b>Total</b>	<b>2,961</b>	<b>Total</b>	<b>2,961</b>

**Note 40****REMUNERATION FOR MANAGING AND SUPERVISING PERSONS (CURRENT PERIOD) IN PLN****Comarch S.A.'s Management Board**

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

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

## Comarch S.A.'s Supervisory Board

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

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

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

As at 31<sup>st</sup> of December, 2013, there are no unpaid loans nor guarantees, nor suretyships to members of the Management or Supervisors Board or their relatives.

## 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 is 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 is executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

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

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

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

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

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

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

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

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

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

#### **b) for 2014-2016**

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is to additionally motivate members of the company's Management Board by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to company's

Management Board. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

- for 2014 – as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013,
- for 2015 – as the difference between the average capitalisation of the company in 2015 and the average capitalisation of the company in 2014,
- for 2016 – as the difference between the average capitalisation of the company in 2016 and the average capitalisation of the company in 2015,

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

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

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

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

#### **Note 41.**

#### **SIGNIFICANT EVENTS RELATED TO THE PREVIOUS YEARS - NOT CONCERN**

#### **Note 42.**

#### **EVENTS AFTER BALANCE SHEET DATE**

##### **1) Dates of Periodical Financial Reports in 2014**

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

- 1) Q4 2013 - on 28<sup>th</sup> of February, 2014
- 2) Annual reports for 2013 - on 30<sup>th</sup> of April, 2014
- 3) Q1 2014 - on 15<sup>th</sup> of May, 2014
- 4) H1 2014 on 29<sup>th</sup> of August, 2014
- 5) Q3 2014 - on 14<sup>th</sup> of November, 2014

##### **2) Execution of the Managerial Option Program**

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

(current report no. 2/2014 dated the 13<sup>th</sup> of January, 2014). In consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20<sup>th</sup> of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares.

### **3) Resolution of the Management Board on Changes in the Company's Articles of Association**

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

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 ordinary bearer shares." (current report no. 3/2014 dated the 20<sup>th</sup> of January, 2014).

### **4) Registration of Increase in Share Capital of MKS Cracovia SSA**

On the 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered. As a consequence, Comarch S.A. holds 66.11% of shares in the share capital of MKS Cracovia SSA which entitle to 66.11% of votes at the company's general meeting (current report no. 4/2014 dated the 28<sup>th</sup> of January, 2014). The formal registration of the increase was on the 7<sup>th</sup> of January, 2014, however due to the fact that the increased capital was paid in total in 2013, and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31<sup>st</sup> of December, 2013.

### **5) Creation of a Mortgage on Assets Owned by Comarch S.A.**

On the 19<sup>th</sup> of March, 2014, the Management Board of Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on registration of a mortgage, dated the 13<sup>th</sup> of February, 2014, and related to a real estate located in the Special Economic Zone in Krakow and owned by Comarch S.A. Current book value of the SSE6 real estate amounts to PLN 15,859,186.26. The basis for this registration is the construction and investment credit agreement dated mentioned in the point 3.18.1. i) (current report no. 5/2014 dated the 20<sup>th</sup> of March, 2014).

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

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered 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. 7/2014 dated the 3<sup>rd</sup> of April, 2014).

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

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

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

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered changes in the company's Articles of Association (current report no. 8/2014 dated the 4<sup>th</sup> of April, 2014).

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

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

#### **8) Resolution of the National Deposit for Securities on the Registration of Series K3 Shares**

The Management Board of Comarch S.A. as 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 ordinary bearer series K3 shares will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that decision mentioned above was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. The company announced details in current report no. 10/2014 dated the 25<sup>th</sup> of April, 2014.

## 9) Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.

On the 25<sup>th</sup> of April, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch (hereinafter referred to as the "Comarch Polska") and Comarch S.A. The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System in relation to the contract concluded between Comarch Polska S.A. and Ministry of Justice which was announced by Comarch S.A. in the current report no. 6/2014 of the 21<sup>st</sup> of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. 11/2014 dated the 25<sup>th</sup> of April, 2014.

## 10) Operating Credit Agreement

As of the 8<sup>th</sup> of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw, for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014). The credit amounts to 35 million PLN. The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate. It should be drawdown by 30<sup>th</sup> of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorization to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorization to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit.

### Note 43.

#### CHANGES IN APPLIED ACCOUNTING PRINCIPLES

In 2013 the company did not make any significant changes in accounting principles in comparison to the previous year.

### Note 44.

#### DESCRIPTION AND ECONOMIC GOAL OF CONTRACTS NOT PRESENTED IN THE BALANCE SHEET, WHISIN THE SCOPE OF THEIR INFLUENCE ON THE EQUITY AND FINANCIAL SITUATION, AS WELL AS THE FINANCIAL RESULT OF THE COMPANY – NOT CONCERN

### NOTE 45.

#### INFORMATION ON PAID OR DUE REMUNERATION OF AN EXPERT AUDITOR OR AN ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

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



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

## 2012

### **Deloitte Audyt sp. z o.o.**

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

# COMARCH

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

KRAKOW, 30TH APRIL 2014

1.	INFORMATION ABOUT THE COMPANY .....	3
2.	BASIC ECONOMICS AND FINANCIAL VALUES .....	6
3.	PRODUCTS AND SERVICES OFFERED BY COMARCH IN 2013 .....	8
4.	POSITION OF THE GROUP IN THE IT MARKET AND INFORMATION ABOUT MARKETS AND SOURCES OF SUPPLY .....	28
5.	SALES STRUCTURE .....	28
6.	FACTORS ESSENTIAL FOR DEVELOPMENT OF THE ISSUER .....	30
7.	OTHER SIGNIFICANT FACTORS, INCLUDING RISKS AND THREATS.....	30
8.	PERSPECTIVES OF DEVELOPMENT IN THE COMPANY AND ANTICIPATED FINANCIAL SITUATION IN 2014.....	31
9.	FINANCIAL ANALYSIS.....	33
10.	CREDITS, LOANS, SURETYSHIPS, BANK GUARANTEES .....	36
11.	THE MOST IMPORTANT EVENTS IN 2013 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 2013 AND AFTER THE BALANCE SHEET DATE .....	51
16.	ACHIEVEMENTS WITHIN RESEARCH AND DEVELOPMENT .....	52
17.	CAPITAL AFFILIATIONS .....	53
18.	BRANCHES OF COMARCH S.A. ....	57
19.	TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON TERMS DIFFERENT FROM MARKET CONDITIONS.....	58
20.	COMMENTARY ON DIFFERENCES BETWEEN FINANCIAL RESULTS PRESENTED IN ANNUAL REPORT AND RESULTS FORECAST FOR THE GIVEN YEAR PUBLISHED BEFORE .....	58
21.	FACTORS AND EVENTS OF UNUSUAL NATURE THAT AFFECT THE ISSUER ACTIVITIES AND THE ACHIEVED RESULTS, AS WELL AS THEIR APPRAISAL.....	58
22.	CHANGES IN METHODS OF COMPANY MANAGEMENT AND ITS CAPITAL GROUP MANAGEMENT.....	58
23.	DATA REFERRING TO THE AGREEMENT SIGNED WITH THE ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS .....	58
24.	SYSTEMS THAT CONTROL EMPLOYEES SHARES PROGRAMMES .....	58
25.	SIGNIFICANT LEGAL, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS .....	59

## 1. Information about the Company

Name of the company: Comarch Spółka Akcyjna („Company”)  
 Address of the company: 31-864 Kraków, Aleja Jana Pawła II 39 A  
 Telephone: (12) 646 10 00  
 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 8,051,637 shares at total nominal value of PLN 8,051,637. According to the information possessed by Comarch S.A., as at 31<sup>st</sup> of December, 2013, shareholders holding at least 5% of votes at the company's AGM are Janusz Filipiak and Elżbieta Filipiak.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,620,010	32.54	6,192,010	41.16
Elżbieta Filipiak	846,000	10.51	4,230,000	28.12
Other members of the company's Management Board	96,193	1.19	133,793	0.89
Other shareholders	4,489,434	55.76	4,489,434	29.83
<b>Total</b>	<b>8,051,637</b>	<b>100.00</b>	<b>15,045,237</b>	<b>100.00</b>

### AFTER THE BALANCE SHEET DATE

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

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98
Other members of the company's Management Board	120,841	1.49	158,441	1.05
Other shareholders	4,489,434	55.25	4,489,434	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,190</b>	<b>100.00</b>

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

#### a) Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2013:

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Elżbieta Filipiak	Chairman of the Supervisory Board	846 000	PLN 846 000
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Danuta Drobniak	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-
Anna Pruska	Member of the Supervisory Board	-	-

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

#### AFTER THE BALANCE SHEET DATE

None present.

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

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

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

#### AFTER THE BALANCE SHEET DATE

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

Name and surname	Position	Number of Comarch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,669,315	PLN 2,669,315
Piotr Piątosza	Vice-President of the Management Board	20,953	PLN 20,953
Paweł Prokop	Vice-President of the Management Board	37,108	PLN 37,108
Piotr Reichert	Vice-President of the Management Board	10,177	PLN 10,177
Zbigniew Rymarczyk	Vice-President of the Management Board	32,249	PLN 32,249
Konrad Tarański	Vice-President of the Management Board	10,177	PLN 10,177
Marcin Warwas	Vice-President of the Management Board	10,177	PLN 10,177

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

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

On 28<sup>th</sup> of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. The program was executed

through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. More details were presented in point 14.2 of the statement.

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

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for company's Management Board managing Capital Group in 2015-2017. The program will be executed through offers of newly-issued shares in the company in 2015, 2016 and 2017 to the company's Management Board. More details were presented in point 14.2 of the 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

	2013	2012	2011	2010	2009	2008	2007
Revenues from sales	637,692	666,859	567,673	559,453	495,512	615,379	530,326
Operating profit	51,305	62,392	53,748	75,219	59,253	35,448	34,322
Net profit	45,584	41,604	55,191	68,470	51,351	39,144	25,823
Profit per share	5.66	5.17	6.85	8.53	6.45	4.92	3.24
Assets	1,009,603	1,060,650	953,265	880,873	772,192	732,520	506,314
Book value	661,046	629,386	609,697	559,208	494,119	456,784	264,948
Book value per share	82.10	78.17	75.72	69.45	62.07	57.38	33.28

Over 2013, revenues from sales decreased by 29.2 million PLN, i.e. 4.4% compared to the previous year. Operating profit reached 51.3 million PLN and it was lower by 17.8% compared to operating profit in 2012. Net profit grew by 9.6% compared to that in 2012. EBIT margin decreased from 9.4% to 8.0% and net margin increased from 6.2% to 7.1%.

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

As at 31<sup>st</sup> of December, 2013, in Comarch S.A. there were 3,448 employees compared to 3,062 persons as at 31<sup>st</sup> of December, 2012.

