

## FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report Qsr 1 / 2014

quarter / year

(pursuant to §82 sec.2 and §83 sec. 1 of the Regulation issued by the Minister of Finance on 19 Feb. 2009 - Journal of Laws No. 33 Item 259) for issuers of securities managing production, construction, trade or services activities

for 1 quarter of financial year 2014 from 2014-01-01 to 2014-03-31  
including consolidated financial statement according to International Financial Reporting Standards (IFRS)  
in currency PLN  
and summary of financial statement according to Act on Accounting (Journal of Laws 09.152.1223)  
in currency PLN  
date of publication 2014-05-15

<b>COMARCH SA</b> <small>(full name of an issuer)</small>	
<b>COMARCH</b> <small>(abbreviated name of issuer)</small>	<b>Information Technology (IT)</b> <small>(sector according to WSE classification)</small>
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1 2014	Q1 2013	Q1 2014	Q1 2013
DATA RELATED TO THE CONSOLIDATED FINANCIAL STATEMENT				
I. Revenues from sales	208,714	188,145	49,820	45,078
II. Operating profit (loss)	7,762	1,445	1,853	346
III. Profit before income tax	7,249	695	1,730	167
IV. Net profit attributable to shareholders of parent company	5,430	1,399	1,296	335
V. Net cash flows from operating activities	51,309	39,836	12,247	9,544
VI. Net cash flows from investing activities	-12,874	-15,684	-3,073	-3,758
VII. Net cash flows from financing activities	-6,594	10,528	-1,574	2,522
VIII. Change in net cash flows	31,841	34,680	7,600	8,309
IX. Number of shares	8,125,590	8,051,637	8,125,590	8,051,637
X. Earnings (losses) per single share (PLN/EURO)	0.67	0.17	0.16	0.04
XI. Diluted earnings (losses) per single share (PLN/EURO)	0.67	0.17	0.16	0.04
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	138,202	145,077	32,988	34,759
XIII. Profit (loss) on operating activities	7,131	16,906	1,702	4,051
XIV. Gross profit (loss)	7,105	18,049	1,696	4,324
XV. Net profit (loss)	7,055	18,249	1,684	4,372
XVI. Net cash flows from operating activities	9,903	22,508	2,364	5,393
XVII. Net cash flows from investing activities	-6,658	-33,255	-1,589	-7,968
XVIII. Net cash flows from financing activities	1,736	11,193	414	2,682
XIX. Total net cash flow	4,981	446	1,189	107
XX. Number of shares	8,125,590	8,051,637	8,125,590	8,051,637
XXI. Earnings (losses) per single share (PLN/EURO)	4.27	6.26	1.02	1.50

XXII. Diluted earnings (losses) per single share (PLN/EURO)	4.27	6.21	1.02	1.49
<b>EQUITIES</b>				
XXIII. Equity attributable to shareholders (consolidated)	632,923	626,343	151,733	151,028
XXIV. Equity (parent company)	660,924	661,046	158,446	159,396

Euro exchange rates used for calculation of the selected financial data:

- arithmetical average of NBP average exchange rates as of the end of each month for the period

01.01.2014 to 31.03.2014: 4.1894;

- arithmetical average of NBP average exchange rates as of the end of each month for the period

01.01.2013 to 31.03.2013: 4.1738;

The balance sheet items were presented based on NBP average exchange rates as of the end of the period:

- 31.03.2014: 4.1713;

- 31.12.2013: 4.1472.

Values of equities (positions XXIII, XXIV) were presented as at the end of first three months of the current year and as at the end of the previous year.

When presenting selected financial data from the quarterly financial statement, it should be properly described.

Selected financial data from the consolidated balance sheet (consolidated statement regarding the financial situation) or from the balance sheet respectively (statement regarding the financial situation) is presented as of the end of the current quarter and as of the end of the previous year, and this should be properly described.

This report should be presented to the Financial Supervision Authority, the Warsaw Stock Exchange and press agency pursuant to the law.

#### REPORT INCLUDES:

File	Description
Qsr_1_2014.pdf	Qsr 1 2014

<b>SIGNATURES</b>			
Date	Name and surname	Position	Signature
2014-05-15	Konrad Tarański	Vice-president of the Management Board	
2014-05-15	Maria Smolińska	Proxy	

**Comarch Capital Group  
Consolidated Financial Statement  
for the period from 1 January 2014 to 31 March 2014**

# COMARCH

**Statement in accordance with the International Financial Reporting Standards**

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## I. Consolidated Balance Sheet

	Note	At 31 March 2014	At 31 December 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.2	366,918	360,825
Goodwill	3.3	44,061	44,061
Other intangible assets	3.4	78,365	79,720
Non-current prepayments		819	904
Investments in associates	3.5	693	49
Other investments		106	106
Deferred income tax assets	3.17	28,665	28,985
Other non-current receivables		640	1,639
		<b>520,267</b>	<b>516,289</b>
<b>Current assets</b>			
Inventories	3.6	51,263	53,687
Trade and other receivables	3.9	296,206	362,404
Current income tax receivables		1,673	1,527
Long-term contracts receivables	3.12	44,488	32,264
Available-for-sale financial assets	3.7	6,733	6,685
Other financial assets at fair value – derivative financial instruments	3.8	1,581	1,644
Interest and shares		2	112
Cash and cash equivalents		197,855	167,689
		<b>599,801</b>	<b>626,012</b>
<b>Available-for-sale assets</b>		275	-
<b>TOTAL ASSETS</b>		<b>1,120,343</b>	<b>1,142,301</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	3.10	8,125	8,051
Other capitals		145,960	145,205
Exchange differences		2,991	2,670
Net profit for the current period		5,430	25,077
Retained earnings		470,417	445,340
		<b>632,923</b>	<b>626,343</b>
Minority interest		11,711	11,368
<b>Total equity</b>		<b>644,634</b>	<b>637,711</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit and loans	3.13	111,549	110,751
Provision for deferred income tax	3.17	39,592	40,545
Other financial liabilities	3.14	424	599
Other liabilities		83	-
		<b>151,648</b>	<b>151,895</b>
<b>Current liabilities</b>			
Trade and other payables	3.11	178,218	193,633
Current income tax liabilities		8,040	11,237
Long-term contracts liabilities	3.12	30,946	33,416
Credit and loans	3.13	20,924	20,700
Financial liabilities	3.14	402	409
Provisions for other liabilities and charges	3.18	85,531	93,300
		<b>324,061</b>	<b>352,695</b>
<b>Total liabilities</b>		<b>475,709</b>	<b>504,590</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,120,343</b>	<b>1,142,301</b>

## II. Consolidated Income Statement

	Note	3 months ended 31 March 2014	3 months ended 31 March 2013
<b>Revenue</b>		<b>208,714</b>	<b>188,145</b>
Cost of sales		(165,712)	(150,568)
<b>Gross profit</b>		<b>43,002</b>	<b>37,577</b>
Other operating income		3,130	2,609
Sales and marketing costs		(22,313)	(22,726)
Administrative expenses		(14,458)	(12,773)
Other operating expenses		(1,599)	(3,242)
<b>Operating profit</b>		<b>7,762</b>	<b>1,445</b>
Finance revenue -net		(43)	(809)
Share of profit / (loss) of associates		(470)	59
<b>Profit before income tax</b>		<b>7,249</b>	<b>695</b>
Income tax expense		(1,476)	408
<b>Net profit for the period</b>		<b>5,773</b>	<b>1,103</b>
<b>Attributable to:</b>			
<b>Shareholders of the parent company</b>		<b>5,430</b>	<b>1,399</b>
<i>Interests not entitled to control</i>		343	(296)
		<b>5,773</b>	<b>1,103</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)</b>			
- basic	3.20	0.67	0.17
- diluted	3.20	0.67	0.17

## III. Total Income Consolidated Statement

	3 months ended 31 March 2014	3 months ended 31 March 2013
<b>Net profit for the period</b>	<b>5,773</b>	<b>1,103</b>
<b>Other total income</b>		
Currency translation differences from currency translation in related parties	321	892
<b>Total other total income</b>	<b>321</b>	<b>892</b>
<b>Sum of total income for the period</b>	<b>6,094</b>	<b>1,995</b>
Attributable to the parent company's shareholders	5,751	2,283
Attributable to the interests not entitled to control	343	(288)

*Other total income include items which may be transferred to the income statement in the following periods.*

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

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
<b>Balance at 1 January 2013</b>	<b>8,051</b>	<b>142,332</b>	<b>3,090</b>	<b>40,660</b>	<b>427,490</b>	<b>3,319</b>	<b>624,942</b>
Transferring result for 2012	-	-	-	(40,660)	40,660	-	-
Dividend paid	-	-	-	-	(13,103)	-	(13,103)
Capital from acquisition of shares	-	-	-	-	-	169	169
Changes in shareholding structure	-	-	-	-	(9,707)	9,707	-
Capital from valuation of the managerial option	-	2,873	-	-	-	-	2,873
Currency translation differences <sup>1</sup>	-	-	(420)	-	-	(4)	(424)
Profit for the period <sup>2</sup>	-	-	-	25,077	-	(1,823)	23,254
Total income recognised in equity (1+2)	-	-	(420)	25,077	-	(1,827)	22,830
<b>Balance at 31 December 2013</b>	<b>8,051</b>	<b>145,205</b>	<b>2,670</b>	<b>25,077</b>	<b>445,340</b>	<b>11,368</b>	<b>637,711</b>
<b>Balance at 1 January 2014</b>	<b>8,051</b>	<b>145,205</b>	<b>2,670</b>	<b>25,077</b>	<b>445,340</b>	<b>11,368</b>	<b>637,711</b>
Transferring result for 2013	-	-	-	(25,077)	25,077	-	-
Increase in share capital	74	-	-	-	-	-	74
Capital from valuation of the managerial option	-	755	-	-	-	-	755
Currency translation differences <sup>1</sup>	-	-	321	-	-	-	321
Profit for the period <sup>2</sup>	-	-	-	5,430	-	343	5,773
Total income recognised in equity (1+2)	-	-	321	5,430	-	343	6,094
<b>Balance at 31 March 2014</b>	<b>8,125</b>	<b>145,960</b>	<b>2,991</b>	<b>5,430</b>	<b>470,417</b>	<b>11,711</b>	<b>644,634</b>

There are no plans related to payment of dividend from the profit achieved in 2013 in the Group and to general partners outside Group.

## V. Consolidated Cash Flow Statement

	3 months ended 31 March 2014	3 months ended 31 March 2013
<b>Cash flows from operating activities</b>		
Net profit (loss)	5,773	1,103
Total adjustments	50,350	43,187
Share in net (gains) losses of related parties valued using the equity method of accounting	427	(59)
Depreciation	13,279	16,455
Exchange gains (losses)	1,613	219
Interest and profit-sharing (dividends)	319	522
(Profit) loss on investing activities	92	569
Change in inventories	5,017	(12,836)
Change in receivables	40,837	243,465
Change in liabilities and provisions excluding credits and loans	(11,989)	(204,139)
Other adjustments	755	(1,009)
Net profit less total adjustments	56,123	44,290
Income tax paid	(4,814)	(4,454)
<b>Net cash from operating activities</b>	<b>51,309</b>	<b>39,836</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(15,347)	(11,597)
Proceeds from sale of property, plant and equipment	-	461
Purchases of intangible assets	(4,867)	(4,102)
Proceeds from disposal of investment in real estates and intangible assets	-	10
Expenses for purchase of financial assets	(44)	-
Expenses for investment in real estates	-	-
Proceeds from sales of available-for-sale financial assets	-	-
Granted non-current loans	-	(560)
Paid non-current loans	6,903	-
Interest	444	287
Other proceeds from financial assets	437	275
Other investment proceeds	-	563
Other investment expenses	(400)	(1,021)
<b>Net cash used in investing activities</b>	<b>(12,874)</b>	<b>(15,684)</b>
<b>Cash flows from financing activities</b>		
Proceeds from credits and loans	5,586	31,388
Repayments of credits and loans	(5,295)	(20,241)
Interest	(671)	(681)
Repaid loans	4,808	-
Granted loans	(10,992)	-
Dividends and other payments to owners	-	-
Expenses due to profit sharing but other than those to owners	-	-
Other financial proceeds	3	66
Other financial expenses	(33)	(4)
<b>Net cash (used in)/generated from financing activities</b>	<b>(6,594)</b>	<b>10,528</b>
<b>Net change in cash, cash equivalents and bank overdrafts</b>	<b>31,841</b>	<b>34,680</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	167,640	142,269
Positive (negative) exchange differences in cash and bank overdrafts	(1,657)	243
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<b>197,824</b>	<b>177,192</b>
- including limited disposal	3,951	312



## VI. Supplementary Information

### 1. Information about Group Structure and Activities

The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, The Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. Comarch S.A. holds the dominant share in Group regarding realised revenues, value of assets and number and volume of executed contracts. Comarch S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the parent company is not limited.

