

Report of the Independent Auditor from the Audit for the General Meeting and the Supervisory Board of Comarch S.A.

Report from the audit of the annual financial statement

Opinion

We have audited the attached annual financial statement of COMARCH S.A. ("Company"), which consists of: balance sheet prepared as at 31st of December, 2020, profit and loss account, statement of changes in equity and cash flow statement for the financial year ending on 31st of December, 2020 and introduction to the financial statement containing a description of adopted accounting principles and additional information and clarifications ("financial statement").

In our opinion, attached financial statement:

- presents a reliable and clear picture of the property and financial situation of the Company as at 31st of December, 2020 and its financial result and cash flows for the financial year ending on that day, in accordance with the applicable provisions of the Accounting Act ("Act on Accounting" – Journal of Laws of 2021, pos. 217) and adopted accounting principles (policy);
- agrees on the form and content of the applicable laws and the Company's Articles of Association,
- it has been prepared on the basis of correctly kept accounting books, in accordance with the provisions of Chapter 2 of the Accounting Act.

This opinion is consistent with the additional report for the Audit Committee, which we issued on the day of this report.

Basis of the opinion

We conducted our research in accordance with the International Standards of Research as adopted as National Standards of Research by the National Council of Expert Auditors ("KSB") and in accordance with Act of 11th of May, 2017 on Expert Auditors, Audit firms and Public Supervision ("Act on Expert Auditors" - Journal of Laws of 2020, item 1415) and EU Regulation No. 537/2014 of 16th of April, 2014 on Detailed Statutory Requirement Audits of Financial Statements of Public-Interest Entities ("EU Regulation" - Journal of Laws of the EU L158). Our liability in accordance with these standards is further described in our section Auditor's Responsibility for Auditing the Financial Statements.

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Federation of Accountants ("IFAC Code"), adopted by the resolutions of the National Council of Expert Auditors and other ethical requirements that apply to the audit of financial statement in Poland. We have fulfilled our other ethical obligations in accordance with these requirements and the IFAC Code. During the audit, the expert auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Expert Auditors and the EU Regulation.

We believe that the audit evidence we have obtained is adequate and appropriate to provide the basis for our opinion.

Key research matters

The key audit matters are matters that, according to our professional judgment, were the most significant when auditing the financial statement for the current reporting period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. We referred to these matters in the context of our audit of the financial statement as a whole and in the formulation of our opinion, and summarized our reaction to these risks and in cases where we deemed it necessary we presented the most important observations related to these risks.

We do not express a separate opinion on these matters.

1. The risk of loss of value of net investment in subsidiaries

Key research matter

As at 31st of December, 2020, the company holds shares or stocks in related entities. Their value disclosed in the financial statement is PLN 353,371 thousand (this value includes shares in subsidiaries: PLN 231,482 thousand and investment certificates in Comarch Corporate FIZ: PLN 121,529 thousand), which accounts for 24.4% of the balance sheet total.

In accordance with the accounting policy adopted by the Company, shares and stocks in related entities are disclosed at cost less impairment losses.

The issue was identified as a risk of material misstatement due to the significant value of shares and the potential material impact on the Company's financial result in the event of impairment triggers referred to in Art. 28 para. 7 of the Accounting Act.

Disclosures in the financial statement

The accounting policy applied to the valuation of shares in subsidiaries was disclosed by the Company in the introduction to the financial statement.

Additional information is included in note 3b, 3c and further in the annual report of RR.

Auditor procedures in response to the identified risk

As part of the audit of the unit financial statement of the Company:

1. An analysis of the accounting policy applied by the Company in the scope regarding the valuation of shares was carried out,
2. The analysis of the reports of subsidiaries, including in particular their financial results, values and capital structure, indebtedness and liquidity in terms of the existence of indications of impairment, was performed,
3. The impact of events after the balance sheet date on possible impairment loss was assessed,
4. Management Board's explanations regarding factors triggering indications of impairment, including negative financial results, as well as plans and perspectives concerning the activities of individual companies were obtained,
5. Within the scope of impairment tests performed by the Company:
 - we have made a critical evaluation of the testing process,
 - we assessed the key assumptions of the test,
 - we have verified their mathematical correctness and methodological coherence
6. The correctness and completeness of required disclosures in the financial statement was assessed.

2. The risk related to work in progress

Key research matter

Work in progress are capitalized costs associated with creating new or upgrading existing software. The value of production in progress as at 31st of December, 2020 is PLN 51,528 thousand, which is 3.6% of the balance sheet total.

In accordance with the accounting policy, capitalized costs should be included in the financial result for a period not longer than 36 months from the date of their payment in the form of either the cost of sale or the write-down.

The issue was considered a key audit matter due to the possible omission of the recognition of capitalized costs for work in progress as a result of the relevant period - in accordance with the accounting policy adopted by the Company and the capitalization of costs that may not generate economic benefits, in accordance with the assumptions adopted by the Management Board as to the possibility of future use of the effects of production in progress.

Disclosures in the financial statement

The accounting policy applied to the valuation of shares in subsidiaries was disclosed by the Company in the introduction to the financial statement.

Additional information can be found in note 5a of the RR annual report.