Average employment in Comarch S.A. from 2009 to 2013 is presented in tables below:

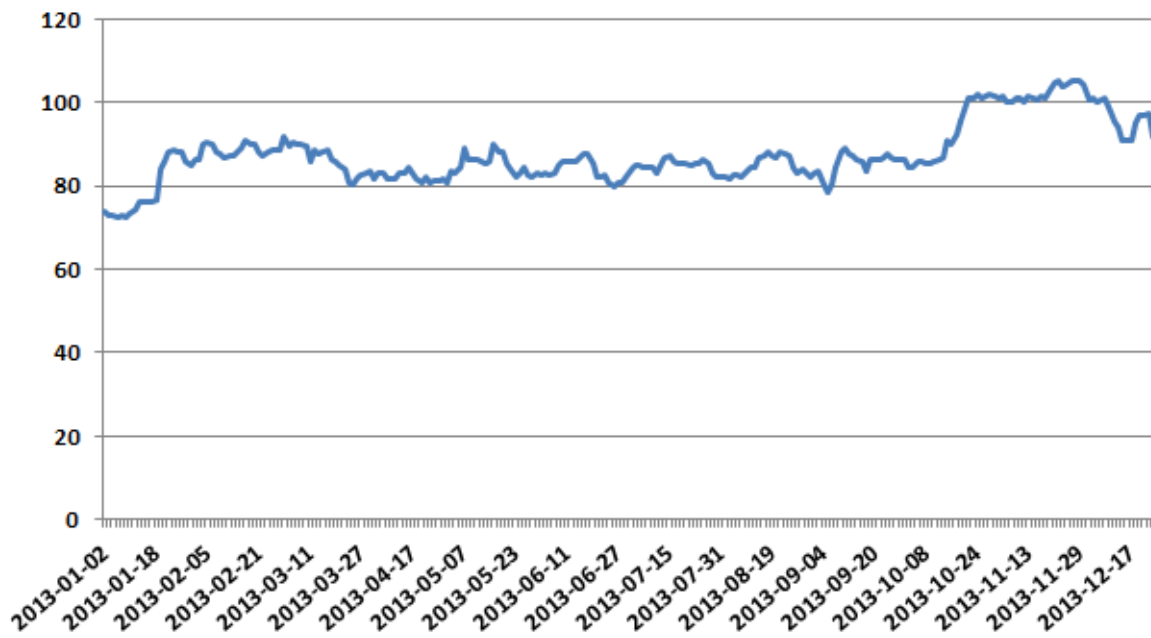
	2013	2012	2011	2010	2009
<b>Number of employees:</b>					
- full-time	2,675	2,426	2,210	2,257	2,096
- co-workers	651	535	480	437	449
<b>Total</b>	<b>3,326</b>	<b>2,961</b>	<b>2,690</b>	<b>2,694</b>	<b>2,545</b>

	2013	2012	2011	2010	2009
<b>Employees:</b>					
- production employees and technical consultants	2,730	2,377	2,098	2,168	2,020
- marketing and sales	306	302	293	255	268
- management and administrative employees	290	282	299	271	257
<b>Total</b>	<b>3,326</b>	<b>2,961</b>	<b>2,690</b>	<b>2,694</b>	<b>2,545</b>

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

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

## 2013



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

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



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

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

#### TELECOMUNICATION SECTOR

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

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

#### PRODUCTS

##### CUSTOMER MANAGEMENT

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

##### REVENUE MANAGEMENT

- **Comarch Convergent Billing** is a technologically advanced tool enabling an operator within billing area. It is a high capacity, scalable billing system which can process quantities of data. User-friendly interface ensures it is easy-to-use. The system provides new generation services thanks to 3G technology, which is based on events that may be configured for the needs of IP, VoIP, GPRS and UMTS services.
- **Comarch Service Controller Module** enables telecom operators to control digital services in real-time, as well as to manage complex integrations between the IT and the network equipment via a range of interfaces.

- **Comarch BSS Mediation** is a system supporting any kind of service and providing the chargeable data to any billing system. This solution enables data de-duplication, data filtering, data correlation, etc., and supports different data processing scenarios.
- **Comarch Policy & Charging Rules Function** is a solution for controlling network resources, introduction of tariff plans customised to services and management of network congestion.
- **Comarch Voucher and Top-up Management** is an independent component which supports mobile and IP operators with the management of vouchers and recharging of user accounts.

## PRODUCT MANAGEMENT

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

## SERVICE FULFILLMENT

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

## RESOURCES MANAGEMENT

- **Comarch Next Generation Network Planning** is a solution enabling planning and management of mobile network, including radio, transport and wire network. It enables simplification and automatization of network tasks through integration of planning, optimization and management of network configuration.
- **Comarch Network Inventory** stores the complete information about network resources and presents current, historical and future state of telecommunications/IT networks.
- **Comarch Fault Management** enables effectively control identification of problems and failures in telecommunication network. Through continuous monitoring of all elements of the network, displays and efficiently tracks alarms.
- **Comarch Performance Management** plays a significant role as a source of network metrics used by SQM for quality of services calculation, and for providing drill-down capability to pin down network performance issues causing customer experience problems.
- **Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Efficiency is achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues.
- **Comarch OSS Mediation** provides integration of the physical infrastructure of the network with Comarch OSS Suite. The system's goal is to reduce network complexity while keeping the service and customer base intact.

## SUPPLIER / PARTNER MANAGEMENT

- **Comarch Inter-Partner Billing** enables service providers to exchange settlements and invoices, and share revenue or costs with other service providers. The system also facilitates managing relations with other business partners.
- **Comarch Roaming Agreement Management** is a comprehensive suite of tools for managing roaming agreements, costs and profits related to a telecom operator's business, as well as managing relations with roaming partners.
- **Comarch Commission & Incentive** enables telecoms managing multichannel sales and implementation of their own rules for commissions.

## SOLUTIONS AND SERVICES

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

## DIGITAL SERVICES

- **Digital Ecosystem Management** is a platform that enables communication service providers to comprehensively manage the entire digital service value chain, from service inception, through its modelling and management, launching commercial product offers in sales channels, to managing relations and settlements with all involved partners.

- **Cloud Service Management** supports NG telecom operators in offering Cloud-based services in multiple business scenarios, including offering provisioning and customer support, billing for partner-branded applications, and a white labelling scenario, where all applications / services are sold under the operator's own brand.
- **M2M Platform** is a complex solution supporting mobile operators in entering and succeeding in the M2M (Machine-to-Machine) market. It enables them to provide M2M services, SIM cards and managing M2M.
- **Smart BSS Suite** is a compact platform for managing network and telecommunication business. This solution covers activating, controlling and billing such services in addition to monitoring and reporting.

### CUSTOMERS SATISFACTION

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

### COSTS OPTIMIZATION

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

## IMPROVEMENT OF NETWORK OPERATIONS

- **Network planning automation** is a complex tool for management of network infrastructure planning, making OSS landscape leaner and defining processes related to planning and development of the network.
- **Network optimization** is based on a multi-source analysis and demands the correlation of data from various measurement, reporting and planning systems. The platform enables users full network optimization while monitoring both the technical indicators and those related to network quality, as perceived by clients.
- **Comarch Self-Organizing Network (SON)** enables automation of network failures management and optimisation of network processes, thus operators may not only diminish OPEX, but also shorten time to market for new technologies and network services.
- **Software Defined Networking (SDN)** is perceived as a disruptive technology that promises to reduce OPEX/CAPEX and, more importantly, to unleash innovation in the service and application domain, leading to better network monetization.

## MOBILE FOR COMPANIES

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

## CONVERGENCE

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

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

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

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

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

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

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

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

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

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

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

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

**Comarch Content Management System** is dedicated to managing portal content and structure. It offers a set of tools that remotely update and manage www services. Comarch CMS gives users a great deal of freedom with full control over the content presented and a high security level. The customer does not need



to install any extra software to work with the system as all the essential operations can be executed in Internet browsers.

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

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

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

**Comarch CRM Campaign Management** is a system supporting the entire cycle of marketing campaign management: from planning through tests, execution and modification to tests of performance. The system allows reaching the target group of customers of a precisely defined profile, at a proper time, with appropriate information, and through an appropriate communication channel. The possibility of integration of mass Above the Line (ATL) campaigns and direct Below the Line (BTL) campaigns is a unique solution, allowing achievement of the synergy effect between the two types of activities and winning savings on costs of reaching the customer.

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

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

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

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

**Comarch Credit Process Management** is an application suite supporting service of credit processes in all clients segments: corporate clients, medium and small enterprises and retail clients. The modular design of

this system enables selection of an optimum set of functionalities and support for the most important processes related to management of any credit products for any customer segment: product design, simulations, preparing an application, support for the decision-making process, preparing an agreement, activation of funds, hedging management, monitoring of active agreements, settlements of transactions, management of the sales network and calculation of commission, as well as vindication from unreliable customers.

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

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

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

**Comarch Asset Management** - the system is addressed to companies which manage assets, bank depositaries, investment and pension funds, insurance companies as well as other institutions which deal with investment activity and portfolio handling. Among others, the system guarantees the modelling of portfolios, handling of orders, access to current portfolio structure, control of investment limits, filling of transactions and operations on portfolios, valuation of portfolio assets, reports and measures the effectiveness of risk management.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Comarch Insurance Front-End** platform is a mash up solution, where optimum solutions for a customer are gathered. The main task of the platform is the execution of an insurance company within the implementation of sales support and customer service strategy. The advantage of the platform is its simplicity in linking functionalities to meet the business needs of insurance.

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

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

**Comarch Mobile Claims Adjuster** – a tool supporting and managing claim adjusters in the field. In addition to the basic functionality, which includes assigning adjusters to claims and scheduling their inspections, the system automates the planning and allocating of coordinators' and adjusters' tasks, which facilitates direct

communication such as receiving new orders or transferring data/pictures of damages. Moreover, the solution can be used as a reporting tool that helps control the time and expenses of adjuster trips.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **ERP SECTOR**

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

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

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

**Comarch ERP iFaktury24** is a modern online application for invoicing and storage simplifying accounts and available through a Web browser. The solution is dedicated to micro and small businesses. Its main advantage is simplicity in use, full automatization of processes, possibility of integration with an accounting office, Wszystko.pl and Comarch ERP e-Sklep. The solution is available only in the Software as a Service model (SaaS).

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

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

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

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

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

## **PUBLIC ADMINISTRATION SECTOR**

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

### **Comarch Workflow**

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

### **Comarch Portal**

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

### **Comarch e-Investor**

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

### **Comarch e-Tourist**

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

### **Comarch Egeria**

This is an integrated ERP system which supports company management and decision making processes. This is a comprehensive and flexible solution which may be adjusted to individual needs of every client. It



is offered in different types of enterprises and institutions (government administration, utilities, health services, etc.).

### **Comarch Egeria Education**

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

### **Comarch Egeria Leasing**

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

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

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

### **Comarch Egeria EBOK**

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

### **Comarch Mobile Inventory**

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

### **Comarch Work Expenditures Recording**

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

### **Comarch e-government**

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

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

This is a solution dedicated to electricity distribution companies, energy, gas, or water companies, and to individual customers. It ensures quick access to the data collected from various sources (for example

distribution companies, Independent Reading Operator), tracking utility consumption and multiplane analysis of the received data. The system data is a reliable source for the settlement of accounts, planning purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analysis and client segmentation.

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

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

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

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

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

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

#### **Comarch Business Intelligence**

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

#### **Comarch Database Archive**

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

### **Services Sector**

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

**Comarch Campaign Management** is a system dedicated for management of multi-stage marketing campaigns, processes automation for their execution, monitoring and analyses of results from individual marketing actions. The solution includes a tool enabling segmentation and personalised communication, which make possible to create a personalised communication through different communication channels, provides control over marketing costs, allows testing of a campaign and helps to increase the level of coordination and control of tasks of particular team members.

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

**Comarch Loyalty Management for Retail** is a world-class system for comprehensive management over loyalty programmes of different size, both multi-partner and executed in a stand-alone model. The system supports the operators of B2C and B2B loyalty programs and provides support for all areas, ranging from

customer registration and profile management by creating promotions based on different currencies and communication with participants, to rewarding customers with gifts, discounts and special offers from partners. Customers are engaged with built-in marketing offers and promotional activities, such as raffles, auctions, coupons, or the principle of rewarding the best customers-all this in order to maintain a high level of satisfaction and to increase customer retention and sales. Commonly used interfaces and technologies allow for easy integration with existing systems.