#### 1.1 Organisational Structure of Comarch Group

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

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch 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 (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
  - Bonus Management sp. z o.o. 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 March, 2014, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.1% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A),
- Volatech Capital Advisors S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

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

## 1.2 Activities Structure in the Comarch Group

The structure of activities of the Comarch Group is as follows:

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Oy, Comarch UK and Comarch Chile SpA acquire IT contracts in foreign markets and execute them in their entirety or in part;
- SouthForge sp. z o.o. and Comarch Polska S.A. acquire IT contracts in domestic and foreign markets and execute them in their entirety or in part;
- CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market,
- ESAProjekt sp. z o.o. is a leading Polish producer and complex IT solution provider for medicine sector,
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;

- iMed24 S.A. produces and sells IT software related to medicine, provides medical and diagnostic services;
- iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
- Infrastruktura24 S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- MKS Cracovia SSA is a sport joint stock company;
- Opso sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) is under liquidation proceedings. Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

### 1.3 Changes in Ownership and Organisational Structure in Q1 2014

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

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

On the 24<sup>th</sup> of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17<sup>th</sup> of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. As of 31<sup>st</sup> of March, 2014, the increase was not 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.

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

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

### 1.4 Changes in Ownership and Organisational Structure after the Balance Sheet Date

On the 7<sup>th</sup> of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register.

## 2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the three months ended the 31<sup>st</sup> of March, 2014 and comparable data (the “Interim Consolidated Financial Statement”) are prepared in accordance with International Accounting Standard (“IAS”) 34 and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the date of preparing the Condensed Interim Consolidated Financial Statement.

This Interim Consolidated Financial Statement does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from 1<sup>st</sup> of January, 2013 until 31<sup>st</sup> of December, 2013 (“the Interim IFRS Consolidated Financial Statement”).

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from 1<sup>st</sup> of January, 2013 until 31<sup>st</sup> of December, 2013 (the notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended 31<sup>st</sup> of December, 2013).

The Interim Consolidated Financial Statement includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders’ equity, consolidated cash flow statement and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the interim financial statement, only if it would also be appropriate to anticipate or defer such costs at the end of the year.

This Interim Consolidated Financial Statement is prepared in thousands of Polish zloty (“PLN”) and was authorised for issuance by the Management Board on 15<sup>th</sup> of May, 2014.

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

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

- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”** – Novation of Derivatives and Continuation of Hedge Accounting. They were approved by the EU on 19<sup>th</sup> of December, 2013 (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014).

According to the parent company's calculations, the accounting standards mentioned above, the interpretations and changes to standards presented above did not affect significantly the company's accounting policy.

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

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the 15<sup>th</sup> of May, 2014 (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 “Financial Instruments” and the subsequent changes** (the effective date has not been established yet),
- **IFRS 14 „Regulatory Deferral Accounts”** (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2016),
- **Amendments to IAS 19 „Employee Benefits”** – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1<sup>st</sup> of January, 2014),
- **Amendments to various standards “Annual Improvements (period 2010-2012)”** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014),
- **Amendments to various standards “Annual Improvements (period 2011-2013)”** – adopted within the frame of annual improvements process to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014),
- **Interpretation IFRIC 21 „Levies”** (effective for annual periods beginning on or after 1<sup>st</sup> of July, 2014).

According to the parent company's calculations, the accounting standards mentioned above, the interpretations and changes to standards would not have any significant impact on the financial statement if applied on the balance sheet date.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities have not been adopted by the EU.

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

The consolidated financial statement of the Comarch Group for the 3 months ended 31<sup>st</sup> of March, 2014 comprises the financial statements of the following companies:

	<b>Relationship</b>	<b>Consolidation method</b>	<b>% held by Comarch S.A. in a subsidiary's share capital</b>
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100%
Comarch Software und Beratung AG	subsidiary	full	100% held by Comarch AG *)
Comarch Solutions GmbH	subsidiary	full	100% held by Comarch Software und Beratung AG
Comarch S.A.S.	subsidiary	full	100%
Comarch R&D S.à r.l.	subsidiary	full	30%, 70% held by Comarch SAS
Comarch Luxembourg S.à r.l.	subsidiary	full	100%
Comarch Inc.	subsidiary	full	100%
Comarch Panama Inc.	subsidiary	full	100% held by Comarch Inc.
Comarch Canada, Corp.	subsidiary	full	100%
Comarch Middle East FZ-LLC	subsidiary	full	100%
Comarch LLC	subsidiary	full	100%
OOO Comarch	subsidiary	full	100%
Comarch Software (Shanghai) Co. Ltd.	subsidiary	full	100%
Comarch Co., Ltd. (Vietnam)	subsidiary	full	100%
Comarch Oy	subsidiary	full	100%
Comarch UK Ltd.	subsidiary	full	100%
Comarch Chile SpA	subsidiary	full	100%
Comarch s.r.o.	subsidiary	full	100%
SouthForge sp. z o.o.	subsidiary	full	100%
CA Consulting S.A.	subsidiary	full	100%
Comarch Management sp. z o.o.	subsidiary	full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100% in total number of investment certificates

Comarch Management sp. z o.o. SK-A	subsidiary	full	13.67% held by CCF FIZ, 49.94% held by Comarch S.A., 36.39% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Development sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	subsidiary	full	100% held by CCF FIZ
iMed24 S.A.	subsidiary	full	100% held by CCF FIZ
Comarch Polska S.A.	subsidiary	full	100% held by CCF FIZ
iReward24 S.A.	subsidiary	full	100% held by CCF FIZ
Infrastruktura24 S.A.	subsidiary	full	100% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
ESAProjekt sp. z o.o.	subsidiary	full	100% held by CASA Management and Consulting sp. z o.o. SK-A
Comarch Swiss AG	subsidiary	full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	subsidiary	full	51.00% held by CASA Management and Consulting sp. z o.o. SK-A
Opso sp. z o.o.	subsidiary	full	100%
MKS Cracovia SSA	subsidiary	full	66.11%

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

### 3. Notes to the Consolidated Financial Statement

#### 3.1. Segment Information

In the Comarch Group, the business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

- the sale of IT systems and services, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estates investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services and software production, as well as medical equipment for medicine sector (hereinafter referred to as the "Medical segment"); conducted by iMed24 S.A. and ESAProjekt sp. z o.o.

IT segment has a dominant share in sales revenues, profits and assets. IT segment is divided into the DACH (Germany, Austria and Switzerland) market, Polish market and other markets according to the specific character of the activity in the segment.

Over 2013, Comarch Group revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch. In the Group's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.



**Revenue, costs and financial result**

3 months ended 31 March 2013	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	129,142	39,934	16,280	1,134	2,644	1,620	-	190,754
<i>including:</i>								
<i>revenues from sales</i>	128,775	39,672	15,740	57	2,449	1,452	-	188,145
<i>To customers in Telecommunication, Media, IT sector</i>	27,840	11,803	6,683	-	-	-	-	46,326
<i>To customers in Finance and Banking sector</i>	23,265	630	2,665	-	-	-	-	26,560
<i>To customers in Trade and services sector</i>	14,892	1,357	6,017	-	-	-	-	22,266
<i>To customers in Industry&amp;Utilities</i>	25,066	1,237	245	-	-	-	-	26,548
<i>To customers in Public sector</i>	20,463	-	130	-	-	-	-	20,593
<i>To customers in small and medium enterprises sector</i>	17,100	24,645	-	-	-	-	-	41,745
<i>To other customers</i>	149	-	-	57	2,449	1,452	-	4,107
<i>other operating revenue</i>	1,483	154	609	-	195	168	-	2,609
<i>finance revenue</i>	(1,116)	108	(69)	1,077	-	-	-	-
Revenues per segment - sales to other segments	38,410	4,205	4,744	651	2,144	1,550	(51,704)	-
Revenues per segment - total*	167,552	44,139	21,024	1,785	4,788	3,170	(51,704)	190,754
Costs per segment relating to sales to external clients	115,744	47,981	16,882	377	3,326	5,808	-	190,118
Costs per segment relating to sales to other segments	38,410	4,205	4,744	651	2,144	1,550	(51,704)	-
Costs per segment - total*	154,154	52,186	21,626	1,028	5,470	7,358	(51,704)	190,118
Current taxes	(53)	(114)	(489)	-	-	-	-	(656)
Assets for the tax due to investment allowances and other tax relief	115	793	-	-	98	58	-	1,064
Share of segment in the result of parties valuated using the equity method of accounting	59	-	-	-	-	-	-	59
Net result	13,519	(7,368)	(1,091)	757	(584)	(4,130)	-	1,103
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	13,519	(7,300)	(1,084)	757	(363)	(4,130)	-	1,399
<i>result attributable to minority interest</i>	-	(68)	(7)	-	(221)	-	-	(296)

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

3 months ended 31 March 2014	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	131,493	50,357	22,747	703	4,748	2,759	-	212,807
<i>including:</i>								
<i>revenues from sales</i>	128,401	50,171	22,675	67	4,653	2,747	-	208,714
<i>To customers in Telecommunication, Media, IT sector</i>	23,900	22,480	7,945	-	-	-	-	54,325
<i>To customers in Finance and Banking sector</i>	23,511	1,236	2,722	-	-	-	-	27,469
<i>To customers in Trade and services sector</i>	11,793	1,979	10,973	-	-	-	-	24,745
<i>To customers in Industry&amp;Utilities</i>	15,771	1,397	635	-	-	-	-	17,803
<i>To customers in Public sector</i>	25,405	-	117	-	-	-	-	25,522
<i>To customers in small and medium enterprises sector</i>	21,616	23,005	-	-	-	-	-	44,621
<i>To other customers</i>	6,405	74	283	67	4,653	2,747	-	14,229
<i>other operating revenue</i>	2872	169	4		73	12		3130
<i>finance revenue</i>	220	17	68	636	22	-	-	963
Revenues per segment - sales to other segments	29,284	5,674	2,444	694	2,153	2,874	-43,123	-
Revenues per segment - total*	160,777	56,031	25,191	1,397	6,901	5,633	-43,123	212,807
Costs per segment relating to sales to external clients	122,228	47,354	24,254	419	3,939	6,894	-	205,088
Costs per segment relating to sales to other segments	29,283	5,674	2,444	694	2,153	2,875	-43,123	-
Costs per segment - total*	151,511	53,028	26,698	1,113	6,092	9,769	-43,123	205,088
Current taxes	-368	-656	-1,016	-69	-	-	-	-2,109
Assets for the tax due to investment allowances and other tax relief	1,247	-448	-3	-763	134	466	-	633
Share of segment in the result of parties valuated using the equity method of accounting	-470	-	-	-	-	-	-	-470
Net result	9,675	1,899	-2,526	-548	943	-3,670	-	5,773
<i>including:</i>								
<i>result attributable to shareholders of the parent company</i>	9,675	1,876	-2,526	-548	623	-3,670	-	5,430
<i>result attributable to minority interest</i>	-	23	-	-	320	-	-	343

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

### Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments, as well as investment expenditures and depreciation as at 31<sup>st</sup> of March, 2014 and as at 31<sup>st</sup> of March, 2013:

#### 31 March 2013 / 3 months ended 31 March 2013

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	641,975	214,347	48,704	127,394	44,183	37,712	1,114,315
Liabilities	362,271	79,760	8,930	394	13,975	21,161	486,491
Investment expenditures	7,018	6,383	459	1,765	37	1,618	17,280
Depreciation	7,088	6,849	249	325	538	1,406	16,455

#### 31 March 2014 / 3 months ended 31 March 2014

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	648,964	220,931	63,204	106,133	43,514	37,597	1,120,343
Liabilities	301,591	125,588	11,061	1,575	15,224	20,670	475,709
Investment expenditures	9,186	2,592	106	5,680	436	2,658	20,658
Depreciation	7,467	3,564	128	210	458	1,452	13,279

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

Sales between specific segments are calculated based on market conditions.

The following table presents the allocation of revenues from sales, assets and total investment expenditures into geographical segments:

#### Revenues from basic sales - activities location

	3 months ended 31 March 2014		3 months ended 31 March 2013	
		%		%
Poland	135,868	65.1%	132,733	70.5%
DACH	50,171	24.0%	39,672	21.1%
Europe – other countries	11,823	5.7%	8,329	4.4%
America	10,409	5.0%	6,920	3.7%
Other countries	443	0.2%	491	0.3%
<b>TOTAL</b>	<b>208,714</b>	<b>100.0%</b>	<b>188,145</b>	<b>100.0%</b>

**Assets – activities location**

	<b>31 March 2014</b>	<b>%</b>	<b>31 December 2013</b>	<b>%</b>
Poland	846,402	75.6%	905,387	79.3%
DACH	220,931	19.7%	182,842	16.0%
Europe – other countries	32,425	2.9%	31,937	2.8%
America	19,412	1.7%	20,983	1.8%
Other countries	1,173	0.1%	1,152	0.1%
<b>TOTAL</b>	<b>1,120,343</b>	<b>100.0%</b>	<b>1,142,301</b>	<b>100.0%</b>

**Investments expenditures - activities location**

	<b>3 months ended 31 March 2014</b>	<b>12 months ended 31 December 2013</b>	<b>3 months ended 31 March 2013</b>
Poland	17,961	49,526	10,438
DACH	2,592	20,536	6,383
Europe – other countries	93	641	101
America	12	688	358
Other countries	-	-	-
<b>TOTAL</b>	<b>20,658</b>	<b>71,391</b>	<b>17,280</b>

**3.2. Property, Plant and Equipment**

	<b>31 March 2014</b>	<b>31 December 2013</b>
Lands and buildings	256,552	256,015
Means of transport and machinery	69,119	72,170
Property, plant and equipment under construction	22,136	11,733
Others	19,076	20,122
Advance money for property, plant and equipment under construction	35	785
<b>Total</b>	<b>366,918</b>	<b>360,825</b>

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

On the 3<sup>rd</sup> of October, 2013, Comarch S.A. signed an agreement with consortium of 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. In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

In the first quarter of 2012, iMed24 S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24- medical centre) using diagnostic and medical equipment purchased in 2011. As at the 31<sup>st</sup> of March, 2014, book value of this equipment amounts to PLN 13.27 million.

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

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. The estimated value of this investment amounts to approximately EUR 6 million. Preparation works will last till the end of the second quarter of 2014, and decision on commencing of the investment will depend on the current business condition.

### 3.3. Goodwill

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

	<b>31 March 2014</b>	<b>31 December 2013</b>
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG (A-MEA Informatik AG till 31 December 2012)	8,413	8,413
ESAProjekt sp. z o.o.	3,326	3,326
<b>Total</b>	<b>44,061</b>	<b>44,061</b>

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

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

As at the acquisition date, the assessment of the fair value of assets held by the Comarch Software und Beratung Group was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the Comarch Software und Beratung Group amounted to EUR 15.02 million. Software was depreciated for a period of 5 years (till November, 2013) and its current value as of the 31<sup>st</sup> of March, 2014, amounted to PLN 0.

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

Comarch products on Swiss market, future Swiss IT market development and the addition of highly qualified employees in A-MEA Informatik AG. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, Group also acquired customers and relationships with customers in A-MEA Informatik AG. These assets were presented separately from goodwill as intangible assets depreciated for a period of 5 years. Their fair value as of the acquisition date amounted to PLN 3.01 million and the balance sheet date value as at 31<sup>st</sup> of March, 2014 was PLN 1.7 million.

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

In the second quarter of 2012, CASA Management and Consulting sp. z o.o. SK-A purchased 100% of ESAProjekt sp. z o.o. ("ESAProjekt") shares; as a result, an amount of goodwill worth PLN 3.33 million was generated. The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating ESAProjekt (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over ESAProjekt as well as amounts related to the benefits resulting from predicted synergies, increases in revenues from sales of Comarch products on medical IT market and the addition of highly qualified employees in ESAProjekt. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, as at the acquisition date, the assessment of the fair value of assets held by ESAProjekt was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the ESAProjekt amounted to EUR 10.89 million. The software will be depreciated for a period of 5 years and its balance sheet date value as at the 31<sup>st</sup> of March, 2014 was PLN 6.53 million.

On the 31<sup>st</sup> of December, 2013, the Comarch Group ran a test for loss in value regarding goodwill and it did not show any loss in value of the above-mentioned items of assets. The methodology was described in detail in the financial statement for 2013.

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

\*) data as of the date of the company's acquisition; currently A-MEA Informatik AG is a part of Comarch Swiss AG

### 3.4. Other Intangible Assets

	31 March 2014	31 December 2013
Costs of finished development works	2,639	2,418
Perpetual usufruct right	39,012	39,035
Licences and software	27,825	28,161
Other	8,889	10,106
<b>Total</b>	<b>78,365</b>	<b>79,720</b>

Other intangibles include, in particular, valuation of assets related to acquisition of ESAProjekt sp. z o.o. in the amount of PLN 6.53 million, the value of relationships with customers in A-MEA Informatik AG in the amount of PLN 1.7 million, and the right to use the players' cards in the amount of PLN 0.66 million.

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31.65 million is considered the intangible asset with unspecified period of use and is not

depreciated. The company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the company is not obliged to meet any conditions, which would decide about extension of this right. The company does not expect incurring any major costs when renewal of perpetual usufruct right, having in mind current activities of the co-owner of the sports club, i.e. Krakow commune.

### 3.5. Investment in Associates

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

<b>At 1 January 2013</b>	<b>244</b>
Share in profit for Q1-Q4 2013	(216)
Granting a loan	141
Repayment of a loan	(120)
<b>At 31 December 2013</b>	<b>49</b>
<b>At 1 January 2014</b>	<b>49</b>
Share in profit for Q1 2014 and acquiring shares in the increased share capital	661
Repayment of a loan	(17)
<b>At 31 March 2014</b>	<b>693</b>

As at 31<sup>st</sup> of March, 2014, investment in associates includes interest and shares in SolInteractive S.A. acquired by CCF FIZ and Bonus Management sp. z o.o. Activia SK-A. They constitute 42.98% of shares in the company. The investment in associates includes also shares in Volatech Capital Advisors S.A. Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) in the total amount of PLN 0.689 million. The investment in associates includes also a non-current loan in the amount of PLN 0.004 million granted to SolInteractive S.A. by the parent company.

### 3.6. Inventories

	<b>31 March 2014</b>	<b>31 December 2013</b>
Raw materials	629	701
Work in progress	35,681	33,716
Goods	14,007	18,777
Finished products	946	493
Advance due to finished	<b>51,263</b>	<b>53,687</b>
<b>TOTAL</b>		

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 101.99 million (3 months ended the 31<sup>st</sup> of March, 2014), PLN 539.77 million (12 months ended the 31<sup>st</sup> of December, 2013), PLN 101.79 million (3 months ended 31<sup>st</sup> of March, 2013).

Within the first quarter of 2014, the Comarch Group created write-offs that revaluated goods and materials and were worth PLN 0.09 million. Group dissolved write-offs which had been created in previous years and amounted to PLN 0.2 million.

### 3.7. Available-for-Sale Financial Assets

	<b>3 months ended 31 March 2014</b>	<b>12 months ended 31 December 2013</b>
<b>At the beginning of the</b>	<b>6,685</b>	<b>1,616</b>
Additions Q1	48	13
Disposals Q1	-	-
<b>At 31 March</b>	<b>6,733</b>	<b>1,629</b>
Additions Q2-Q4	-	5,056
Disposals Q2-Q4	-	-
<b>At 31 December</b>	<b>-</b>	<b>6,685</b>

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

As of the 31<sup>st</sup> of March, 2014, available-for-sale financial assets comprised investments units in

money market and debt securities fund, which were held by Comarch Management sp. z o.o. SK-A. They were purchased as a deposit for free monetary means. Participation units' turnover is held beyond the scope of the regulated market. Acquisition price of participation units amounted to PLN 6.4 million, and their valuation through fair value as at the 31<sup>st</sup> of March, 2014, amounted to PLN 6.73 million.

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

### 3.8. Financial Assets-Derivative Financial Instruments

	31 March 2014		31 December 2013	
Forward foreign exchange contracts – held-for-trading	1,701	-	1,641	-
Transaction on change of IRS	(120)	-	3	-
	<b>1,581</b>	<b>-</b>	<b>1,644</b>	<b>-</b>
<i>Current portion</i>	<i>1,581</i>	<i>-</i>	<i>1,644</i>	<i>-</i>

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro. As at 31<sup>st</sup> of March, 2014, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at 31<sup>st</sup> of March, 2014, amounted to EUR 11.2 million, USD 3.5 million and GBP 1.65 million. After the balance sheet date, the Comarch Group concluded no forward contracts.

On the 24<sup>th</sup> of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30<sup>th</sup> of September, 2013 from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, which was announced in current report no. 20/2013 dated the 1<sup>st</sup> of October, 2013. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 31<sup>st</sup> of October, 2018. As at the 31<sup>st</sup> of March, 2014, valuation of IRS transaction amounted to PLN 0.12 million.

### 3.9. Trade and Other Receivables

	31 March 2014	31 December 2013
Trade receivables	254,101	331,046
Write-off revaluating receivables	(7,230)	(9,226)
Trade receivables – net	246,871	321,820
Other receivables	21,907	22,556
Short-term prepayments	13,516	7,804
Other prepayments	4,825	396
Loans	9,067	9,781
Receivables from related parties	20	47
<b>Total</b>	<b>296,206</b>	<b>362,404</b>
<i>Current portion</i>	<i>296,206</i>	<i>362,404</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of internationally dispersed customers. In the first quarter of 2014, Group has recognised a write-off due to loss in value of its trade receivables that was worth PLN 0.19 million and dissolved write-offs which were previously created and worth PLN 2.68 million in relation to payment of debts. These operations were presented in the income statement, in other costs and operating revenues, respectively.



### 3.10. Share Capital

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

The nominal value of one share is PLN 1.

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

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

Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. The conversion of registered shares into bearer shares is allowed. In case of that registered shares are converted into bearer shares, they lose all preferences. In case that registered preferential shares are disposed their specific voting rights at the General Meeting expire, however their specific voting rights at the General Meeting do not expire in case of:

- a) disposal for the benefit of persons who were shareholders of the company on 18 March 1998,
- b) disposal for the benefit of descendants of a disposer,
- c) conveying property of a registered share as a result of succession.

The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in Comarch S.A.'s statute.

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

#### 3.10.1. Information about Shareholders Holding Directly or Indirectly by Subsidiary Entities at least 5% of the Total Number of Votes at the General Meeting of Comarch S.A., at the Date of Publication the Quarterly Financial Report

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

#### 3.10.2. Changes in Share Capital in Q1 2014

They were described in point 3.10.4.a)

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

None present.

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

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

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

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

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

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

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

On the 25<sup>th</sup> of April, 2014, the Management Board of the National Deposit for Securities passed a resolution no. 424/14 on 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.

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

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

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

On 26<sup>th</sup> of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options 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 PLN 3.02 million, including PLN 0.76 million in the first quarter of 2014, and it was recognised as cost in the income statement.