**Comarch Loyalty Management Travel Edition** is a version of the product dedicated for companies in the transport and tourism sector, particularly airlines. The platform supports airline loyalty programs for all types of carriers, both for individual clients (Frequent Flyer Programs), as well as B2B. The system supports the creation of sector -specific rules for calculating the points, defining rewards and privileges, as well as a separate module that automates the process of connecting and servicing partners.

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

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

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

## Managed Services

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

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

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



detection and prevention, managing general public, as well as configuration and administration of the program website.

**Customer Analytics** is a service in which we provide support and assistance in the gathering, analysis and interpretation of data for the construction of customer-oriented strategy. Our knowledge and experience in the field of analytical projects include: data collection, data cleaning and audit, improvement of and maintaining the quality of data and data analysis. We specialize in building customer segmentation models, analysis of data from loyalty programs, analysis of customer migration and customer activation strategies, development of predictive models and scoring, database marketing and analysis of customer satisfaction.

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

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

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

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

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

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

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

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

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

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

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

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

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

- Customization of the application's look
- Defining the individual product catalogues
- Determination and calculation of discounts
- Entering a variety of promotions
- Ordering of Products / Cart
- Reporting

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

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

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

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

**Mobile Sales Force Applications** is the Sales Force Automation class system ensuring full support for points of sale, executed by mobile field employees. Comarch SFA can operate depending on the user's needs and the character of their work. Users may use mobile application on smartphones or tablets, and application available on-line or installed on a computer. Mobile applications are available to Google Android and iOS.

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

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

**Comarch SFA Trade Spend Control** -a support module for planning and settlement of trade promotion budget. It gives the ability to easily define long-and short-term promotional activities with selected customers, to take stock of the effectiveness of these measures and to use the historical data to analyse and find the best solutions to increase sales.

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

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

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

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

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

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

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

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

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

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

##### **Comarch Business Continuity**

It is a group of services designed to provide customers with a high level of availability of their systems, minimize the consequences of accidents and disasters, and possibly to enable a quick return to the state before failure. Based on Comarch office space in Krakow and Warsaw, we offer customers a spare office for their key employees. High availability solution is a service for those customers for whom even a few minutes' critical system failure is a huge loss. In contrast, data backup and archiving is a service for all businesses that are aware of the validity of the data stored and processed in IT systems. In addition, within this group of services we also provide services of audits of various IT areas. IT infrastructure audit is the most general audit, but at the same time it covers the entire customer infrastructure. IT security audit and IT performance audit focus in detail on specific aspects of individual systems, and IT operational efficiency audit provides the client with knowledge about the functioning of the entire IT department in the company, especially in terms of efficient use of hardware and human resources, but also the organization of work, to ensure the quality of services for business, the correctness of the definition and operation of IT processes.

##### **Comarch IT Networks**

Solutions offered by Comarch are designed to improve communication within the organization, but also with business partners and customers. Comarch IT Networks is a range of solutions for the integration of

solutions to support the exchange of information and efficient communication within the company. This includes any communications technology, applications, and data resources such as WAN or LAN improving not only communication, but also the exchange and access to corporate information.

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

It is a comprehensive solution for:

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

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

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

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

Comarch NOC is a comprehensive solution that provides a single point of contact with the client, providing technical support for the monitoring and Service Desk in the area of IT infrastructure and business applications for all types of businesses and institutions. Thanks to the built-in functionality, automated and reliable system in place to monitor the IT services offered by Comarch, the service can be helpful both for administrators and IT managers. Comarch Service Network Operations Centre provides customers with current knowledge on the availability and efficiency of the various elements of their IT infrastructure, operating systems, or operating platform.

### **Comarch Data Centre**

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

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

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

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

### **PaaS (Platform as a Service)**

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

- Equipment (arrays and servers) co-located in the centre (s) of the Comarch Data Centre
- ensuring all necessary third party licences
- administration and management of operating system
- network and security management
- providing telecommunication network
- monitoring 24x7
- one SLA level for the whole system

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

- Platform as a Service (hosting)
- Comarch applications or, in specific cases, third party applications
- Application administration services and IT infrastructure
- 24-hour monitoring and supervision of the system components and a very short response time / repair
- Single contact for a client and one SLA for the whole solution
- Help-desk for end-users as an option

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

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

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

#### 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. Sale in the company is highly diversified, with no dependency on one major client. In 2013, the share of none of the customer exceeded 10% of the sale in Comarch 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 2013, Microsoft Ireland Operations Ltd. provided products and merchandise at the value constituting approximately 10.8% of Comarch S.A. proceeds on sale. There are no relationship between Comarch S.A., its managing and supervising persons and Microsoft Ireland Operations Ltd.

#### 5. Sales Structure

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

	2013	%	2012	%	2011	%
Domestic	454,485	71.3%	478,496	71.8%	396,836	69.9%
Export	183,207	28.7%	188,363	28.2%	170,837	30.1%
<b>Total</b>	<b>637,692</b>	<b>100.0%</b>	<b>666,859</b>	<b>100.0%</b>	<b>567,673</b>	<b>100.0%</b>

In 2013, revenues from the company's sales decreased by 29.2 million PLN, i.e. 4.4% compared to those in the previous year. Export sales decreased by 5.2 million PLN, i.e. 2.7%. A decrease in domestic sales was 24 million PLN, i.e. 5% and was mostly a consequence of lack of high-valued sales of third party software as those in 2012 (contract with bank PKO BP). The geographical sales structure has remained at the stable level throughout the year.

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

	2013	%	2012	%	2011	%
Telecommunication, Media, IT	144,689	22.7%	154,055	23.1%	158,249	27.9%
Finance and Banking	123,700	19.4%	217,943	32.7%	120,148	21.2%
Trade and Services	83,498	13.1%	57,669	8.6%	61,540	10.8%
Industry & Utilities	87,730	13.7%	66,238	9.9%	58,580	10.3%
Public Sector	105,056	16.5%	92,525	13.9%	90,214	15.9%
Small and Medium Enterprises	84,127	13.2%	73,986	11.1%	72,566	12.8%
Others	8,892	1.4%	4,443	0.7%	6,376	1.1%
<b>Total</b>	<b>637,692</b>	<b>100.0%</b>	<b>666,859</b>	<b>100.0%</b>	<b>567,673</b>	<b>100.0%</b>

In 2013, market sales structure was shaped similarly as that in 2012, except for a substantial decrease in sales to the finance and banking sector. In 2013, these sales decreased by 94.2 million PLN, i.e. 43.2%, mostly as a consequence of lack of high-valued sales of third party software as those in 2012 (contract with bank PKO BP). Their share in total sales constituted 19.4% of the total sales compared to 32.7% in the previous year. There was an increase of 21.5 million PLN, i.e. 32.4% in sales to the industry and utilities sector and their share in total sales grew from 9.9% in 2012 to 13.7% in 2013. There was also a significant increase in sales to the trade and services sector (of 25.8 million PLN, i.e. 44.8%) and their share in total sales grew from 8.6% in 2012 to 13.1% in 2013. There were also increases in sales to customers in the public sector (an increase of 12.5 million PLN, i.e. 13.5%), to the SME (an increase of 10.1 million PLN, i.e. 13.7%) and to the other customers (an increase of 4.4 million PLN, i.e. 100.1%). Sales to the telecommunication, media and IT sector decreased by 9.4 million PLN, i.e. 6.1%. The market sales structure has remained at the stable level throughout the 2013.

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

	2013	%	2012	%	2011	%
Services	445,907	69.9%	410,719	61.6%	391,682	69.0%
Proprietary Software	91,995	14.4%	84,624	12.7%	90,665	16.0%
Third party Software	72,788	11.4%	128,512	19.3%	50,451	8.9%
Hardware	18,990	3.0%	35,567	5.3%	28,708	5.0%
Others	8,012	1.3%	7,437	1.1%	6,167	1.1%
<b>Total</b>	<b>637,692</b>	<b>100.0%</b>	<b>666,859</b>	<b>100.0%</b>	<b>567,673</b>	<b>100.0%</b>

Sales of IT services are still the largest and continuously developing part of Comarch S.A.'s revenue year by year. In 2013, there was a growth of 35.2 million PLN, i.e. 8.6% in these sales and they constituted 69.9% in overall sales. Sales of Comarch own software also grew (an increase of 7.4 million PLN, i.e. 8.7%). Sales of third party software diminished (a decrease of 55.7 million PLN, i.e. 43.4% compared to the previous year's level) as a consequence of lack of similar deliveries as those in 2012 performed for bank PKO BP. Sales of hardware decreased by 16.6 million PLN, i.e. 46.6%. Looking back at 2013, the structure of sales by product type remained at a stable level.



## 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) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- h) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN and GBP/PLN, and which affect the profitability of export sales.

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

The 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 not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

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

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the parent company's costs 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 2014**

In 2013, the company observed slight increase in demand for IT products and services. Thus, its backlog grew and ensures full use of its productive capacity in the following periods. Economic situation in Poland and abroad will still have a detrimental impact on situation on the IT market and the financial results achieved by the Comarch Group in 2014. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of 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 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.

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

## 9. Financial Analysis

	31 December 2013		31 December 2012		2013/2012	
		%		%		%
<b>I. Non-current assets</b>	<b>603,433</b>	<b>59.8%</b>	<b>578,820</b>	<b>54.6%</b>	24,613	4.3%
1. Intangible assets	11,119	1.1%	10,563	1.0%	556	5.3%
2. Property, plant and equipment	203,731	20.2%	211,348	19.9%	-7,617	-3.6%
3. Long-term investment	380,613	37.7%	349,593	33.0%	31,020	8.9%
4. Non-current prepayments	7,970	0.8%	7,316	0.7%	654	8.9%
<b>II. Current assets</b>	<b>406,170</b>	<b>40.2%</b>	<b>481,830</b>	<b>45.4%</b>	-75,660	-15.7%
1. Inventories	26,511	2.6%	34,798	3.3%	-8,287	-23.8%
2. Current receivables	295,304	29.2%	403,608	38.0%	-108,304	-26.8%
3. Short-term investment	53,964	5.4%	20,118	1.9%	33,846	168.2%
4. Current prepayments	30,391	3.0%	23,306	2.2%	7,085	30.4%
<b>Total assets</b>	<b>1,009,603</b>	<b>100.0%</b>	<b>1,060,650</b>	<b>100.0%</b>	-51,047	-4.8%

As of the end of 2013, the value of the company's assets diminished by 4.8% compared to 2012, i.e. from 1,060.7 million PLN to 1,009.6 million PLN, as a result of a decrease of 15.7% in current assets. The growth of 24.6 million PLN in non-current assets is mostly the result of an increase in long-term investment from 349.6 million PLN to 380.6 million PLN, and this is mostly a consequence of purchases of interest and shares in subsidiaries. The share of particular items of non-current assets in the total structure of assets has remained at a similar level to those in 2012. The decrease of 75.7 million PLN in current assets is mostly a consequence of a decrease of 26.8% in current receivables from 403.6 million PLN to 295.3 million PLN (mostly in relation to receivables from related entities in relation to deliveries and services). Short-term investment increased by 33.8 million PLN. The share of other items of current assets in the total structure of assets has remained at a similar level to those in 2012.