### 3.11. Trade and Other Payables

	<b>31 March 2014</b>	<b>31 December 2013</b>
Trade payables	80,416	121,824
Advance payments received due to services	1,748	1,252
Liabilities to related parties	616	467
Liabilities due to social insurance and other tax charges	28,124	43,245
Investments liabilities	3,451	3,248
Revenues from the future periods	57,456	18,389
Other payables	3,737	3,637
Special funds (Social Services Fund and Residential Fund)	2,670	1,571
<b>Total</b>	<b>178,218</b>	<b>193,633</b>

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

### 3.12. Long-term Contracts

	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>
<b>Revenues due to long-term contracts recognised in the reporting period</b>	<b>42,165</b>	<b>41,278</b>
a) revenues from completed contracts recognised in the reporting period	4,449	5,675
b) revenues from contracts not completed recognised in the reporting period	23,022	23,501
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	14,694	12,102

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognised results corresponds to revenues. At the end of the reporting period, long-term contracts were valued in accordance with the degree of work progress.

### 3.13. Credits and Loans

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Non-current</b>		
Bank credits	111,458	110,630
Loans	91	121
	<b>111,549</b>	<b>110,751</b>
<b>Current</b>		
Bank overdraft	-	-
Loans	371	368
Bank credits	20,553	20,332
	<b>20,924</b>	<b>20,700</b>
<b>Total credit and loans</b>	<b>132,473</b>	<b>131,451</b>

The value of liabilities due to bank credits and loans was recognised in the amount of depreciated

cost that was determined using the effective interest rate. The fair value of liabilities due to credits and loans does not differ significantly from the balance sheet value. Within reporting period, there were neither overdue payments nor interest payments on credits and loans. Comarch did not breach of any provisions of the credit or loan agreements that could entitle the creditor to claim earlier repayment of the credit or loan.

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

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

<b>At 31 December 2013</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Credits and loans	10,806	10,437	81,851	28,900	131,994
Interest	(543)	-	-	-	(543)
	<b>10,263</b>	<b>10,437</b>	<b>81,851</b>	<b>28,900</b>	<b>131,451</b>

<b>At 31 March 2014</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Credits and loans	10,862	10,491	81,428	30,121	132,902
Interest	(429)	-	-	-	(429)
	<b>10,433</b>	<b>10,491</b>	<b>81,428</b>	<b>30,121</b>	<b>132,473</b>

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

	<b>31 March 2014</b>	<b>31 December 2013</b>
Between 1 and 2 years	34,864	35,064
Between 2 and 5 years	46,564	46,787
Over 5 years	30,121	28,900
	<b>111,549</b>	<b>110,751</b>

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

	<b>31 March 2014</b>	<b>31 December 2013</b>
In Polish currency	25,914	26,396
In EUR (equivalence in PLN)	106,559	105,055
	<b>132,473</b>	<b>131,451</b>

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

	<b>31 March 2014</b>	<b>31 December 2013</b>
Bank credits	1.93%	1.91%
Loans	3.51%	3.64%

#### 3.13.1. Long-term Bank Credits

Comarch S.A. credit lines:

- An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. 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 March, 2014, the value of the credit to be repaid amounted to EUR 0.63 million, i.e. PLN 2.61 million.

- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85% of the investment value up to a maximum of PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. 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 March, 2014, the value of the credit to be repaid amounted to EUR 6.51 million, i.e. PLN 27.14 million.
- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate. 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 March, 2014, the value of the credit to be repaid amounted to PLN 15.1 million.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28<sup>th</sup> of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.13 million. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6.19 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1<sup>st</sup> of October, 2013. As at the 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to EUR 3.87 million, i.e. PLN 16.14 million.
- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7<sup>th</sup> of August, 2012. This credit has a variable interest rate. 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 March, 2014, the value of the credit to be repaid amounted to EUR 1.36 million, i.e. PLN 5.69 million.
- f) 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 EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31<sup>st</sup> of December, 2020. This credit has a variable interest rate. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to EUR 6.45 million, i.e. PLN 26.89 million.
- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4<sup>th</sup> of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13<sup>th</sup> of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 20<sup>th</sup> of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4<sup>th</sup> of December, 2015. As at 31<sup>st</sup> of March, 2014, value of the credit taken out amounted to EUR 1.46 million, i.e. PLN 6.1 million.

In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15.89 million and as at 31<sup>st</sup> of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to PLN 10.78 million.

In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6 million, and its crediting period is until 2018. The loan was drawdown on the 25<sup>th</sup> of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to EUR 5.28 million, i.e. PLN 22.01 million.

### **3.13.2. Loans**

On the 27<sup>th</sup> of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 0.34 million and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate. The loan is not secured. As at the 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to PLN 0.24 million.

In the second quarter of 2013, CA Consulting S.A., a subsidiary of Comarch S.A., signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the company. The loan amounts to PLN 1.14 million and drawdown was made in the second quarter of 2013. Loan will reach its maturity date in April, 2014. It has a fixed interest rate. The loan is secured with a surety granted by Comarch S.A. As at the 31<sup>st</sup> of March, 2014, the value of the credit to be repaid amounted to PLN 0.23 million.

### **3.13.3. Current credit lines (variable interest rate)**

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

a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10 million. It can be used by the 13<sup>th</sup> of December, 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 March, 2014, the credit was not used.

b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 13.38 million. 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 March, 2014, the credit was not used.

Comarch S.A., CA Consulting S.A. and Comarch Polska S.A. have a credit limit in current account, granted by Bank Pekao S.A. with its registered office in Warsaw, in the amount of PLN 30 million. 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 March, 2014, the credit was not used. After the balance sheet date, an annex was concluded that decreased the amount of credit limit in current account down to PLN 15 million.

**31 March 2014 31 December 2013**

Current credit lines granted, expiring within one year, including:		
	<b>53,278</b>	<b>53,778</b>
– used at the balance sheet date	-	-
– available at the balance sheet date	53,278	53,778

**3.14. Other Financial Liabilities**

**31 March 2014 31 December 2013**

Liabilities due to finance lease	826	1,008
Current portion	402	409
Non-current portion	<b>424</b>	<b>599</b>

Liabilities due to the Comarch Group's finance lease (excluding lease agreements between the companies in the Group) comprise liabilities of Comarch SA and ESAProjekt sp. z o.o., a subsidiary of Comarch SA, due to finance lease agreements for cars and IT hardware. As at the 31<sup>st</sup> of March, 2014, value of these liabilities amounted to PLN 0.83 million.

**3.15. Liabilities due to Operating Lease**

	<b>Less than 1 year</b>	<b>Less than 5 years</b>	<b>Total</b>
Liabilities due to lease agreements for usage places	21,235	63,882	<b>85,117</b>
Liabilities due to lease agreements for equipment and means of transport	1,755	2,022	<b>3,777</b>
<b>Total</b>	<b>22,990</b>	<b>65,904</b>	<b>88,894</b>

Liabilities due to lease agreements for usage places comprise Group's liabilities, including those between Comarch Group's companies and related to leases of office spaces and company flats. Agreements including the given expiration date were directly recorded to the liabilities due within 1 year or less, or within 5 years or less, respectively. However, most of the agreements have been concluded for an indefinite period, therefore the amounts of the liabilities were established by multiplying the amount of monthly rent by 12 months (column: 1 year or less) or by 60 months (column: 5 years or less).

As at 31<sup>st</sup> of March, 2014, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 3.78 million.

**3.16. Contingent Liabilities**

On 31<sup>st</sup> of March, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 66.3 million, whereas it was PLN 70.77 million on 31<sup>st</sup> of December, 2013. On 31<sup>st</sup> of March, 2014, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 0.38 million, whereas it was PLN 0.64 on 31<sup>st</sup> of December, 2013.

On 31<sup>st</sup> of March, 2014, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 0.47 million, i.e. PLN 1.96 million, whereas it was EUR 0.29 million, i.e. PLN 1.2 million on 31<sup>st</sup> of December, 2013.

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

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

**31 March 2014 31 December 2013**

Credit lines *	178,460	177,158
	<b>178,460</b>	<b>177,158</b>

(\* they comprise credit lines at current account that are described in 3.13



The Comarch Group is the defendant in legal proceedings and is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is PLN 10.92 million. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of March, 2014 and are worth PLN 1.16 million. They include provisions for claims recognised in 2014 and worth PLN 0.53 million. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims.

Due to legal proceedings conducted in 2014, the Comarch Group created write-offs that revalue receivables and were worth PLN 0.003 million.

### 3.17. Deferred Income Tax

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>A deferred income tax assets</b>		
- temporary differences	13,989	14,287
- basset due to a tax loss	5,881	5,903
- an asset due to activities in Special Economic Zone ("SEZ")	8,795	8,795
<b>Total</b>	<b>28,665</b>	<b>28,985</b>
- charged to financial result	28,665	28,985

In the first quarter of 2014, the Group settled in part a deferred tax asset related to temporary differences, that was established on 31<sup>st</sup> of December, 2013 and worth PLN 1.303 million, as well as an asset due to temporary differences was recognised in the amount of PLN 1.005 million. An asset due to tax loss was dissolved in the amount of PLN 0.238 million and recognised in the amount of PLN 0.216 million. The total effect of the above-mentioned operations on the net result of 2014 was minus PLN 320 thousand.

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Provision for deferred income tax</b>		
- temporary differences	6,453	5,578
- provision due to fair value valuation of assets recognised as a result of acquisition of the Comarch Sub, ESAProjekt sp. z o.o. and A-MEA Informatik AG, and due to valuation of MKS Cracovia SSA's real estates	6,969	7,096
- provision due to valuation of certificates in CCF FIZ	26,170	27,871
<b>Total</b>	<b>39,592</b>	<b>40,545</b>
- charged to equity	5,430	5,430
- charged to financial result	32,623	33,449
- provision due to acquisition of the Comarch Sub		-
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	1,539	1,666

Due to valuation of net assets of CCF FIZ, in 2014, Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 1.7 million. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 2.845 million and dissolved in the amount of PLN 1.97 million. In 2014, Group dissolved a provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o. which was worth PLN 0.127 million. The total effect of the all above-mentioned operations on the net result of 2014 was plus PLN 0.953 million.

Total changes in the deferred income tax resulted in an increase in result of PLN 0.633 million.

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

### 3.18. Provisions for Other Liabilities and Charges

Current	Costs related to current period which will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Total
At 1 January 2014	3,655	13,614	4,728	16,618	54,685	93,300
Change:	826	(317)	3,375	4,830	(16,483)	(7,769)
- provisions created	2,225	2,888	3,395	7,423	12,700	28,631
- provisions used and dissolved	(1,399)	(3,205)	(20)	(2,593)	(29,183)	(36,400)
At 31 March 2014	4,481	13,297	8,103	21,448	38,202	85,531

All provisions were calculated based on credible estimate as of the balance sheet date.

### 3.19. Related-Party Transactions

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

	3 months ended 31 March 2014	3 months ended 31 March 2013
<b>Revenues from sales of goods:</b>		
SolInteractive S.A.	0	-
	<b>0</b>	<b>-</b>
<b>Revenues from sales of services:</b>		
SolInteractive S.A.	19	54
	<b>19</b>	<b>54</b>
	<b>19</b>	<b>54</b>

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

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

#### 3.19.2. Purchase of Goods and Services

	3 months ended 31 March 2014	3 months ended 31 March 2013
<b>Purchases of goods:</b>		
SolInteractive S.A.	55	3
	<b>55</b>	<b>3</b>
<b>Purchase of services:</b>		
SolInteractive S.A.		
<i>included in generation costs</i>	225	235
<i>included in other costs</i>	811	733
	<b>1,036</b>	<b>968</b>
	<b>1,091</b>	<b>971</b>

**3.19.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sale/Purchase of Goods /Services**

	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>
Receivables from related parties		
SolInteractive S.A.	20	21
	<b>20</b>	<b>21</b>
Payables to related parties		
SolInteractive S.A.	616	687
	<b>616</b>	<b>687</b>

**3.19.4. Transactions with Associates and Personally Related Entities**

	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>
Purchases from personally related entities	10	31
Sales to personally related entities	10	20
Loans and interest on loans paid by personally related entities	11,604	-
Loans and interest on loans granted to personally related entities	10,710	303
Purchases from associates		
Sales to associates	1,091	971
Loans and interest on loans repaid by associates	19	54
Loans and interest on loans granted to associates	13	2
Pożyczki i odsetki od pożyczek udzielone podmiotom stowarzyszonym	-	112

**3.20. Earnings per Share**

	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>
Net profit for the period attributable to equity holders of Group	5,430	1,399
Weighted average number of shares in issue	8,052,459	8,051,637
<b>Basic earnings per share (PLN)</b>	<b>0.67</b>	<b>0.17</b>
Diluted number of shares	8,125,590	8,116,338
<b>Diluted earnings per share (PLN)</b>	<b>0.67</b>	<b>0.17</b>

Basic earnings per share in the column "3 months ended 31 March 2014" is calculated by dividing the net profit attributable to shareholders of Comarch S.A. for the period from 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of March, 2014 by the weighted average number of shares in issue between 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of March, 2014, where the number of days is the weight. Basic earnings per share in the column "3 months ended 31 March 2013" is calculated by dividing the net profit attributable to shareholders of Comarch S.A. for the period from 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of March, 2013, by the weighted average number of shares in issue between 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of March, 2013, where the number of days is the weight.

Diluted earnings per share in the column "3 months ended 31 March 2014" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of March, 2014 by the sum of the weighted average number of shares in issue between 1<sup>st</sup> of January, 2014, to 31<sup>st</sup> of March, 2014, where the number of days is the weight and diluted number of shares resulting from execution of the managerial option for

2014. Diluted earnings per share in the column "3 months ended 31 March 2013" is calculated by dividing the net consolidated profit attributable to shareholders of Comarch S.A. for the period from 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of March, 2013, by the sum of the weighted average number of shares in issue between 1<sup>st</sup> of January, 2013, to 31<sup>st</sup> of March, 2013, where the number of days is the weight and diluted number of shares (according to IAS 33) resulting from possible execution of the managerial option for 2013.

#### 4. Additional Notes

##### 4.1. Information About Shareholders Holding at least 5% of the Total Number of Votes at Comarch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

###### 4.1.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5% of the Total Number of Votes at Comarch S.A. General Meeting as at 15 May 2014

- 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;  
- Elzbieta 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.

###### 4.1.2. Changes in Significant Holdings of Comarch S.A. Shares between 28 February 2014 and 15 May 2014

Entity	At 15 May 2014				At 28 February 2014			
	Shares	(%) in share capital	Number of votes	(%) in votes	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28	2,620,010	32.54	6,192,010	41.16
Elzbieta Filipiak	846,000	10.41	4,230,000	27.98	846,000	10.51	4,230,000	28.12

###### 4.1.3. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 28 February 2014 and 15 May 2014

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the quarterly consolidated report for Q1-Q4 2013 was published, i.e. on the 28<sup>th</sup> of February, 2014 and on the 15<sup>th</sup> of May, 2014, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 15 May 2014		At 28 February 2014	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2,669,315	41.28	2,620,010	41.16
Elzbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.98	846,000	28.12
Piotr Piątosza	Vice-President of the Management Board	20,953	0.14	16,845	0.11
Paweł Prokop	Vice-President of the Management Board	37,108	0.49	33,000	0.47
Piotr Reichert	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Zbigniew Rymarczyk	Vice-President of the Management Board	32,249	0.21	28,141	0.19
Konrad Tarański	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Marcin Warwas	Vice-President of the Management Board	10,177	0.07	6,069	0.04
<b>Number of issued shares</b>		<b>8,125,590</b>	<b>100.00</b>	<b>8,051,637</b>	<b>100.00</b>

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 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.

#### **4.2. Factors and Events of Unusual Nature with Significant Effects on the Achieved Financial Results**

##### **4.2.1. Deferred Income Tax Asset**

In the first quarter of 2014, the Group settled in part a deferred tax asset related to temporary differences, that was established on 31<sup>st</sup> of December, 2013 and worth PLN 1.303 million, as well as an asset due to temporary differences was recognised in the amount of PLN 1.005 million. An asset due to tax loss was dissolved in the amount of PLN 0.238 million and recognised in the amount of PLN 0.216 million. The total effect of the above-mentioned operations on the net result of 2014 was minus PLN 320 thousand.

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

Fluctuations of PLN versus EUR, USD and GBP in Q1 2014 had a less significant effect on revenue and results of the Comarch Group than those in the previous years. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31<sup>st</sup> of March, 2014 decreased by PLN 0.11 million revenue and operating result of the Comarch Group. Other exchange differences decreased by PLN 0.39 million Comarch Group's result. Total currency translation differences resulted in a decrease of PLN 0.51 million in the Comarch Group's net result.

#### **4.3. Other Events in Q1 2014**

##### **4.3.1. 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

##### **4.3.2. 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).

#### **4.3.3. Contract with the Ministry of Justice**

On the 21<sup>st</sup> of March, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch and Ministerstwo Sprawiedliwości (Ministry of Justice). The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System. The contract's net value amounts to PLN 75,864,983.74 (gross value: PLN 93,313,930.00). The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The total value of contracts concluded by the companies in the Comarch Group with the Ministry of Justice during the previous 12 months amounted to PLN 90,275,417.74. The company announced details in current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014.

#### **4.3.4. 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."

#### **4.4. Events after the Balance Sheet Date Not Included in the Financial Statement**

##### **4.4.1. 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 PLN 35 million. 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.

#### **4.4.2. Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.**

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

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

Between the 1<sup>st</sup> of April, 2014 and the 15<sup>th</sup> of May, 2014, Comarch S.A. concluded no forward contracts. The total net value of open forward contracts as of the 15<sup>th</sup> of May, 2014 amounted to EUR 10.6 million, USD 3.3 million and GBP 1.6 million.

The open forward contracts as of the 15<sup>th</sup> of May, 2014 were valued at PLN 2.26 million. 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.

#### **4.5. The Management Board's Position on the Execution of Previously-Published Forecasts for the Current Year, in the Bright of Results Presented in the Quarterly Report**

The Management Board did not forecast any results for Q1 2014.

#### **4.6. Significant Legal, Arbitration or Administrative Proceedings**

In the first quarter of 2014, Group's parties did not sue and were not sued in proceedings which fulfil the criterion specified in § 87 Act 7 point 7a) and 7b) of the Regulation issued by the Minister of Finance on 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.

#### **4.7. Information about Transactions with Related Parties on Terms Different from Market Conditions**

None present.

#### **4.8. Information about Suretyships, as well as Guarantees Provided by the Issuer and Its Subsidiaries**

- 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 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.
- c) 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 (EUR 5.24 million and additionally EUR 0.35 million annually) and was valid until the 31<sup>st</sup> of March, 2014.
- d) 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.
- e) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1<sup>st</sup> of January, 2012, the parent company granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals EUR 0.15 million and is valid until the 31<sup>st</sup> of March, 2015.
- f) 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 PLN 0.2 million (PLN 0.05 million for each company) and is valid until the 31<sup>st</sup> of May, 2014.
- g) 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.
- h) 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.
- i) 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.
- j) 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.
- k) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through Sächsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum



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

- l) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6 million, on the 15<sup>th</sup> of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9 million and is valid till the 15<sup>th</sup> of May, 2020.
- m) 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.
- n) Due to conclusion of a loan agreement by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations resulting from this agreement. The surety was granted up to the amount of PLN 1,416,662.70 and is valid till all payment obligations related to the loan agreement are completed, i.e. the 30<sup>th</sup> of April, 2014.
- o) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 300,000 and EUR 2,337,879, and is valid till the end of this project, i.e. till the March, 2019.
- p) 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.
- q) Due to granting a trade credit to CA Consulting S.A., a subsidiary of Comarch S.A., for sales of products and services in the amount of PLN 2 million, Comarch S.A. granted a surety for future obligations of CA Consulting S.A. resulting from using the trade credit. The surety was granted up to the amount of PLN 2 million and is valid till the 28<sup>th</sup> of February, 2014.
- r) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,243,479.50 and is valid till the 31<sup>st</sup> of May, 2028.
- s) 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.
- t) 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.
- u) 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.

**4.9. Other Information Significant for the Assessment of Means and Employees, Financial Rating, Financial Results and Their Changes and Information Significant for the Assessment of the Possibility of the Execution of Obligations by the Issuer**

As of the 31<sup>st</sup> of March, 2014, Comarch S.A. and its subsidiaries have not signed any currency options contracts.

In the first quarter of 2014, Comarch S.A. did not apply hedge accounting on the basis of §88 MSR 39 "Financial instruments: treatment and evaluation", nor on the basis of the Minister of Finance's regulation from the 12<sup>th</sup> of December, 2001, on the detailed methods of recognition, evaluation and extent of disclosure of financial instruments and the way financial instruments are presented.

## **5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the First Quarter of 2014 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter**

### **5.1. Revenues and Profit**

In the first quarter of 2014, the Comarch Group generated revenue in the amount of PLN 208.7 million. They were higher by PLN 20.6 million, i.e. 11% than those achieved in the first quarter of 2013. Operating result amounted to PLN 7.8 million and was higher by PLN 6.3 million, i.e. 437% more than in Q1 2013. Net result attributable to the shareholders of the parent company was PLN 5.4 million and increased by PLN 4 million, i.e. 288% more compared to Q1 2013. The EBIT margin was +3.7% and net margin amounted to +2.6%.

Higher revenue achieved by Comarch Group in the first quarter of 2014 is mostly a consequence of performance of an increased number of IT contracts acquired in the past periods, especially in the telecommunication, public and medicine sectors.

The Comarch Group's EBITDA amounted to PLN 21 million in the first quarter of 2014, which was higher by PLN 3.1 million than in the previous year. Depreciation's level decreased by PLN 3.2 million, i.e. 19.3%. This is a consequence of completion the depreciation of intangible assets acquired as a result of acquisition of the SoftM Group in 2008 (period of the depreciation ended in November, 2013).

In the first quarter of 2014, exchange differences had less significant effect on revenue and results of the Comarch Group than in the previous year. As at the 31<sup>st</sup> of March, 2014, realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities, decreased by PLN 0.1 million revenue and operating result of the Comarch Group, whereas in Q1 2013 increased them by PLN 2.7 million. Other exchange differences, related mostly to valuation of bank credits and non-current loans in Group, decreased by PLN 0.4 million the Comarch Group's result of finance activity, whereas in Q1 2013 decreased it by PLN 0.8 million. In Q1 2014, total exchange differences resulted in a decrease of PLN 0.5 million in the Comarch Group's net result, whereas in Q1 2013 their influence was positive and amounted to plus PLN 1.9 million.

Other factors and events having a significant effect on the achieved the Comarch's results in the first three months of 2014 are as follows:

#### **a) Consolidation of Comarch Software und Beratung Group and Comarch Swiss AG**

In Q1 2014, revenue from sales of Comarch Software und Beratung AG and Comarch Swiss AG increased by PLN 23 million the Comarch Group's sales. They had a neutral effect on the Comarch Group's operating result and amounted to plus PLN 0.1 million. The Group emphasises that there is no more depreciation of intangible assets acquired as a result of acquisition of SoftM Group in 2008 (depreciation was finished in November, 2013). It had a significant effect on financial results in the previous years.

#### **b) Revenue and Functioning Costs of Companies Operating in Medicine Sector**

Revenue of companies operating in medicine sector (iMed24 S.A., ESAProjekt sp. z o.o.) increased by PLN 2.7 million the Comarch Group's sales. The influence of these companies on the Comarch Group's financial results was still negative. It was minus PLN 3.9 million on operating result and minus PLN 3.7 million on net result. Costs resulting from investment projects related to production of e-Health software, telemedicine equipment as well as those resulting from a high-tech medical and diagnostic centre in Krakow will have a significant impact on increases in levels of the Comarch's costs and worsening of the Comarch Group's current financial results.

The table below presents selected financial data which have a significant effect on the Comarch Group's financial results.