	31 December 2013		31 December 2012		2013/2012	
		%		%		%
<b>I. Equity</b>	<b>661,046</b>	<b>65.5%</b>	<b>629,386</b>	<b>59.3%</b>	31,660	5.0%
1. Share capital	8,051	0.8%	8,051	0.7%	0	0.0%
3. Supplementary capital	487,672	48.3%	458,146	43.2%	29,526	6.4%
4. Revaluation reserve	118,818	11.8%	120,664	11.4%	-1,846	-1.5%
5. Other reserve capitals	745	0.1%	745	0.1%	0	0.0%
6. Previous years' profit (loss)	176	0.0%	176	0.0%	0	0.0%
7. Net profit (loss)	45,584	4.5%	41,604	3.9%	3,980	9.6%
<b>II. Liabilities and provisions for liabilities</b>	<b>348,557</b>	<b>34.5%</b>	<b>431,264</b>	<b>40.7%</b>	-82,707	-19.2%
1. Provisions for liabilities	99,738	9.9%	100,483	9.5%	-745	-0.7%
2. Non-current liabilities	84,298	8.3%	83,849	7.9%	449	0.5%
3. Current liabilities	157,106	15.6%	238,050	22.5%	-80,944	-34.0%
4. Accruals	7,415	0.7%	8,882	0.8%	-1,467	-16.5%
<b>Total equity and liabilities</b>	<b>1,009,603</b>	<b>100.0%</b>	<b>1,060,650</b>	<b>100.0%</b>	-51,047	-4.8%

Over the course of 2013, equity grew by 5.0%, which was mostly the result of high net profit generated in 2012. The share of equity in total equity and liabilities was at a little higher level than that in 2012 (65.5% in 2013 compared to 59.3% in 2012). Liabilities and provisions for liabilities constituted 34.5% in total equity and liabilities compared to 40.7% in the previous year. In 2013, there was a significant decrease of 80.9 million PLN in current liabilities resulting both from a decrease in liabilities to other entities in relation to deliveries and services, and a decrease in liabilities to subsidiaries. Their share in total equity and liabilities also diminished (from 22.5% to 15.6%). Provisions for liabilities decreased by 0.7%, i.e. 0.7 million PLN. Value of non-current liabilities increased by 0.4 million PLN. Accruals decreased by 16.5%, however their

share in total equity and liabilities remained at the previous year's level. Other items of total equity and liabilities did not changed significantly.

	12 months ended 31 December 2013		12 months ended 31 December 2012		2013/2012	
		%		%		%
I. Net revenues from sales of products, finished goods and materials	637,692	100.0%	666,859	100.0%	-29,167	-4.4%
II. Cost of products, finished goods and materials sold	480,929	75.4%	496,325	74.4%	-15,396	-3.1%
III. Gross profit (loss) from sales (I-II)	156,763	24.6%	170,534	25.6%	-13,771	-8.1%
IV. Costs of sales	64,540	10.1%	62,302	9.3%	2,238	3.6%
V. Administrative costs	40,243	6.3%	42,697	6.4%	-2,454	-5.7%
VI. Profit (loss) on sales (III-IV-V)	51,980	8.2%	65,535	9.9%	-13,555	-20.7%
VII. Other operating revenues	10,622	1.7%	10,321	1.5%	301	2.9%
VIII. Other operating costs	11,297	1.8%	13,464	2.0%	-2,167	-16.1%
IX. Profit (loss) on operating activities (VI+VII-VIII)	51,305	8.1%	62,392	9.4%	-11,087	-17.8%
X. Financial revenues	4,694	0.7%	6,384	0.9%	-1,690	-26.5%
XI. Finance costs	7,448	1.2%	25,160	3.8%	-17,712	-70.4%
XII. Profit (loss) on business activities (IX+X-XI)	48,551	7.6%	43,616	6.5%	4,935	11.3%
XIII. Gross profit (loss) (XII)	48,551	7.6%	43,616	6.5%	4,935	11.3%
XIV. Income tax	2,967	0.5%	2,012	0.3%	955	47.5%
XV. Net profit (loss) (XIII-XIV)	45,584	7.1%	41,604	6.2%	3,980	9.6%

Over 2013, revenues from sales diminished by 29.2 million PLN, i.e. 4.4% compared to the previous year. Operating profit reached 51.3 million PLN and decreased by 11.1% compared to operating profit in 2012. Net profit grew by 9.6% compared to that in the previous year. EBIT margin decreased from 9.4% to 8.0% and net margin increased from 6.2% to 7.1%.

#### Profitability Analysis:

	2013	2012	2011	2010
Margin on sales	24.6%	25.6%	33.5%	33.7%
EBIT margin	8.0%	9.4%	9.5%	13.4%
Gross margin	7.6%	6.5%	11.0%	13.3%
Net margin	7.1%	6.2%	9.7%	12.2%
Return on assets	4.5%	3.9%	5.8%	7.8%
Return on equity	7.4%	7.1%	10.0%	14.0%

Gross and net margin, as well as return on assets and on equity were higher compared to those in the previous year. In 2013, margin on sales and EBIT margin decreased slightly (from 25.6% to 24.6% and from 9.4% to 8.0%, respectively).

#### Liquidity analysis:

	2013	2012	2011	2010
Current ratio	2.47	1.95	2.46	2.52
Quick ratio	2.12	1.72	2.19	2.18
Cash to current liabilities ratio	0.33	0.08	0.32	0.35

In 2013, 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>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Current asset turnover ratio	1.57	1.38	1.34	1.42
Receivables turnover ratio (days)	167	218	204	184
Inventories turnover ratio (days)	16	21	25	32
Liabilities turnover ratio (days)	148	193	182	181
Liabilities turnover excluding liabilities due to investment credit ratio (days)	97	143	125	115

Turnover ratios confirm the effective use of the company's funds. In 2013, the receivables turnover ratio, the liabilities turnover ratio and the inventory turnover ratio decreased significantly. In 2013, current assets turnover ratio improved from 1.38 to 1.57.

<b>Debt analysis:</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt ratio	34.5%	40.7%	36.0%	36.5%
Debt ratio due to non-current credits	8.3%	7.9%	7.9%	9.6%
Debt/equity ratio	52.7%	68.5%	56.4%	57.5%

In 2013, debt ratios, apart from debt ratio due to non-current credits, decreased compared to the previous year's levels. Debt/equity ratio decreased from 68.5% to 52.7% and debt ratio due to credits grew from 7.9% to 8.3%. 65.5% of the company's funds come from internal financing and 34.5% 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:**

As at the 31<sup>st</sup> of December, 2013, Comarch S.A. had liabilities due to credits in the amount of 96.5 million PLN.

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of 20 million PLN, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory

note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0.75 million EUR, i.e. 3.11 million PLN.

- b) An investment credit from BZ WBK Bank S.A. (formerly Kredyt Bank S.A.) with its registered office in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80% of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2022. This credit has a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31<sup>st</sup> of January, 2013, the company repaid total due amount resulting from the afore-mentioned credit. The information was announced in current report RB-2-2013 dated the 31<sup>st</sup> of January, 2013. On the 8<sup>th</sup> of March, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established as a security for the afore-mentioned investment credit. Information was announced by current report no. 5/2013 dated the 8<sup>th</sup> of March, 2013. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to PLN 0.
- c) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of 44 million PLN. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.66 million EUR, i.e. 27.62 million PLN.
- d) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years, i.e. until 2012. This credit has a variable interest rate. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29<sup>th</sup> of May, 2012, an annex was concluded which extended it till 2015. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 15.1 million PLN.
- e) An investment credit from Bank DnB NORD Polska S.A. (previously DnB NORD Polska S.A.) with its registered office in Warsaw, for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to a maximum of 80% of the investment value of up to 22 million PLN. The crediting period may last 11 years, i.e. until 2021. This credit has a variable interest rate. The real estate mortgage and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. On the 1<sup>st</sup> of October, 2013, Comarch S.A. paid total due debt resulting from the above-mentioned credit agreement (current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013). On the 18<sup>th</sup> of November, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established in 2010 as a security for the afore-mentioned investment credit (current report no. 23/2013 dated the 18<sup>th</sup> of November, 2013). As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0 PLN.
- f) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow (point e) above). The credit amounts to 4.13 million EUR. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of 6.19 million EUR and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. On the 4<sup>th</sup> of October, 2013, the District Court for

Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered the aforementioned mortgage in the Land and Mortgage Register. Company announced details in current report no. 22/2013 dated the 14<sup>th</sup> of October, 2013. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 4 million EUR, i.e. 16.58 million PLN.

- g) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to 2.4 million EUR. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 1.53 million EUR, i.e. 6.33 million PLN.
- h) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to 7.4 million EUR. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate. The real estate mortgage located in the Special Economic Zone in Krakow was registered on the 30<sup>th</sup> of January, 2013, made by the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register (current report no. 3/2013 dated the 6<sup>th</sup> of February, 2013) and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 6.68 million EUR, i.e. 27.72 million PLN.
- i) An investment credit from bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to 56 million PLN, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of 84 million PLN (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 19<sup>th</sup> of February, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of December, 2013, value of the credit taken out amounted to 0.13 million EUR, i.e. 0.52 million PLN (current report no. 26/2013 dated the 4<sup>th</sup> of December, 2013).

## 10.2. Current Credit Lines (Variable Interest)

As at 31<sup>st</sup> of December, 2013, Comarch S.A. has the credit limits in current account in the amount of 53.28 million PLN.

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of 10 million PLN. It can be used by the 13<sup>th</sup> of December, 2014. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of 13.28 million PLN. It can be used by the 28<sup>th</sup> of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.
- c) Comarch S.A., CA Consulting S.A. and Comarch Polska S.A. have a credit limit in current account, granted by Bank Pekao S.A. with its registered office in Warsaw, in the amount of 30 million PLN. It can be used by the 31<sup>st</sup> of May, 2014. An authorisation to manage Comarch SA, CA Consulting S.A. and Comarch Polska S.A.'s accounts, a declaration of submission to enforcement from these companies, a Comarch



S.A.'s promissory note and an accession of Comarch S.A. to CA Consulting S.A. and Comarch Polska S.A.'s credit debt are security for this credit. As at the 31<sup>st</sup> of December, 2013, the credit was not used.

### 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 0.34 million PLN and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate (approx. 5.63%). The loan is not secured. As at the 31<sup>st</sup> of December, 2013, the value of the credit to be repaid amounted to 0.24 million PLN.

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

As at 31<sup>st</sup> of December, 2013, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company	Due date	Value	Currency	Interest (variable interest rate)	Value in PLN
OOO Comarch	30.06.2014	150,000.00	USD	2.41%	451,800.00
Comarch SAS	30.06.2014	200,000.00	EUR	2.34%	829,440.00
	31.12.2014	100,000.00	EUR	2.34%	414,720.00
	31.12.2014	150,000.00	EUR	2.34%	622,080.00
	30.06.2014	200,000.00	EUR	2.34%	829,440.00
iMed24 S.A.	30.06.2014	600,000.00	PLN	4.71%	600,000.00
	30.06.2014	200,000.00	PLN	4.71%	200,000.00
	30.06.2014	500,000.00	PLN	4.71%	500,000.00
	31.12.2014	130,000.00	PLN	4.71%	130,000.00
	31.12.2014	100,000.00	PLN	4.71%	100,000.00
	31.12.2014	550,000.00	PLN	4.71%	550,000.00
	31.03.2014	300,000.00	PLN	4.71%	300,000.00
	31.12.2014	300,000.00	PLN	4.71%	300,000.00
	31.12.2014	360,000.00	PLN	4.71%	360,000.00
	31.12.2014	400,000.00	PLN	4.71%	400,000.00
	31.12.2014	280,000.00	PLN	4.71%	280,000.00
	31.12.2014	700,000.00	PLN	4.72%	700,000.00
SolInteractive S.A.	30.06.2014	75,000.00	PLN	6.98%	75,000.00
	25.05.2015	17,501.00	EUR	2.65%	72,581.00
ESAProjekt sp. z o.o.	31.12.2014	400,000.00	PLN	4.70%	400,000.00



Bonus Development sp. z o.o. SK-A	30.06.2025	3,858,729.00	PLN	2.66%	3,858,729.00
<b>Total</b>					<b>11,973,790.00</b>

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

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

As at 31<sup>st</sup> of December, 2013, there are no unpaid housing loans granted to employees in Comarch S.A.

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

As at 31<sup>st</sup> of December, 2013, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

**10.4. Suretyships**

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

b) Due to DnB Bank Polska S.A. granting a credit line for bank guarantees to CA Consulting S.A., a Comarch S.A. subsidiary, on the 13<sup>th</sup> of May, 2010, the issuer granted a surety for the benefit of DnB Bank Polska S.A. in order to guarantee the fulfilment of any obligations resulting from the credit agreement by CA Consulting S.A. The value of the surety equals PLN 3,000,000 and is valid till the 29<sup>th</sup> of November, 2013.

c) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch Inc. The value of the surety equals a maximum of 3 million USD and is valid till November, 2016.

d) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11<sup>th</sup> of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract (5.24 million EUR and additionally 0.35 million EUR annually) and was valid until the 31<sup>st</sup> of March, 2014.

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

f) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1<sup>st</sup> of January, 2012, the parent company granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals 0.15 million EUR and is valid until the 31<sup>st</sup> of March, 2015.

g) Due to conclusion of contracts for fuel cards service signed by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A., subsidiaries of Comarch S.A., on the 1<sup>st</sup> of June, 2012, Comarch

S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from the contracts by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A. The value of the surety equals 0.2 million PLN (0.05 million PLN for each company) and was valid until the 31<sup>st</sup> of May, 2013. On the 1<sup>st</sup> of June, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from the above mentioned contracts by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A. The value of the surety equals 0.2 million PLN (0.05 million PLN for each company) and is valid until the 31<sup>st</sup> of May, 2014.

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

i) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 807,680 and in addition, GBP 86,400 annually for SLA, and it is valid for the whole term of the agreement.

j) Due to conclusion of an eFinancing agreement for financing of suppliers, signed by Comarch Polska S.A., a subsidiary of Comarch S.A., and Bank PEKAO S.A., Comarch S.A. granted a surety for obligations of Comarch Polska S.A. The surety was granted up to the maximum amount of liabilities of Comarch Polska S.A. resulting from this agreement, i.e. PLN 13,000,000 and is valid till the 31<sup>st</sup> of March, 2013. In the first quarter of 2013, in relation to repayment of liabilities by Comarch Polska S.A. resulting from the agreement, the liability expired.

k) Due to bank BPH S.A. granting a limit for treasury transactions for iReward24 S.A, a subsidiary of Comarch S.A, Comarch S.A. granted a surety for obligations of iReward24 S.A. in the amount of 0.45 million PLN. As a result of the limit expiration, the surety expired on 30<sup>th</sup> of September, 2013.

l) Due to conclusion of a loan agreement for financing of delivery of hardware related to an IT project, signed by Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of CA Consulting S.A. The surety was granted up to the amount of PLN 13,215,846.60 and was valid till all payment obligations related to the loan agreement are completed, i.e. 2<sup>nd</sup> September, 2013.

m) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,692,115 and is valid for the whole term of the contract, i.e. until the March, 2018.

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

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

p) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through Sachsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking

the debt shall not exceed 0.26 million EUR increased by interest for the period from the granting of the subsidy to its return. Taking the debt is valid till the 30<sup>th</sup> of August, 2018.

q) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of 6 million EUR, on the 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of 9 million EUR and is valid till the 15<sup>th</sup> of May, 2020.

r) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,051,238 and is valid for the whole term of the contract, i.e. till the October, 2016.

s) Due to conclusion of a loan agreement by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations resulting from this agreement. The surety was granted up to the amount of PLN 1,416,662.70 and is valid till all payment obligations related to the loan agreement are completed.

t) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 300,000 and EUR 2,337,879, and is valid till the end of this project, i.e. till the March, 2019.

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

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

w) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,243,479.50 million PLN and is valid till the 31<sup>st</sup> of May, 2028.

x) Due to conclusion of a contract for fuel cards service signed by ESAPROJEKT sp. z o.o., a subsidiary of Comarch S.A., on the 20<sup>th</sup> of December, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by ESAPROJEKT Sp. z o.o. The surety was granted up to the amount of PLN 30,000 and is valid till the 20<sup>th</sup> of December, 2016.

y) Due to conclusion of a contract for SLA services of Comarch ECM, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. EUR 211,524 and is valid till the termination of the contract, i.e. till the end of 2014.

z) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838,425 and is valid till the termination of the contract, i.e. till the end of July, 2019.

## 10.5. Bank Guarantees

On 31<sup>st</sup> of December, 2013, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was 70.77 million PLN, whereas it was 67.86 million PLN on 31<sup>st</sup> of December, 2012

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

### 11.1 Contracts Significant for Issuers' Activities

The most important contracts signed in 2013 are:

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

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

On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). MKS Cracovia SSA invited Comarch SA to purchase 22,800 series G shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch SA to purchase the afore-mentioned shares for a total issue price of PLN 9,391,548, i.e. for issue price of 411.91 PLN for one series G share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 9,391,548 which was made by Comarch SA on the 11<sup>th</sup> of December, 2013. After the registration (decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register of 7<sup>th</sup> of January, 2014; current report no. 4/2014 dated the 28<sup>th</sup> of January, 2014), Comarch S.A. held 66.11% votes at the company's AGM.

#### 11.1.2. Investment Credit Agreement and Mortgage Registration

On 30<sup>th</sup> of September, 2013, Comarch S.A. signed a credit agreement with Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010 and mentioned in point 3.13.1 e) of the financial statement. The credit amounts to EUR 4,126,007.39, i.e. PLN 17,424,129.21. The crediting period may last 8 years at a variable interest rate. The loan was drawdown on the 1<sup>st</sup> of October, 2013. The real estate mortgage in the amount of EUR 6,189,011.09, i.e. PLN 26,136,193.83 and cession of rights in the building insurance policy are security for this credit. The Management Board of Comarch S.A. announced also that on the 1<sup>st</sup> of October, 2013, the due credit amount related to the afore-mentioned agreement with DnB NORD Bank Polska S.A. was paid in total. Company announced details in current report no. 20/2103 dated the 1<sup>st</sup> of October, 2013.

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

### **11.1.3. Agreement 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 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounts to 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

## **AFTER THE BALANCE SHEET DATE**

### **11.1.4. Operating Credit Agreement**

As of the 8<sup>th</sup> of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw (current report no. 9/2014 dated the 9<sup>th</sup> of April, 2014), for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014). The credit amounts to 35 million PLN. The crediting period: till the 30<sup>th</sup> of November, 2014, at a variable interest rate. It should be drawdown by 30<sup>th</sup> of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit.

### **11.1.5. Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.**

On the 25<sup>th</sup> of April, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch (hereinafter referred to as the "Comarch Polska") and Comarch S.A. The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System in relation to the contract concluded between Comarch Polska S.A. and Ministry of Justice which was announced by Comarch S.A. in the current report no. 6/2014 of the 21<sup>st</sup> of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. 11/2014 dated the 25<sup>th</sup> of April, 2014.

## **11.2 Other**

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

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

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

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

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



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

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

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

Company announced details in current report no. 12/2013 dated the 26<sup>th</sup> of June, 2013.

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

None present.

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

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

On the 20<sup>th</sup> of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares (current report no. 4/2013 dated the 20<sup>th</sup> of February, 2013). MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20<sup>th</sup> of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6<sup>th</sup> of March, 2013; current report no. 6/2013 dated the 14<sup>th</sup> of March, 2013), Comarch S.A. held 62.16% of votes at the company's general meeting. On the 11<sup>th</sup> of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11<sup>th</sup> of December, 2013). The capital was paid in total on the 11<sup>th</sup> of December, 2013. After the registration, Comarch S.A. will hold 66.11% votes at the company's AGM. The formal registration of the increase was on the 7<sup>th</sup> of January, 2014, however due to the fact that the increased capital was paid in total in 2013, and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31<sup>st</sup> of December, 2013.

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

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

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

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

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.

## **12.2. Real Estates**

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o, for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m<sup>2</sup>. The value of this agreement amounts to 62,268 thousand PLN (current report no. 21/2013 of 4<sup>th</sup> of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

## **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 reported in the current report no. EBI 1/2013 that on the 27<sup>th</sup> of May, 2013, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2013 in which projects of the resolutions at the AGM, to be held on the 26<sup>th</sup> of June, 2013, are given positive opinions.

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

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

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

On the 27<sup>th</sup> of May, 2013, pursuant to article 398, 399 § 1, article 402<sup>1</sup> and 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 10:00 o'clock on the 26<sup>th</sup> of June, 2013, at Aleja Jana Pawła II 41e in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402<sup>2</sup> of the Code of Commercial Companies and Partnerships, the company's Management Board has presented information on participation in the company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,

- A shareholder's right to introduce projects of resolutions,
  - Method of exercising the right to vote by proxy,
  - The possibility and the method of participating in the General Meeting using means of electronic communication,
  - The method of giving one's opinion during the General Meeting using means of electronic communication,
  - The method of exercising a voting right in by correspondence or by using means of electronic communication,
  - Date of registration for participation in the General Meeting: 9<sup>th</sup> of June, 2012,
  - Information about the right to participate in the General Meeting,
  - List of shareholders,
  - Access to documentation,
  - The company's website and e-mail address.
- The company announced details in current report no. 10/2013.

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

On the 26<sup>th</sup> of June, 2013, the AGM passed the resolutions related to:

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

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

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

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



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

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

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

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

1. Janusz Filipiak - 893,000 registered preference shares which gave 4,465,000 votes at the AGM, which constituted 51% of the all votes at this AGM and which constituted 29.68% of the total number of votes;

2. Elżbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 48.31% of the all votes at this AGM and which constituted 28.12% of the total number of votes.

The total number of votes from all emitted Comarch S.A. shares is 15,045,237. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26<sup>th</sup> of June, 2013 held shares giving 8,755,287 votes. Company announced details in current report no. 15/2013 dated the 26<sup>th</sup> of June, 2013.

## 14. Operations on Comarch S.A Shares

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

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

### AFTER THE BALANCE SHEET DATE

None present.

### 14.2. Managerial Option Program for Members of the Management Board and Other Key Employees for 2011-2013

#### 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.

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

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

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

The difference between the average capitalisation 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. 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 (current report no. 3/2014 dated the 20<sup>th</sup> of January, 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. 7/2014 dated the 3<sup>rd</sup> of April, 2014).

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

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,

- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 ordinary bearer shares.

**b) for 2014-2016**

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

- for 2014 – as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013,
- for 2015 – as the difference between the average capitalisation of the company in 2015 and the average capitalisation of the company in 2014,
- for 2016 – as the difference between the average capitalisation of the company in 2016 and the average capitalisation of the company in 2015,

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

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

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

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

The determined Option's value amounts to 3.02 million PLN and it will be recognised as cost in the income statement.

## **15. Other Events in 2013 and after the Balance Sheet Date**

### **15.1. Dates of Periodical Financial Reports in 2013**

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. 1/2013, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2013.

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

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

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

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

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

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

Pursuant to §29 section 5 of the Rules for Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the company as attachment to the annual statement published on 30<sup>th</sup> of April, 2013.

## **AFTER THE BALANCE SHEET DATE**

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

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

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

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

On the 31<sup>st</sup> of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered changes in the company's Articles of Association (current report no. 8/2014 dated the 4<sup>th</sup> of April, 2014).

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

and is divided into PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 every share, including:

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

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

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

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

Between the 1<sup>st</sup> of January, 2014 and the 30<sup>th</sup> of April, 2014, Comarch S.A. concluded forward contracts for the sales of 3.5 million euro, 1.7 million USD and 1.7 million GBP. The total net value of open forward contracts as of the 30<sup>th</sup> of April, 2014 amounted to 10.6 million EUR, 3.3 million USD and 1.6 million GBP. The open forward contracts as of the 30<sup>th</sup> of April, 2014 were valued at 2.15 million PLN. The contracts will be settled within twenty one months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in euro.