	<b>Q1 2014</b>	<b>Q1 2013</b>
CSuB AG and Comarch Swiss AG's revenue	23,005	24,645
Revenue in companies operating in medicine (ESAProjekt sp. z o.o. and iMed24 SA)	2,747	1,452
CSuB's operating result (including depreciation of intangible assets acquired as a result of acquisition in 2009)	-53	-3,480
CSuB's and Comarch Swiss net result attributable to Comarch's shareholders	-20	-2,753
Operating earnings of companies operating in medicine (ESAProjekt sp. z o.o. and iMed24 SA)	-3,940	-3,415
Net earnings of companies operating in medicine (ESAProjekt sp. z o.o. and iMed24 SA)	-3,670	-3,701
Impact on operating earnings of realised exchange differences and balance sheet valuation	-114	2,717
Impact on net earnings of realised exchange differences and balance sheet valuation	-507	1,879
Impact of assets on earnings due to deferred tax due to activity in the Special Economic Zone in Krakow	-	-
Impact of assets and provisions on earnings due to deferred tax in relation to temporary differences and of an asset due to tax loss in subsidiaries	633	1,199
Impact of managerial option on earnings	-755	-718

(\*) Sales to the medicine sector are made also by other companies of the Comarch Group. They were not presented in this table.

In the first quarter of 2014, the Comarch Group's employment level has changed significantly after a significant increase in the second half of 2013. As of 31<sup>st</sup> of March, 2014, the Comarch Group had 4,041 employees (excluding employees in MKS Cracovia SSA), i.e. 181 persons less than as of the 31<sup>st</sup> of December, 2013. In the second half of 2014, the Group plans an increase in the number of employed persons as a consequence of a planned summer internship for students.

The financial results, achieved on the company's core activity, confirm the effectiveness of Group's strategy – a strategy that is based on:

- a) the sale of IT solutions, most of which are developed in-house,
- b) the sales development and the sale of an increasing number of products on international markets, especially in Western Europe,
- c) the stable improvement of operational performance through the ongoing improvement of procedures and cost rationalisation,
- d) development of new technologies and business areas, especially in the medicine sector.

Comarch Group looks for new markets (for example in South America), continues investment in new IT products and services, as well as development of its IT infrastructure. The very similar financial standing of the Comarch Group ensures securing its activities during the unsteady macroeconomic situation both in Poland and worldwide. Group is aware of incurring high costs for new products development and activities on foreign markets in order to further enhance Group's future competitiveness.

## 5.2. Sales Structure

### Products sales structure

In the first quarter of 2014, Group's sales of own services significantly grew (an increase of PLN 23 million, i.e. 16.1%) and sales of own software decreased slightly by PLN 0.2 million, i.e. 0.9%. Sales of third party software decreased by PLN 6.5 million, i.e. 44.8%, as a consequence of decreased deliveries of this type of products to the industry sector. Sales of computer hardware increased by PLN 1.9 million, i.e. 47% compared to those in Q1 2013. Other sales grew significantly in Q1 2014 (by PLN 2.3 million, i.e. 37.8%) as a result of increased revenue of MKS Cracovia SSA and medical centre iMed24 S.A.

Products sales structure	Q1 2014	%	Q1 2013	%	Change in PLN	Change in %
Services	165,557	79.3%	142,560	75.8%	22,997	16.1%
Proprietary software	20,722	10.0%	20,915	11.1%	-193	-0.9%
Third party software	7,976	3.8%	14,455	7.7%	-6,479	-44.8%
Hardware	6,061	2.9%	4,122	2.2%	1,939	47.0%
Others	8,398	4.0%	6,093	3.2%	2,305	37.8%
<b>Total</b>	<b>208,714</b>	<b>100.0%</b>	<b>188,145</b>	<b>100.0%</b>	<b>20,569</b>	<b>10.9%</b>

### Market sales structure

In the first quarter of 2014, there were significant increases in sales to customers in the public sector (an increase of PLN 4.9 million, i.e. 23.9%) and in the TMT sector (an increase of PLN 8 million, i.e. 17.3%). Customers in the industry and utilities sector acquired products and services in the amount of PLN 8.7 million, i.e. 32.9% less than those acquired in the previous year. This is a consequence of lower sales of third party software to the customers in this sector. There was an increase of PLN 2.5 million, i.e. 11.1% in sales to customers in the trade and services sector. Sales to customers in the finance sector increased by PLN 0.9 million, i.e. 3.4%. There was a significant increase in sales to the small and medium enterprises in Poland (an increase of PLN 4.5 million, i.e. 26.4%), whereas sales to the small and medium enterprises in DACH region decreased by PLN 1.6 million, i.e. 6.7%. In the first quarter of 2014, sales to the medicine sector increased by PLN 7.1 million, i.e. 490.2% as a consequence of performance of big projects related to computerisation of hospitals. There was a significant growth in other sales (of PLN 3 million, i.e. 113.2%), mostly as a result of higher revenue in MKS Cracovia SSA.

Market sales structure	Q1 2014	%	Q1 2013	%	Change in PLN	Change in %
Telecommunications, Media, IT	54,325	26.0%	46,326	24.6%	7,999	17.3%
Finance and Banking	27,469	13.2%	26,560	14.1%	909	3.4%
Trade and Services	24,745	11.9%	22,266	11.8%	2,479	11.1%
Industry & Utilities	17,803	8.5%	26,548	14.1%	-8,745	-32.9%
Public sector	25,522	12.2%	20,593	11.0%	4,929	23.9%
Small and Medium-Sized Enterprises - Poland	21,616	10.4%	17,100	9.1%	4,516	26.4%
Small and Medium-Sized Enterprises - DACH	23,005	11.0%	24,645	13.1%	-1,640	-6.7%
Medicine	8,570	4.1%	1,452	0.8%	7,118	490.2%
Others	5,659	2.7%	2,655	1.4%	3,004	113.2%
<b>Total</b>	<b>208,714</b>	<b>100.0%</b>	<b>188,145</b>	<b>100.0%</b>	<b>20,569</b>	<b>10.9%</b>

### Geographical sales structure (customers)

In the first quarter of 2014, both domestic and export Group's sales grew (by PLN 8.7 million, i.e. 8.7% and PLN 11.8 million, i.e. 13.5%, respectively). As a consequence of the dynamic increase in export sales, their share in total sales grew from 46.5% to 47.6%.

Geographical sales structure	Q1 2014	%	Q1 2013	%	Change in PLN	Change in %
Domestic (Poland)	109,339	52.4%	100,616	53.5%	8,723	8.7%
Export	99,375	47.6%	87,529	46.5%	11,846	13.5%
<b>Total</b>	<b>208,714</b>	<b>100.0%</b>	<b>188,145</b>	<b>100.0%</b>	20,569	10.9%

In the first quarter of 2014, Group's sales in particular regions did not changed significantly. Sales in DACH region were of great importance and increased by PLN 5.2 million, i.e. 11.8% more compared to the first quarter of 2013. In other European countries there was an increase of PLN 4.7 million (14.8%), mostly as a consequence of an increase in sales in countries in Benelux, Scandinavia and on British market. Sales in both Americas grew dynamically (an increase of PLN 1.3 million, i.e. 12%). Sales to countries in the Middle East and to other countries, despite a significant percent increase, remained at a low level.

Geographical sales structure	Q1 2014	%	Q1 2013	%	Change in PLN	Change in %
Poland	109,339	52.4%	100,616	53.5%	8,723	8.7%
DACH	49,571	23.7%	44,357	23.6%	5,214	11.8%
Europe – others	36,246	17.4%	31,561	16.7%	4,685	14.8%
The Americas	12,272	5.9%	10,959	5.8%	1,312	12.0%
Middle East	231	0.1%	120	0.1%	111	92.3%
Other countries	1,055	0.5%	532	0.3%	523	98.4%
<b>TOTAL</b>	<b>208,714</b>	<b>100.0%</b>	<b>188,145</b>	<b>100.0%</b>	20,569	10.9%

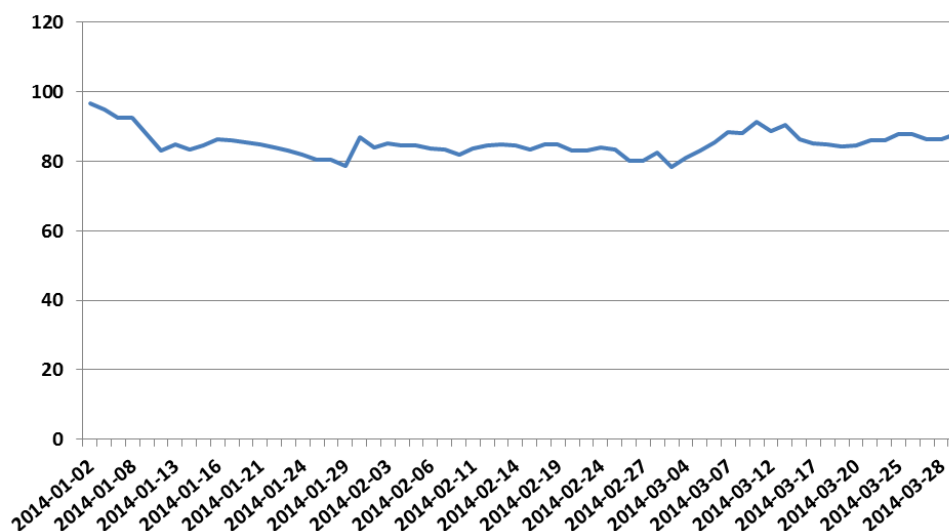
### 5.3. Backlog

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

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

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

### Q1 2014



On the 31<sup>st</sup> of March, 2014, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange amounted to PLN 87.95 and decreased by 9.3% compared to PLN 97 on the 31<sup>st</sup> of December, 2013. Group's results and Comarch S.A. stock price in the next quarters will depend in large part on the development of sales of Comarch proprietary products and services, especially on foreign markets, trends in the macro economy, the condition of the economy on the Polish and the European markets, the financial situation of medium-sized and large enterprises (which constitute the basis of Group's clients), EUR/PLN and USD/PLN exchange levels and the rate of increase in the remuneration of IT employees.

## 5.5. Events in the First Quarter of 2014 that Greatly Impacted the Current Activities of the Comarch Group

### 5.5.1st Execution of the Managerial Option Program

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

### 5.5.2nd Contract with the Ministry of Justice

On the 21<sup>st</sup> of March, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch and Ministerstwo Sprawiedliwości (Ministry of Justice). The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System. The contract's net value amounts to PLN 75,864,983.74 (gross value: PLN 93,313,930.00). The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28<sup>th</sup> of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The total value of contracts concluded by the companies in the Comarch Group with the Ministry of Justice during the previous 12 months amounted to PLN 90,275,417.74. The company announced details in current report no. 6/2014 dated the 21<sup>st</sup> of March, 2014.

## **5.6. Events after the Balance Sheet Date that Greatly Impacted the Current Activities of the Comarch Group**

### **5.6.1. 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 PLN 35 million. 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.