### **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 68.55 million PLN, thus reached almost 11% of revenue in 2013. Comarch allocated there internal funds as well as acquired actively European funds.

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

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



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

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

Within the 7<sup>th</sup> Framework Programme of the European Union, Comarch S.A. continued as a partner, agreement for financing of the “Shaping the Future of Electronic Identity” (FutureID) project. In the second half of 2013, a new agreement was signed and it is for financing of a project „Situation AWare Security Operations Centre” (SAWSOC).

## 17. Capital Affiliations

### 17.1. Organisational Structure of the Comarch Group

On 31<sup>st</sup> of December, 2013, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG\*),

- Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- SoftM France S.à r.l. with its registered office in Oberhausbergen in France (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
  - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- SouthForge sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
  - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (38.57% votes held by CCF FIZ; 61.43% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
  - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A.),
    - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),

- CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
  - Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
  - MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

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

On 31<sup>st</sup> of December, 2013, an associate of the parent company is:

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

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

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

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

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

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

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

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



On the 26<sup>th</sup> of March, 2013, a merger between A-MEA Informatik AG and Comarch Swiss AG, and transferring Comarch Swiss AG's office to Luzern in Switzerland were registered. The company's share capital amounts to 0.3 million CHF and was paid in total in the first half of 2013.

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

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

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

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

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

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

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

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

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

On the 17<sup>th</sup> of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SolInteractive S.A. After registration of the increase in share capital of SolInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ

16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17<sup>th</sup> of December, 2013. The registration was registered in the first quarter of 2014.

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

On the 7<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered. As a consequence, Comarch S.A. holds 66.11% of shares in the share capital of MKS Cracovia SSA which entitle to 66.11% of votes at the company's general meeting (current report no. 4/2014 dated the 28<sup>th</sup> of January, 2014).

On the 24<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000.

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

As of the 17<sup>th</sup> of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed.

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

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

As at 31<sup>st</sup> of December, 2013, Comarch S.A. had branches in the following cities:

- Tirana (branch in Albany),
- Bielsko-Biała,
- Gdańsk,
- 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 2013.

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

In 2013, deferred tax assets related to temporary differences was recognised in the amount of 2.807 million PLN and dissolved in part those created as at 31<sup>st</sup> of December, 2012 and amounted to 2.154 million PLN. Total of the above-mentioned operations on the net profit of 2013 was 0.653 million PLN.

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

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

**REPORT REGARDING THE ACCEPTANCE  
OF CORPORATE GOVERNANCE PRINCIPLES  
IN COMARCH S.A. IN 2013**

1.	CORPORATE GOVERNANCE PRINCIPLES THAT APPLY TO AN ISSUER .....	3
2.	RECOMMENDATIONS FOR CORPORATE GOVERNANCE PRINCIPLES NOT IMPLEMENTED BY THE ISSUER ALONG WITH AN EXPLANATION OF THE CIRCUMSTANCES AND REASONS SURROUNDING THE DECISION NOT TO IMPLEMENT A PARTICULAR PRINCIPLE .....	3
3.	SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT SHARES IN VOTES AT THE GENERAL SHAREHOLDERS MEETING AS AT 30 <sup>TH</sup> OF APRIL, 2014..	5
4.	OWNERS OF SECURITIES ENTITLING THEM TO SPECIAL CONTROL RIGHTS AS WELL AS A DESCRIPTION OF THESE RIGHTS .....	5
5.	ALL RESTRICTIONS RELATING TO EXECUTION OF VOTING RIGHTS, I.E. RESTRICTION OF VOTING RIGHTS THROUGH HOLDING A PARTICULAR SHARE OR NUMBER OF VOTES, TIME RESTRICTIONS REGARDING VOTING RIGHTS OR RECORDS ACCORDING TO WHICH, IN COLLABORATION WITH THE COMPANY, CAPITAL RIGHTS RELATED TO SECURITIES ARE SEPARATED FROM SECURITIES HOLDINGS .....	5
6.	ALL RESTRICTIONS REGARDING TRANSFERRING THE HOLDING RIGHTS OF AN ISSUER'S SECURITIES.....	5
7.	PRINCIPLES FOR THE APPOINTING AND DISMISSING OF MANAGEMENT AND THEIR RIGHTS, NOTABLY THE RIGHT FOR DECISION MAKING ON SHARES ISSUE OR BUYOUT.....	6
8.	DESCRIPTION OF PRINCIPLES FOR CHANGES IN STATUTE OR AN ISSUER'S DEED OF PARTNERSHIP .....	6
9.	DESCRIPTION OF OPERATING PRINCIPLES FOR GENERAL MEETINGS AND THEIR ESSENTIAL RIGHTS AND SHAREHOLDERS' RIGHTS AS WELL AS MODALITY, IN PARTICULAR PRINCIPLES RESULTING FROM RULES FOR GENERAL SHAREHOLDERS' MEETING IF SUCH RULES WERE PASSED, UNLESS THESE INFORMATION RESULTS FROM LAW.....	6
10.	MEMBERSHIP, CHANGES IN MEMBERSHIP DURING LAST FINANCIAL YEAR AND RULES OF OPERATIONS OF THE COMPANY'S MANAGING AND SUPERVISING PERSONS AS WELL AS THEIR COMMITTEES.....	7
11.	A DESCRIPTION OF THE BASIC FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS THE ISSUER USES AND HOW THESE RELATE TO THE PROCESS OF PREPARING THE FINANCIAL STATEMENTS.....	12

## 1. Corporate Governance Principles that Apply to an Issuer

The Warsaw Stock Exchange Supervisory Board by motion of the WSE Management Board adopted the new corporate governance rules compiled in the "Best Practices of WSE Listed Companies" on 4<sup>th</sup> of July, 2007

<http://www.corp-gov.gpw.pl/assets/library/polish/publikacje/dpsn2010.pdf>

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

They were changed with the following resolutions of the Warsaw Stock Exchange Supervisory Board: resolution dated the 19<sup>th</sup> of May, 2010 (effective from 1<sup>st</sup> of July, 2010), resolution dated the 31<sup>st</sup> of August, 2011 (effective from 1<sup>st</sup> of January, 2012), resolution dated the 19<sup>th</sup> of October, 2011 (effective from 1<sup>st</sup> of January, 2012) and resolution dated the 21<sup>st</sup> of November, 2012 (effective from 1<sup>st</sup> of January, 2013). Currently binding document may be found at:

[http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre\\_praktyki\\_16\\_11\\_2012.pdf](http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre_praktyki_16_11_2012.pdf)

[http://www.corp-gov.gpw.pl/assets/library/english/regulacje/dobrepraktykien\\_2012.pdf](http://www.corp-gov.gpw.pl/assets/library/english/regulacje/dobrepraktykien_2012.pdf)

The Best Practices include four sections:

- I. Recommendations for Best Practices of Listed Companies;
- II. Best Practices of Management Boards of Listed Companies;
- III. Best Practices of Supervisory Board Members;
- IV. Best Practices of Shareholders.

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the company in 2012 as attachment to the annual statement published on 30<sup>th</sup> of April, 2013.

## 2. Recommendations for Corporate Governance Principles not Implemented by the Issuer along with an Explanation of the Circumstances and Reasons surrounding the Decision not to Implement a Particular Principle

### a) Recommendations for Best Practices of Listed Companies

*5. A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.*

Comarch S.A. has a remuneration policy which specifies form, structure and level of employees' remuneration, including members of management and supervisory boards. Management board's compensation scheme ensures linkage between remuneration, company's financial results and performed services of salaried persons.

A significant part of the rules resulting from the Recommendation of 14<sup>th</sup> of December, 2004, fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30<sup>th</sup> of April, 2009, complementing that Recommendation (2009/385/EC) has been included in the compensation scheme applied at Comarch S.A. They are:

- a) The total remuneration and other benefits for members of the company's management and supervising staff are presented in annual financial statements,
- b) Option programmes are approved at the company's general meeting and detailed information related to the managerial option programme is presented in financial statements,
- c) The compensation scheme specifies variable and non-variable components of the management's remuneration, and a variable component is linked to specified in-advance performance criteria,
- d) The value of termination payments does not exceed the equivalent of two-years of the non-variable component of the remuneration,

e) Shares do not constitute the remuneration form for non-executive directors nor members of the supervisory board,

However, the company's remuneration policy does not include some recommendations of the European Commission, such as:

a) Compensation scheme is not a subject to the prior approval of the annual general shareholders' meeting,

b) The company does not disclose „the remuneration statement” on its website (detailed information in relation with that subject are included in the financial statement),

c) Share-based property rights, when executing share options, may be effective before 3 years from the date of their receiving, and it is not mandatory to hold a specific number of shares during the time of fulfilling the function of a managing person,

d) There is no Remuneration Committee in the company,

Managing persons may be also employed on a labour contract, under provisions specified in regulations binding in the company and Work Code. Values of remuneration for employment contracts of the members of the management board and the amount of the lump sum for the meeting of the management board shall be determined by the Supervisory Board according to an adopted resolution.

Remuneration of the supervisory board are established by a resolution at the company's general shareholders' meeting.

In time to come, the company does not anticipate any changes in applied remuneration policy.

*9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.*

The company makes every effort to ensure balanced share of women and men in performing functions of management and supervisory boards' members in companies. Compliant with Working Rules for employees in Comarch SA, employer is obliged to: „*counteract discrimination in employment, in particular in relation to gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation.*” Moreover, employees in Comarch S.A. „*should be treated equally within the scope of beginning and terminating work, employment conditions, promotion and trainings availability in order to improve professional qualification, in particular regardless of gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation, and regardless whether employed definite or indefinite time, full-time or part-time.*” Comarch S.A. policy does not create any barriers in relation to gender, views, sexual orientation, ethnic or race origin within the scope of employing and personal policy. It does not contribute to direct or indirect discrimination due to gender, age, disability, race, religion, nationality, politic beliefs, union affiliation, ethnic origin, creed and sexual orientation.

There are four women within a 6-person membership of the Comarch S.A. Supervisory Board. All seven members of the Comarch S.A. Management Board are men, which is mostly the result of the nature of the activities conducted by the company and the specification of the IT branch, where men constitute a significant majority. It is noteworthy that current members of the Management Board in Comarch S.A. are persons related to the company for many years (at least 3 years as management board members) with broad IT technology knowledge and with high qualifications necessary to their held posts. Having that in mind one should assume that in the nearest future there will be no change in women's membership in this management body.

In Comarch S.A. there is a bias towards increasing the number of employed women, qualifications are considered the most important, not gender, as men have equal chances to be employed for the post. Women constitute approximately 26% of Comarch S.A. employees, and 21% of executive posts, which is a high share in total employment, especially considering the technical nature of the IT company.



12. A company should enable its shareholders to exercise the voting right during a General Meeting either in person or through a plenipotentiary, outside the venue of the General Meeting, using electronic communication means

A shareholder may participate in a General Meeting and exercise voting right personally or by proxy. Power of attorney to participate in the General Meeting and to exercise a voting right should be granted in writing or in electronic form. Power of attorney in electronic form does not require safe electronic signature verified with the valid classified certificate. The company does not provide the possibility of voting by correspondence, voting using means of electronic communication or participating in the General Meeting using means of electronic communication, however enables on-line broadcasts of General Meetings over the Internet real-time bilateral communication. Due to the current shareholding structure (relatively little dispersed ownership), in the company's opinion, currently there is no reason to implement voting by correspondence using means of electronic communication.

### 3. Shareholders Holding Directly or Indirectly Significant Shares in Votes at the General Shareholders Meeting as at 30<sup>th</sup> of April, 2014

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98
Other members of the Board	120,841	1.49	158,441	1.05
Other shareholders	4,489,434	55.25	4,489,434	29.69
<b>Total</b>	<b>8,125,590</b>	<b>100.00</b>	<b>15,119,190</b>	<b>100.00</b>

### 4. Owners of Securities Entitling them to Special Control Rights as well as a Description of these Rights

Janusz Filipiak, President of the Management Board, holds 893,000 registered share preference votes (1:5). These entitle him to 4,465,000 votes at the company's general shareholders' meeting. Elżbieta Filipiak, Chairman of the Supervisory Board, holds 846,000 registered share preference votes (1:5). These entitle her to 4,230,000 votes at the company's general shareholders' meeting. Paweł Prokop, Vice-President of the Management Board, holds 9,400 registered share preference votes (1:5). These entitle him to 47,000 votes at the company's general shareholders' meeting.

### 5. All Restrictions Relating to Execution of Voting Rights, i.e. Restriction of Voting Rights through Holding a Particular Share or Number of Votes, Time Restrictions regarding Voting Rights or Records according to which, in Collaboration with the Company, Capital Rights Related to Securities are Separated from Securities Holdings

None present.

### 6. All Restrictions Regarding Transferring the Holding Rights of an Issuer's Securities

According to art. 8 point 5 of Comarch S.A.'s statute  
 „5. Disposing registered shares requires consent of the Management Board provided in writing. In case of refusal of disposing, the Management, within 2 months of filing with the Company of the intention of assigning shares, appoints the purchaser and price of shares. Price of shares may not be lower than average stock exchange price from the three recent months preceding the month of filing, provided that shares of the Company are in stock exchange trading. Otherwise, price of shares may not be lower than the book value per share as of the last balance sheet date. Price is due within one month of the date of resolution of the Management indicating the purchaser of shares.”

## **7. Principles for the Appointing and Dismissing of Management and their Rights, notably the Right for Decision Making on Shares Issue or Buyout**

### **A) Principles for Appointing and Dismissing**

According to the Statute of the company, the Management Board of the company consists of 2 to 8 persons appointed and dismissed by the Annual General Meeting. Members of the Management Board are appointed for the common term of office of three years. The AGM defines salaries for the Management Board, provided that this competency may be passed on in part or in entirety to the Supervisory Board. The Supervisory Board suspends on important reasons, selected or all members of the Management Board in their duties and delegating members of the Supervisory Board for the period not longer than 3 months for temporary execution of activities of those members of the Management Board who have been dismissed, who resigned or who cannot execute their duties on other reasons.

### **B) Rights according to art. 9, 20 - 22 of the Comarch S.A.'s Statute and the Commercial Companies Code**

- The Management Board may appoint proxies.
- President of the Management Board single-handedly or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised for making statements on behalf of the company and representing the company in Court and off Court.
- In agreements between the company and members of the Management Board and in disputes with them, the company is represented by the Supervisory Board or by a proxy appointed with a resolution of the General Meeting. The Supervisory Board may authorise, by way of a resolution, one or more members of the Supervisory Board to perform such legal actions.
- The Management Board defines internal organisation of the company.
- According to art. 445 and 446 of the Commercial Companies Code, the General Meeting passes a resolution on amendments to the statutes, providing for the authorisation for the management board to increase the share capital within the limits of the authorised capital. According to art. 9 sec. point 5 of the Comarch S.A.'s statute, within the target capital, the Management Board of the Company may issue shares only in conversion for cash contributions and may not issue preferential shares or allocate personal rights for the shareholder, referred to in Article 354 of the Code of Trade Companies. In the scope of all the issues related to increasing the share capital within the target capital, in particular on excluding or limiting collection right and determining the issue price, obtaining consent of the Supervisory Board is required.

## **8. Description of Principles for Changes in Statute or an Issuer's Deed of Partnership**

A General shareholders' Meeting may pass a resolution regarding changes in statute, including an increase or a decrease in share capital, and a resolution on a significant change in the company's subject matter.

## **9. Description of Operating Principles for General Meetings and Their Essential Rights and Shareholders' Rights as well as Modality, in particular Principles resulting from Rules for General Shareholders' Meeting if such Rules were passed, unless these Information Results from Law**

1. Annual General Shareholders' Meetings may be ordinary or extraordinary.
2. An ordinary General Meeting of the Management Board shall be called no later than the end of June each year.
3. General meetings shall be called in accordance with the Polish Commercial Companies Code, the company's Statute and with the Rules for General Shareholders' Meeting dated the 28<sup>th</sup> of June, 2010.
4. Meetings shall take place at the company's headquarters.
5. At least two members of the company's Management Board and at least two members of its Supervisory Board should take part in the Annual General Shareholders' Meeting.
6. If the subject of debate is to concern the financial affairs of the company an auditor shall be present.
7. Representatives of the media may attend the General Shareholders' Meeting as observers.

8. Only persons who are company shareholders 16 (sixteen) days prior the date of the General Meeting are entitled to participate in the General Meeting.
9. Shareholders who are physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote themselves or via a proxy.
10. Shareholders who are not physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote via a person empowered to submit a declaration of intent in their name, or via a proxy.
11. The chairman of the Annual General Shareholders' Meeting conducts debates, takes decisions in matters of the agenda and procedure, and is authorized to interpret the present rules.
12. The duties of the chairman of the Annual General Shareholders' Meeting include:
- Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - Directing the debate: deciding who shall speak and in what order,
  - Receiving proposed and draft resolutions and opening them to debate and,
  - Organizing and conducting the voting.
13. The Annual General Shareholders' Meeting shall choose a three-person returns committee from the candidates notified by the chairman. The returns committee shall ensure that each vote is correctly conducted, supervise the practical aspects of the vote and check, confirm and declare the results. Where the Annual General Shareholders' Meeting is attended by a small number of shareholders a returns committee shall not be selected unless a shareholder or proxy submits a request for a returns committee to be selected. Where a returns committee is not selected its functions shall be performed by the chairman of the Annual General Shareholders' Meeting.
14. The Annual General Shareholders' Meeting shall take decisions in the form of resolutions adopted by open voting except:
- Voting on an issue of selecting or deselecting members of bodies of the company, or liquidators,
  - Motions to prosecute members of bodies of the company or liquidators,
  - In personal matters,
  - At the request of at least one shareholder,
  - In other circumstances stipulated in the regulations currently binding.
15. Shareholders shall notify the chairman of the Annual General Shareholders' Meeting of their candidates for membership of the Supervisory Board in writing or verbally.
16. Proposals for Supervisory Board candidates should be supported in detail with particular emphasis placed on the candidate's education, qualifications and professional experience.
18. The Company may organise the General Meeting in such a way as to enable shareholders to participate at the General Meeting using means of electronic communication.

#### **10. Membership, Changes in Membership during Last Financial Year and Rules of Operations of the Company's Managing and Supervising Persons as well as Their Committees**

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

<b>Name and Surname</b>	<b>Position</b>
Elżbieta Filipiak	Chairman of the Supervisory Board
Maciej Brzeziński	Vice-Chairman of the Supervisory Board
Danuta Drobnik	Member of the Supervisory Board
Wojciech Kucharzyk	Member of the Supervisory Board
Anna Ławrynowicz	Member of the Supervisory Board
Anna Pruska	Member of the Supervisory Board

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

The Supervisory Board shall undertake constant supervision of all areas of the company's operations. The Supervisory Board shall operate according to the regulations of the Polish

Commercial Companies Code, the company's Statute, the Corporate Governance Principles in force at the company and the Rules for the Supervisory Board dated 30 June 2003 approved at the Annual General Shareholders' Meeting (and amendments). The detailed operations of the Supervisory Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Supervisory Board are:**

1. The Supervisory Board shall contain three to seven people chosen by the Annual General Shareholders' Meeting. The Meeting shall, by a resolution, specify the number of members of the Supervisory Board before voting commences to select candidates for that Board.
2. Supervisory Board members shall be appointed for a common term of office lasting three years.
3. Members of the Supervisory Board shall perform their rights and duties directly and in person. Any member of the Supervisory Board may be dismissed before their term of office has been completed. Members of the Supervisory Board may be re-elected.
4. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.
5. The chairman of the Supervisory Board:
  - a) convenes meetings of the Supervisory Board,
  - b) conducts meetings of the Supervisory Board,
  - c) opens debates at the Annual General Shareholders' Meeting.
6. When the chairman is absent his place shall be taken by the vice-chairman of the Supervisory Board.
7. The Supervisory Board may select supervisory committees from amongst its members for specific sectors of the company's operations. In particular, this shall concern an auditing committee.
8. These committees may sit separately and may vote on resolutions. These may concern the findings of inspections and audits concerning the way the company operates.
9. Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board. The Management Board or another member of the Supervisory Board may demand that the chairman convene a meeting of the Supervisory Board. This demand should be accompanied by a proposed agenda. The chairman of the Supervisory Board shall convene a meeting within two weeks of receiving the demand. If the meeting is not convened in accordance with the procedure stipulated above, the petitioner may himself call the meeting.
10. The agenda of meetings of the Supervisory Board shall be stipulated by the convener and, along with any relevant materials, be sent to members of the Supervisory Board three (3) days before the planned date of the meeting unless circumstances arise to justify shortening this period.
11. The agenda of meetings of the Supervisory Board may only be changed or supplemented.
12. Meetings of the Supervisory Board should be convened at least four times in each financial year.
13. Resolutions of the Supervisory Board shall be adopted by a majority of the votes present. Where there is a tie the chairman shall have the deciding vote.
14. A resolution of the Supervisory Board shall be valid where all its members have been invited and where more than half the members of the Supervisory Board, including the chairman or vice-chairman of the Supervisory Board, are present.
15. Provided all members of the Supervisory Board express their written agreement to this, resolutions of the Supervisory Board may be adopted by written ballot without a meeting being convened.
16. Meetings of the Supervisory Board may also be conducted using resources for remote communication, such as the telephone, facsimile machines, electronic mail and teleconferencing, by using the Internet in another manner and by the use of other telecommunications resources.
17. Members of the Supervisory Board may take part in voting on resolutions of the Supervisory Board by voting in writing via another member of the Supervisory Board.
18. The mode of voting on resolutions by the Supervisory Board specified above is not acceptable in the matters set out in art. 388 paragraph 4 of the Polish Commercial Companies Code. These are:
  - a) The selection of the chairman and vice-chairman of the Supervisory Board,
  - b) The appointment and dismissal of a member of the Management Board,
  - c) The suspension of a member of the Management Board