## VII. Quarterly Summary of Comarch S.A. Financial Statement for the First Quarter of 2014

I. Balance Sheet (in thousands of PLN)	31 March 2014	31 December 2013	31 March 2013
<b>ASSETS</b>			
<b>I. Non-current assets</b>	<b>596,221</b>	<b>603,433</b>	<b>607,171</b>
1. Intangible assets	10,555	11,119	12,801
2. Property, plant and equipment	206,131	203,731	210,600
3. Non-current investments	371,691	380,613	376,350
3.1. Non-current financial assets	345,727	354,336	349,153
a) in related parties	345,727	354,336	349,153
3.2 Real estates	25,921	26,234	27,154
3.3 Other non-current investment	43	43	43
4. Non-current prepayments	7,844	7,970	7,420
4.1 Deferred income tax assets	7,026	7,066	6,520
4.2 Other accruals	818	904	900
<b>II. Current assets</b>	<b>364,561</b>	<b>406,170</b>	<b>396,855</b>
1. Inventories	26,738	26,511	37,957
2. Current receivables	240,378	295,304	304,638
2.1 from related parties	86,522	86,475	117,372
2.2 from other entities	153,856	208,829	187,266
3. Current investments	57,487	53,964	20,732
3.1 Current financial assets	57,487	53,964	20,732
a) in related parties	8,489	8,050	2,528
b) in other entities	1,587	1,781	735
- interest and shares	2	25	57
- granted loans	4	112	116
- other current financial assets	1,581	1,644	562
c) cash and cash equivalents	47,411	44,133	17,469
4. Short-term prepayments	39,958	30,391	33,528
<b>Total assets</b>	<b>960,782</b>	<b>1,009,603</b>	<b>1,004,026</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>	<b>660,924</b>	<b>661,046</b>	<b>646,298</b>
1. Share capital	8,125	8,051	8,051
2. Supplementary capital	487,672	487,672	458,146
3. Revaluation reserve	111,567	118,818	119,327
4. Other reserve capitals	745	745	745
5. Capital from merger settlement	-	-	-
6. Previous years' profit (loss)	45,760	176	41,780
7. Net profit (loss)	7,055	45,584	18,249
<b>II. Liabilities and provisions for liabilities</b>	<b>299,858</b>	<b>348,557</b>	<b>357,728</b>
1. Provisions for liabilities	86,809	99,738	73,971
1.1 Provision for deferred income tax	27,718	29,423	29,418
1.2 Other provisions	59,091	70,315	44,553
a) current	59,091	70,315	44,553
2. Non-current liabilities	89,529	84,298	94,721
2.1 to related parties	3,084	337	734
2.2 to other entities	86,445	83,961	93,987
3. Current liabilities	117,725	157,106	183,689
3.1 to related parties	11,683	12,765	21,414
3.2 to other entities	103,431	142,843	159,535
3.3 Special funds	2,611	1,498	2,740
4. Accruals	5,795	7,415	5,347
4.1 Other accruals	5,795	7,415	5,347
a) current	5,795	7,415	5,347
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>960,782</b>	<b>1,009,603</b>	<b>1,004,026</b>
Book value	660,924	661,046	646,298
Number of shares	8,125,590	8,051,637	8,051,637
Book value per single share (PLN)	81.34	82.10	80.27
Diluted number of shares	8,125,590	8,125,590	8,116,338

Diluted book value per single share (PLN)	81.34	81.35	79.63
<b>II. Income Statement</b>	<b>3 months ended 31</b>	<b>3 months ended 31</b>	
	<b>March 2014</b>	<b>March 2013</b>	
<b>For the periods 01.01 – 31.03.2014 and 01.01 – 31.03.2013 (in thousands of PLN)</b>			
<b>I. Net revenues from sales of products, goods and materials, including:</b>	<b>138,202</b>	<b>145,077</b>	
- revenues from related parties	24,620	32,854	
1. Net revenues from sales of products	121,745	113,830	
2. Net revenues from sales of goods and materials	16,457	31,247	
<b>II. Costs of products, goods and materials sold, including:</b>	<b>106,889</b>	<b>111,054</b>	
- to related parties	5,943	9,435	
1. Manufacturing cost of products sold	92,121	81,560	
2. Value of products, goods and materials sold	14,768	29,494	
<b>III. Gross profit (loss) on sales</b>	<b>31,313</b>	<b>34,023</b>	
IV. Costs of sales	13,427	13,403	
V. Administrative expenses	7,369	3,902	
<b>VI. Profit (loss) on sales</b>	<b>10,517</b>	<b>16,718</b>	
<b>VII. Other operating revenues</b>	<b>2,080</b>	<b>4,313</b>	
1. Profit on disposal of non-financial non-current assets	46	50	
2. Other operating revenues	2,034	4,263	
<b>VIII. Other operating costs</b>	<b>5,466</b>	<b>4,125</b>	
1. Loss on disposal of non-financial non-current assets	-	-	
2. Cost of works financed in part with subsidies	2,317	3,451	
3. Other operating costs	3,149	674	
<b>IX. Profit (loss) on operating activities</b>	<b>7,131</b>	<b>16,906</b>	
<b>X. Financial revenues</b>	<b>871</b>	<b>2,298</b>	
1. Interest, including:	406	394	
- from related parties	121	117	
2. Dividends and share in profits	-	-	
- from related parties	-	-	
3. Loss on disposal of investment	397	-	
4. Other	68	1,904	
<b>XI. Finance costs</b>	<b>897</b>	<b>1,155</b>	
1. Interest	535	729	
2. Revaluation of investments	-	-35	
3. Other	362	461	
<b>XII. Profit (loss) on business activities</b>	<b>7,105</b>	<b>18,049</b>	
<b>XIII. Gross profit (loss)</b>	<b>7,105</b>	<b>18,049</b>	
XIV. Income tax	50	-200	
<b>XV. Net profit (loss)</b>	<b>7,055</b>	<b>18,249</b>	
Net profit (loss) (annualised)	34,390	50,422	
Weighted average number of shares			
01.04.2013 – 31.03.2014	8,051,840	8,051,637	
Earnings (losses) per single share (PLN)	4.27	6.26	
Diluted weighted average number of shares 01.04.2013 – 31.03.2014	8,051,840	8,116,338	
Diluted earnings (losses) per single share (PLN)	4.27	6.21	

III. Changes in Equity	3 months ended 31 March 2014	12 months ended 31 December 2013	3 months ended 31 March 2013
I. Opening balance of equity	661,046	629,386	629,386
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	661,046	629,386	629,386
1. Opening balance of share capital	8,051	8,051	8,051
a) increases (due to)	74	-	-
- shares issue	74	-	-
<b>1.1 Closing balance of share capital</b>	<b>8,125</b>	<b>8,051</b>	<b>8,051</b>
2. Opening balance of due payments for share capital	-	-	-
<b>2.1 Closing balance of due payments for share capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
3. Opening balance of supplementary capital	487,672	458,146	458,146
3.1 Changes in supplementary capital	-	29,526	-
a) increases (due to)	-	29,526	-
- profit-sharing for the previous years	-	29,526	-
<b>3.2 Closing balance of supplementary capital</b>	<b>487,672</b>	<b>487,672</b>	<b>458,146</b>
4. Opening balance of revaluation reserve	118,818	120,664	120,664
4.1 Changes in revaluation reserve	-7,251	-1,846	-1,337
a) increases (due to)	1,701	433	314
- provision for deferred income tax due to certificates valuation	1,701	433	314
b) decreases (due to)	8,952	2,279	1,651
- balance sheet valuation of investment certificates	8,952	2,279	1,651
<b>4.2 Closing balance of revaluation reserve</b>	<b>111,567</b>	<b>118,818</b>	<b>119,327</b>
5. Opening balance of capital from merger	-	-	-
<b>5.1 Closing balance of capital from merger</b>	<b>-</b>	<b>-</b>	<b>-</b>
6. Opening balance of other reserve capitals	745	745	745
<b>6.1 Closing balance of other reserve capitals</b>	<b>745</b>	<b>745</b>	<b>745</b>
7. Opening balance of previous years' profit	45,760	41,780	41,780
a) changes to adopted accounting principles (policies)	-	-	-
7.1 Opening balance of previous years' profit after adjustments	45,760	41,780	41,780
a) decreases (due to)	-	41,604	-
- transferring the result from the previous years to capital	-	29,526	-
- payment of dividend	-	12,078	-
<b>7.2 Closing balance of previous years' profit</b>	<b>45,760</b>	<b>176</b>	<b>41,780</b>
8. Result for Q1 2014 (opening balance)	-	-	-
8.1 Net result for the period	7,055	45,584	18,249
<b>8.2. Net result</b>	<b>7,055</b>	<b>45,584</b>	<b>18,249</b>
<b>II. Closing balance of equity</b>	<b>660,924</b>	<b>661,046</b>	<b>646,298</b>
III. Equity including proposed profit-sharing (loss coverage)	660,924	661,046	646,298

**IV. Cash Flow Statement**

**For the period 01.01– 31.03.2014  
 and 01.01-31.03.2013 (thousands of PLN)**

**A. Cash flows from operating activities**

	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>
I. Net profit (loss)	7,055	18,249
II. Total adjustments	2,848	4,259
1. Depreciation	7,467	6,733
2. Exchange gains (losses)	1,708	455
3. Interest and profit sharing (dividends)	429	438
4. (Profit) loss on investing activities	63	-85
5. Change in provisions	-11,227	-28,168
6. Change in inventories	-266	-3,159
7. Change in receivables	55,402	99,588
8. Change in current liabilities, excluding credits and loans	-39,666	-59,653
9. Change in prepayments and accruals	-11,062	-11,890
10. Other adjustments	-	-

**III. Net cash used in operating activities (I+/-II) – indirect method**

**9,903**                      **22,508**

**B. Cash flows from investing activities**

I. Inflows	5,106	11,582
1. Disposal of property, plant and equipment and intangible assets	132	495
2. From financial assets, including:	4,974	11,087
a) in related parties	4,537	10,812
- repaid loans	-	2,130
- repaid interests on loans	-	82
- received dividends	4,537	8,600
b) in other entities	437	275
- other proceeds from financial assets	437	275
3. Other investment proceeds	-	-
II. Outflows	-11,764	-44,837
1. Purchase of property, plant and equipment and intangible assets	-9,254	-7,001
2. For financial assets, including:	-2,510	-37,836
a) in related parties	-2,510	-37,836
- purchase of financial assets	-44	-29,596
- granted non-current loans	-654	-2,340
- repayment of loans from related parties	-1,800	-5,900
- repayment of interest from related parties	-12	-
b) in other entities	-	-
3. Other investment expenses	-	-

**III. Net cash used in investing activities (I-II)**

**-6,658**                      **-33,255**

**C. Cash flows from financing activities**

I. Inflows	5,801	31,390
1. Credits and loans	5,799	31,388
2. Received interest from repaid loans	2	2
3. Other financial inflows	-	-
II. Outflows	-4,065	-20,197
1. Dividends and other payments to owners	-	-
2. Repayment of loans and credits	-3,430	-19,677
3. Interest	-455	-520
4. Granted loans	-180	-
5. Other financial expenses	-	-

**III. Net cash (used in)/generated from financing activities (I-II)**

**1,736**                      **11,193**

**D. TOTAL net cash flow (A.III+/-B.III+/-C.III)**

**4,981**                      **446**

E. Balance sheet change in cash and cash equivalents, including:

3,278                      -9

- change in cash and cash equivalents due to exchange differences	-1,703	-455
F. Cash and cash equivalents opening balance	44,130	17,473
H. Closing balance of cash and cash equivalents (F+/- E), including:	<b>47,408</b>	<b>17,464</b>
- limited disposal	2,591	60

## V. Additional Information and Commentary

### 1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on 29<sup>th</sup> of September, 1994 on Accounting (unified text - Journal of Laws, 2009, No. 152 pos. 1223 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on 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 (Journal of Laws, 2009, No. 33 pos. 259 and subsequent changes).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from 1<sup>st</sup> of January, 2013 until 31<sup>st</sup> of December, 2013. If this financial statement for the 3 months ended the 31<sup>st</sup> of March, 2014 was prepared according to IFRS, the financial results would amount to PLN 6.277 million.

Earnings according to Act on Accounting	7,055
Depreciation of perpetual usufruct	-23
Asset due to activity in the SEZ	
Managerial option	-755
<b>Profit according to IFRS</b>	<b>6,277</b>

### 2. Information about Significant Changes in Estimated Values, Including Information about Corrections due to Provisions, Provision and Deferred Income Tax Assets Mentioned in the Act on Accounting and about Write-Offs that Revaluated Asset Items

As at 31<sup>st</sup> of March, 2014, Comarch S.A. carried out new write-offs that revaluated goods and materials and were worth PLN 0.086 million. The company dissolved write-offs which had been created in previous years and amounted to PLN 0.197 million.

No hedges were made on inventories owned by the company.

As at 31<sup>st</sup> of March, 2014, in relation with payments of receivables, Comarch S.A. dissolved revaluating write-offs worth PLN 2.667 million and recognised write-offs worth PLN 0.751 million that revaluated bad debts.

a) 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 is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In the first quarter of 2014, an asset due to temporary differences in income tax, worth PLN 0.401 million, was recognised. A tax asset worth PLN 0.441 million and recognised as at 31<sup>st</sup> of December, 2013, was dissolved in part. Provisions for deferred income tax due to temporary differences were recognised in the amount of PLN 1.548 million and a provision in the amount of PLN 1.552 million was dissolved. The total effect of these operations on the result of the first quarter of 2014 was minus PLN 0.036 million.