19. Members of the Management Board may take part in meetings of the Supervisory Board. The Management Board shall be informed of all dates and agendas of meetings of the Supervisory Board.
20. The Supervisory Board may invite members of the Management Board to take part in a meeting.
21. At each of its meetings the Supervisory Board shall be informed by the company of the current individual and consolidated financial results of the company and of significant matters concerning the company's operations. Where this is justified by the company's situation, this shall include the risk associated with operations and ways to manage this risk.
22. Members of the Management Board shall not take part in those sections of meetings of the Supervisory Board which concern the dismissal, scope of responsibility, or pay and conditions of Management Board members.
23. Meetings of the Supervisory Board shall be minuted. The minutes should include the agenda for debate, the name and surname of all the Supervisory Board members present and the results of the votes on resolutions.
24. The Supervisory Board conducts the overall supervision of the company's operations.
25. The specific competences of the Supervisory Board are as follows:
- a) Assessing the company's annual financial statement and the consolidated financial statement of the Comarch capital group;
  - b) Assessing the Management Board's reports on the company's operations and on the Comarch capital group and, in addition, assessing the Management Board's conclusions on distributing profits and covering losses;
  - c) Submitting a written report containing the information required by points a) and b) of the present section;
  - d) Scrutinizing the work of the Management Board in effecting resolutions adopted at the Annual General Shareholders' Meeting;
  - e) Selecting statutory auditors for the financial statements of the company and of the Comarch capital group. The Supervisory Board may adopt a resolution to apply stricter criteria for the statutory auditor's independence than are demanded by the legal regulations;
  - f) Appointing and dismissing members of the Management Board, stipulating the compensation attracted by performing the function of member of the Management Board, suspending – for substantial reasons – individual members, or all members, of the Management Board, designating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, or suspending the Management Board itself;
  - g) Giving consent to increase share capital within the context of authorized capital;
  - h) Giving consent to acquire and dispose of real estate or shares in real estate;
  - i) Giving consent to conclude an agreement with an issue underwriter in accordance with the provisions set out in art. 433 paragraph 3 of the Polish Commercial Companies Code;
  - j) Exercising, in respect of members of the Management Board and on behalf of the company, rights and privileges arising from an employment relationship;
  - k) Approving the company's growth strategy;
  - l) Expressing its opinion on draft resolutions for the Annual General Shareholders' Meeting sent to it by the Management Board and shareholders.
26. Once every year the Supervisory Board must adopt a resolution in the matter of its assessment of the company's situation. This document shall be passed on to the Annual General Shareholders' Meeting.
27. To aid it in performing its function, the Supervisory Board has the right to see all the company's documents and may demand reports and explanations from the Executive Board and from company employees. The Supervisory Board may also conduct a review of the state of the company's assets.
28. The Supervisory Board operates as a collective body but may, however, delegate its individual members to particular supervisory activities.
29. Members of the Supervisory Board should hold the interests of the company as their highest priority.
30. Members of the Supervisory Board shall be bound to inform other members of the Supervisory Board of any conflict of interest arising and, following this, not take place in the debate concerning the matter that is subject to a conflict of interest. Where it is uncertain whether a conflict of interest has arisen, the Supervisory Board shall vote on a resolution to resolve this uncertainty.
31. Members of the Supervisory Board shall keep secret all information they acquire in the course of their duties concerning the company's activities and the activities of companies within the Comarch capital group.

32. Within fourteen days of their selection a member of the Supervisory Board shall make a written submission of any economical, familial or other involvements with a shareholder holding five per cent or more of the votes at the Annual General Shareholders' Meeting. The Management Board shall inform the Supervisory Board in writing at that board's next meeting of any case where any entity acquires five per cent or more of the votes at the Annual General Shareholders' Meeting. Where information of this nature is passed to them, the members of the Supervisory Board shall submit – within fourteen days of the sitting of the Supervisory Board at which they were informed – written information concerning any conflict of interest arising. Should the involvements referred to in the present section change, members of the Supervisory Board are obliged – without summoning the company to meet – to provide details of these changes within fourteen days.

33. Members of the Supervisory Board delegated to long-term, individual supervisory duties may not, unless the company gives permission, involve themselves in competing business interests or participate in the business of a competitor company as a partner or associate, or as a member of a body of a joint-stock company. Further, they may not participate in the business of a competitor company in a different legal personality as a member of a company body. Additionally, members of the Supervisory Board are forbidden to participate in a competitor capital group where they hold ten per cent or more of the shares or participation rights, or where they enjoy the right to appoint at least one member of the Management Board.

34. Permission for members of the Supervisory Board delegated to long-term, individual supervisory duties to pursue competing commercial interests shall be granted according to a decision of the Supervisory Board.

35. Duties and Responsibilities of members of the Supervisory Board:

a) Members of the Supervisory Board shall inform the company and Financial Supervision Authority when they or related persons, on their own account, acquire or dispose of shares in the company or when they acquire or dispose of shares in a company, derivatives related to the company's shares and other financial instruments related to these securities, admitted to regulated stock exchange or being in the process of seeking admission to such trading, where this exceeds EUR 5000 in one year or a transaction exceeds EUR 5000. Members of the Supervisory Board shall submit this information within five working days of the date of transaction. Whenever the sum of transactions, mentioned in the section 1, do not exceed EUR 5000 in one year, providing the information mentioned in the section 1 shall be done by 31<sup>st</sup> of January of the year following the year of the transaction.

b) Members of the Supervisory Board delegated to long-term supervisory tasks shall submit a monthly, written report detailing their activities to the Supervisory Board.

c) Members of the Supervisory Board should not resign their positions in mid-term where this would make it impossible for the Supervisory Board to function or where, especially, this would delay the adoption of vital resolutions.

d) Members of the Supervisory Board shall receive compensation according to terms stipulated by the Annual General Shareholders' Meeting.

e) Two members of the Supervisory Board shall participate in the debates at the Annual General Shareholders' Meeting. Members of the Supervisory Board shall themselves select these delegates to represent the Board at the Annual General Shareholders' Meeting.

f) Members of the Supervisory Board should make all efforts to participate in Supervisory Board meetings.

g) Members delegated to long-term, individual supervisory tasks have the right to participate in meetings of the Management Board.

36. The compensation for members of the Supervisory Board delegated to long-term, individual supervisory tasks shall be stipulated by the Supervisory Board.

37. The company shall cover the costs of the Supervisory Board's operation.

38. The Supervisory Board shall use the company's office space, equipment and material.

39. The company's Management Board shall provide the Supervisory Board with administrative and technical support.

## **Committees**

According to a resolution of the Supervisory Board, a new Audit Committee was called and all members of the Supervisory Board became members. According to information possessed by the company, four members of the Audit Committee fulfil independency conditions and at least one of them is qualified in accountancy and financial review.

Tasks of the Audit Committee are, in particular:

1) Monitoring the process of financial reporting;

- 2) Monitoring the effectiveness of internal control systems, internal audits and risk management;
- 3) Monitoring financial reviews;
- 4) Monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- 5) The Audit Committee make recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

Comarch S.A. provides the Audit Committee with information related to the accountancy policy, finance, company's operating activity and information on settlement methods of significant one-off events. On the Audit Committee's request, the Finance Director participates in its meetings. As at the 31<sup>st</sup> of December, 2013, the Supervisory Board of Comarch S.A. did not call any nomination committee or remuneration committee.

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

<b>Name and surname</b>	<b>Position</b>
Janusz Filipiak	President of the Management Board
Piotr Piątosza	Vice-President of the Management Board
Paweł Prokop	Vice-President of the Management Board
Piotr Reichert	Vice-President of the Management Board
Konrad Tarański	Vice-President of the Management Board
Zbigniew Rymarczyk	Vice-President of the Management Board
Marcin Warwas	Vice-President of the Management Board

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

The Management Board leads the affairs of the company and operates according to the provisions of the Polish Commercial Companies Code, the company's Statute, resolutions of the Supervisory Board, resolutions of the Annual General Shareholders' Meeting, the Rules for the Management Board dated the 15<sup>th</sup> of February, 2010 (update of document dated the 30<sup>th</sup> of June, 2003) and to the generally binding legal regulations. The detailed operations of the Management Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Management Board are:**

1. The Management Board performs its functions jointly and takes resolutions at meetings of the Management Board and in the manner stipulated below.
2. Meetings of the Management Board shall be held at least once every month. In 2013, all meetings of the Management Board were held on the company's premises at the Special Economic Zone in Krakow.
3. A meeting of the Management Board shall be called by the President of the Management Board or, in his absence, a member of the Management Board acting as the President of the Management Board.
4. Where all members of the Management Board are present at a meeting of the Management Board, a meeting of the Management Board may be called informally.
5. The President of the Management Board or, in his absence, the person acting as President of the Management Board, may call a meeting of the Management Board at the request of any member of that Board and with the agenda specified by the member making the request. Meetings of the Management Board called in this way shall, however, not be restricted exclusively to this agenda and may consider other items placed on the agenda.
6. Meetings of the Management Board shall be chaired by the President of the Management Board, a person acting as the President of the Management Board or a person nominated by the President of the Management Board.
7. The Management Board shall take decisions in the form of resolutions adopted by open vote.

8. The chairman shall order a secret vote where even one member of the Management Board taking part in the meeting requests this.

9. Resolutions shall be adopted by an absolute majority of votes.

10. A resolution adopted at a meeting of the Management Board is valid only where at least four members of the Management Board, including the President of the Management Board or the person acting as the President of the Management Board, are present.

11. The Management Board may adopt a resolution outside meetings of the Management Board in the following ways:

a) By written vote – in this case each member of the Management Board votes in writing and gives this to the President of the Management Board or to the person acting as President of the Management Board;

b) By written vote – each member of the Management Board signs the contents of the resolution and gives this to the President of the Management Board or to the person acting as the President of the Management Board;

c) Voting by facsimile or Internet.

d) Votes cast in the manner set forth in a-c) shall be recorded in the book of resolutions and appended to the minutes of the meeting of the Management Board.

e) Where adopted in the manner set out in point c), a resolution shall require the votes of all members of the Management Board to be valid.

12. Non-members of the Management Board may be invited to attend its meetings.

13. All meetings of the Management Board require that minutes be taken. These should include at least:

a) The date and place of the meeting.

b) The agenda of the meeting.

c) The names and surnames of the members of the Management Board present at the meeting.

d) The names and surnames of people invited to the meeting of the Management Board and present at the meeting.

e) The exact content of resolutions.

f) The number of votes cast for and against resolutions including the number of abstentions.

g) The subjects discussed.

h) A written record of dissenting opinions expressed.

i) The signatures of the members of the Management Board present at the meeting.

14. The minutes of Management Board meetings shall be kept in the Minutes Book. The Minutes Book shall be maintained by the CEO secretariat.

15. The minutes of Management Board meetings shall be drawn up immediately by CEO secretariat.

16. Where there is a direct or indirect conflict between the interests of a member of the Management Board and those of the company, that member shall inform the company's Supervisory Board that this is the case.

17. Two members of the Management Board shall participate in the debates of the Annual General Shareholders' Meeting. Members of the Management Board shall themselves decide on which of their number should represent them at the Annual General Shareholders' Meeting.

#### **11. A Description of the Basic Features of the Internal Control and Risk Management Systems the Issuer Uses and How These Relate to the Process of Preparing the Financial Statements**

The company's Management Board is responsible for the company's accounting in accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994 (Journal of Laws, no. 121, pos. 591 with subsequent changes) and compliant with the requirements specified in the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones (Journal of Laws, no. 209, pos. 174 and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws, no. 33, pos. 259).

When preparing financial statements and consolidated financial statements internal control and risk management at Comarch S.A. are effected in accordance with the company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994, the company maintains documents describing the



accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and sets of data. The accounting for all economic events is computerized and uses a system called EGERIA. This system is protected against unauthorized access and access limitations set according to the function a person performs or the post a person occupies.

Both financial statements and consolidated financial statements are prepared jointly by people working in the accountancy, the capital market, the control and the finance departments under the supervision of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited by an expert auditor elected by the company's Supervisory Board, and biannual financial statements are reviewed by an independent auditor.

## The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit financial statements, that audited the annual consolidated financial statement for the year 2013 was selected compliant with the law and that the entity and expert auditors who audited this statement perform under conditions to provide an unbiased and independent opinion on the audited annual consolidated financial statement, compliant with the national law.

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

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

## The Management Board's statement regarding the reliability of the financial statement

The Management Board of Comarch S.A. states that to the best of our knowledge, the annual financial statement for the year 2013 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the issuer and its financial results. Furthermore, the annual report regarding the issuer's activities truly describes the development image and achievements as well as the issuer's situation including basic threats and risk.

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

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