Provisions for deferred income tax related to valuation of investment certificates in CCF FIZ were diminished by PLN 1.701 million. The provisions as well as certificates valuation are settled with revaluation reserve.

### 3. Selected Notes to the Summary Financial Statement

	31 March 2014	31 December 2013	31 March 2013
<b>3.1. NON-CURRENT FINANCIAL ASSETS</b>			
a) in subsidiaries and correlated parties	345,727	354,336	349,153
- interest or shares	202,751	202,707	193,182
- loans granted	4,162	3,880	7,051
- other securities	138,797	147,749	148,377
- other non-current financial assets, including:	17	-	543
- interest on granted loans	17	-	543
b) in associates	-	-	-
c) in other entities	-	-	-
<b>Non-current financial assets, TOTAL</b>	<b>345,727</b>	<b>354,336</b>	<b>349,153</b>
<b>3.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)</b>	<b>3 months ended 31 March 2014</b>	<b>3 months ended 31 March 2013</b>	
<b>a) Opening balance</b>	<b>354,336</b>	<b>322,083</b>	
- interests or shares	202,707	163,587	
- loans	3,880	8,005	
- other securities	147,749	150,027	
- other non-current assets (interest on granted loans)	-	464	
<b>b) increases (due to)</b>	<b>368</b>	<b>31,082</b>	
- purchases of shares in subsidiaries	44	29,595	
- loans granted to subsidiaries	-	180	
- loans granted to other entities	3	-	
- due interest to non-current loans	-	106	
- transferring loans from subsidiaries from current to non-current loans	300	1,022	
- transferring interest on loans from subsidiaries from current to non-current loans	17	64	
- balance sheet valuation of non-current loans	3	103	
- balance sheet valuation of interest on loans	1	12	
<b>c) decreases (due to)</b>	<b>8,977</b>	<b>4,012</b>	
- repayment of subsidiaries' loans	-	2,130	
- repayment of other entities' loans	-	105	
- transferring loans from related parties from non-current to current loans	18	-	
- repayment of subsidiaries' interest on loans	-	82	
- repayment of other entities' interest on loans	-	1	
- valuation of participation units in CCF FIZ	8,952	1,650	
- balance sheet valuation of loans and exchange differences realised in relation to repaid loans and from the balance sheet valuation	-	9	
- creating write-offs revaluating loans	3	24	
- creating write-offs revaluating interest	4	11	
<b>d) Closing balance</b>	<b>345,727</b>	<b>349,153</b>	

<b>3.3. CURRENT FINANCIAL ASSETS</b>	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>31 March 2013</b>
a) in subsidiaries and correlated parties	8,489	8,050	2,528
- loans granted	8,016	7,643	2,528
b) in other entities	473	407	-
- loans granted	1,587	1,781	735
- interest or shares	4	112	116
- other current financial assets, including:	2	25	57
- forward contracts	1,581	1,644	562
- participation units in funds	1,581	1,644	562
c) cash and cash equivalents	47,411	44,133	17,469
- cash in hand and at banks	47,408	44,130	17,464
- other monetary assets	3	3	5
<b>TOTAL current financial assets</b>	<b>57,487</b>	<b>53,964</b>	<b>20,732</b>

#### 4. A Brief Description of Significant Achievements or Failures of the Issuer during the Period Covered by the Report, Including a List of the Most Significant Events Related to Such Achievements or Failures

In the first quarter of 2014, Comarch S.A. reached favourable financial results. Revenue from sale amounted to PLN 138.2 million (an decrease of 4.7% compared to the previous year), as a consequence of lower PLN by 14.8 million value of net revenues from sales of goods and materials. Net sales of Comarch S.A. products grew by PLN 7.9 million, i.e. 7% more compared to those in the previous quarter of 2013 and constituted 88.1% of total Comarch S.A.'s sales (78.5% in the first quarter of 2013). In the first quarter of 2014, the company's operating profit amounted to PLN 7.1 million and net profit was PLN 7.1 million. EBIT margin amounted to 5.2% and net margin was 5.1%.

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

None were present, except for the ones described in point 2 of the financial statement.

#### 6. Discussion of Seasonality (Cyclical Nature) of the Issuer's Business in the Period Presented

Over 2013, Comarch Capital Group revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch. In the company's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.

#### 7. Information about Write-Offs that Revaluated Inventories at the Net Realizable Value and Reversal Referred to Them

As at the 31<sup>st</sup> of March, 2014, Comarch S.A. carried out new write-offs that revaluated goods and materials and were worth PLN 0.086 million. The company dissolved write-offs which had been created in previous years and amounted to PLN 0.197 million.

#### 8. Information about Revaluating Write-Offs in Relation to Impairment of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and about Reversal Referred to Them

<b>Revaluating write-offs in relations to impairment of</b>	<b>Financial assets</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>	<b>Other assets</b>	<b>Total</b>
<b>At 1 January 2013</b>	<b>18,136</b>	-	-	-	<b>18,136</b>
Change:	-	-	-	-	-
-creation	-	-	-	-	-
-dissolution	-	-	-	-	-
<b>At 31 March 2013</b>	<b>18,136</b>	-	-	-	<b>18,136</b>

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>At 1 January 2013</b>	<b>18,136</b>	-	-	-	<b>18,136</b>
Change:	4,185	-	-	-	4,185
-creation	4,185	-	-	-	4,185
-dissolution	-	-	-	-	-
<b>At 31 December 2013</b>	<b>22,321</b>	-	-	-	<b>22,321</b>

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
<b>At 1 January 2014</b>	<b>22,321</b>	-	-	-	<b>22,321</b>
Change:	-	-	-	-	-
-creation	-	-	-	-	-
-dissolution	-	-	-	-	-
<b>At 31 March 2014</b>	<b>22,321</b>	-	-	-	<b>22,321</b>

#### 9. Information about Creation, Increasing, Using and Dissolution of Provisions

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2013</b>	<b>14,527</b>	<b>1,412</b>	<b>9,819</b>	<b>44,878</b>	<b>70,636</b>
Change:	(230)	(23)	273	(26,103)	<b>(26,083)</b>
-creation	2,011	0	1,382	5,558	<b>8,951</b>
-dissolution	(2,241)	(23)	(1,109)	(31,661)	<b>(35,034)</b>
<b>At 31 March 2013</b>	<b>14,297</b>	<b>1,389</b>	<b>10,092</b>	<b>18,775</b>	<b>44,553</b>

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2013</b>	<b>14,527</b>	<b>1,412</b>	<b>9,819</b>	<b>44,878</b>	<b>70,636</b>
Change:	(1,311)	(609)	1,997	(399)	<b>-322</b>
-creation	8,441	2,058	8,164	55,288	<b>73,951</b>
-dissolution	(9,752)	(2,667)	(6,167)	(55,687)	<b>(74,273)</b>
<b>At 31 December 2013</b>	<b>13,216</b>	<b>803</b>	<b>11,816</b>	<b>44,479</b>	<b>70,314</b>

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
<b>At 1 January 2014</b>	<b>13,216</b>	<b>803</b>	<b>11,816</b>	<b>44,479</b>	<b>70,314</b>
Change:	(123)	2,318	3,454	(16,872)	<b>(11,223)</b>
-creation	1,599	2,320	4,055	9,315	<b>17,289</b>
-dissolution	(1,722)	(2)	(601)	(26,187)	<b>(28,512)</b>
<b>At 31 March 2014</b>	<b>13,093</b>	<b>3,121</b>	<b>15,270</b>	<b>27,607</b>	<b>59,091</b>

All provisions were calculated based on credible estimate as of the balance sheet date.

#### 10. Information about Provisions and Assets in Reference to Deferred Income Tax

Asset due to deferred income tax	
<b>At 1 January 2013</b>	<b>6,413</b>
Creation in Q1 2013	412
Dissolution in Q1 2013	(305)
<b>At 31 March 2013</b>	<b>6,520</b>



<b>Provision due to deferred income tax</b>	
<b>At 1 January 2013</b>	<b>29,847</b>
Creation in Q1 2013	0
Dissolution in Q1 2013	(429)
<b>At 31 March 2013</b>	<b>29,418</b>

<b>Asset due to deferred income tax</b>	
<b>At 1 January 2013</b>	<b>6,413</b>
Creation in Q1-Q4 2013	2,807
Dissolution in Q1-Q4 2013	(2,154)
<b>At 31 December 2013</b>	<b>7,066</b>

<b>Provision due to deferred income tax</b>	
<b>At 1 January 2013</b>	<b>29,847</b>
Creation in Q1-Q4 2013	111
Dissolution in Q1-Q4 2013	(535)
<b>At 31 December 2013</b>	<b>29,423</b>

<b>Asset due to deferred income tax</b>	
<b>At 1 January 2014</b>	<b>7,066</b>
Creation in Q1 2014	401
Dissolution in Q1 2014	-441
<b>At 31 March 2014</b>	<b>7,026</b>

<b>Provision due to deferred income tax</b>	
<b>At 1 January 2014</b>	<b>29,423</b>
Creation in Q1 2014	1,548
Dissolution in Q1 2014	-3,253
<b>At 31 March 2014</b>	<b>27,718</b>

#### 11. Information about Significant Transactions of Purchase and Sale of Property, Plant and Equipment

During the reporting period, Comarch S.A. purchased computer hardware for the amount of PLN 1.63 million, as well licences and copyrights for the amount of PLN 0.88 million. Expenses were incurred for property, plant and equipment under construction in the amount of PLN 6.65 million (mostly for construction of a new office building in Krakow). As at 31<sup>st</sup> of March, 2014, revenue from sales of property, plant and equipment amounted to PLN 0.32 million.

#### 12. Information about Liability in Relation to Purchase of Property, Plant and Equipment

As at 31<sup>st</sup> of March, 2014, Comarch S.A.'s investment liabilities comprised mostly liability related to construction of another office building in Krakow and worth PLN 2.79 million. They also comprised liability due to purchase of computer hardware in the amount of PLN 0.61 million and liability due to purchase of licences in the amount of PLN 0.16 million.

#### 13. Information about Significant Settlements in Reference to Court Proceedings

None present.

#### 14. Corrections of Mistakes from the Previous Periods

None present.

**15. Information in Relation to Changes in Economic Situation and Conditions for Operation, which Have a Significant Effect on Fair Value of an Entity's Financial Assets and Financial Liabilities Regardless of whether the Assets and the Liabilities Are Recognised in Fair Value or in Adjusted Purchase Price (Depreciated Cost)**

None present.

**16. Information about Unpaid Credits or Loans, as well as Breach of Significant Provisions of the Credit or Loan Agreements which Were Not Subject to Corrective Measures as of the Reporting Period**

None present.

**17. Information about One or More Transactions Concluded by the Issuer or Its Subsidiary with Related Parties, if Individually or in Total are Significant and Concluded on Terms Different from Market Conditions**

None present.

**18. In Case of Financial Instruments Valuated in Fair Value – Information about Changes in Method of Its Establishment**

None present.

**19. Information Related to Changes in Classification of Financial Assets as a Result of Changes in Their Purpose or Using of These Assets**

None present.

**20. Information on any Issue, Repurchase or Repayment of Debt and Equity Securities**

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.

**21. Information on any Dividend Paid Out or Declared, Including Its Total and per Share Value, Separately for Ordinary and Preference Shares**

None present.

**22. Events that Occurred after the Date of Condensed Half-Year Financial Statement, which Are Not Included in the Financial Statement but May Significantly Affect the Future Performance of the Issuer**

None present.

**23. Information on any Changes in Contingent Liabilities or Contingent Assets which Have Occurred since the End of the Last Financial Year**

On 31<sup>st</sup> of March, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 66.3 million, whereas it was PLN 70.77 million on 31<sup>st</sup> of December, 2013.

## **24. Other Information with Significant Effects on the Financial Condition Assessment and the Achieved Financial Results of the Issuer**

### **24.1 Execution of the Managerial Option Program**

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