Auditor procedures in response to the identified risk

As part of the audit of the unit financial statement of the Company:

1. Accounting policy records have been verified,
2. A list of items treated as production of work was obtained, with periods of bearing the capitalized costs,
3. The correctness of applying the adopted accounting principles was assessed in the scope of:
 - recognizing the cost of sales of capitalized costs in other comprehensive income in connection with obtaining revenues from the sale of software,
 - compliance with the adopted accounting policy, recognition of other capitalized costs in other comprehensive income if the software is in the development phase (planned revaluation write-offs),
 - explanations of the management board regarding the factors causing delays in the settlement of individual items, as well as plans and prospects for the settlement of these items in the future.
4. Rated for significant production items in the course of capacity to generate economic benefits.
5. the correctness and completeness of the required disclosures in the financial statements were assessed.

3. Revenue from contracts with customers

Key research matter

Sales revenue for the year ended 31st of December, 2020 amounted to PLN 991,401 thousand. An important part of the revenue generated by the Company were revenue from the implementation of IT implementation contracts, which are recognized by the Company in accordance with Article 34a paragraph. 1 and par. 2 point 2 of the Accounting Act. For settling implementation contracts, the Company adopts the method of percentage involvement of costs and revenue.

The issue was considered a key risk area due to the significance of revenue from the sale of implementation services and the complex nature of the balance sheet valuation process based on significant estimates of the Management Board.

Disclosures in the financial statement

The details of the accounting policy applied by the Company in the scope of revenue recognition are disclosed in Note 7.1. introduction to the RR financial statement.

Additional information can be found in note 9a, 17a, 20a of the RR annual report.

Auditor procedures in response to the identified risk

As part of the audit of the separate financial statement of Comarch S.A. we reviewed the adopted accounting policy in the field of recognition and recognition of sales revenues in terms of compliance with the provisions of the Accounting Act.

In particular, we have carried out procedures aimed at understanding and evaluating internal controls that the Company has implemented in relation to the valuation of long-term contracts.

During the audit, we also carried out the following procedures related to the identified risk:

- we have assessed how the budgets used to calculate revenue are analysed and updated, and finally accepted;
- we have reconciled the actual data from the books up to the last day of the audited period with the updated figures in the budgets as at the valuation date;
- we have analysed the consistency of the structure of budgets through mutual comparisons and agreements to real subcontracts;
- we performed an analysis of the mathematical correctness of the calculation of all long-term contracts in terms of their mutual coherence and the assessment of the occurrence of the risk of creating a provision for loss on the contract;
- in the case of contracts executed over a period longer than one year, the budgets of revenues and costs in these periods were compared and the changes in the budget amount with the source documentation were evaluated for the selected sample and the changes in the value of the assumed margin on the contract were explained;
- information on the progress of works was obtained for contracts with a high degree of cost involvement;
- for a selected sample of contracts (including the largest contracts), detailed procedures have been carried out to compare data from the spreadsheet with data derived from contracts with the Customer;

Responsibility of the Management Board and the Supervisory Board for the financial statement

The Management Board of the Company is responsible for preparing, on the basis of correctly kept accounting books, financial statement which presents a reliable and clear picture of the property and financial situation and financial result of the Company in accordance with the Accounting Act, adopted accounting principles (policy) and the applicable laws and articles of association as well as internal control, which the Management Board deems necessary to enable the preparation of financial statement without a significant distortion caused by fraud or error.

When preparing the financial statement, the Management Board of the Company is responsible for assessing the Company's ability to continue operations, disclosing, if applicable, matters related to going concern and adopting the principle of going concern as an accounting basis, except when the Management Board intends either to liquidate the Company or to discontinue conducting business or there is no real alternative to liquidation or discontinuation of activity.

The Management Board and members of the Company's Supervisory Board are obliged to ensure that the financial statement meets the requirements provided for in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibility for auditing the financial statement

Our goals are to obtain reasonable assurance that the financial statement as a whole do not contain any material misstatement due to fraud or error and to issue a report containing our opinion. Reasonable assurance is a high level of certainty, but it does not guarantee that a test conducted in accordance with the KSB will always detect the existing significant distortion. Distortions may arise as a result of fraud or error and are considered material if it can reasonably be expected that, individually or in aggregate, they could influence users' business decisions made on the basis of this financial statement.

The concept of materiality is used by the auditor both in planning and conducting the audit as well as in assessing the impact of the distortions identified during the audit and the unadjusted distortions, if any, on the financial statement, as well as when formulating the auditor's opinion. In connection with the above, all opinions and statements included in the audit report are expressed with regard to the qualitative and valuable level of significance determined in accordance with the audit standards and professional judgment of the expert auditor.

The scope of the audit does not include assurance as to the future profitability of the Company or the effectiveness or efficiency of conducting its affairs by the Company's Management Board currently or in the future.

During a study in accordance with the KSB, we apply professional judgment and maintain professional scepticism, as well as:

- we identify and assess the risks of material misstatement of the financial statement due to fraud or error, design and conduct audit procedures that address these risks, and obtain audit evidence that is adequate and adequate to provide a basis for our opinion. The risk of not recognizing a significant misstatement due to fraud is greater than that resulting from the error, as the fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control;
- we gain an understanding of the internal control appropriate to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the accounting principles (policy) used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- we draw a conclusion on the appropriateness of the Company's Management's application of the going concern principle as an accounting basis and, based on the audit evidence obtained, whether there is significant uncertainty related to events or conditions that may significantly doubt the Company's ability to continue as a going concern. If we come to the conclusion that there is significant uncertainty, we require that we draw attention in our auditor's report to related disclosures in the financial statement or if such disclosures are inadequate, we modify our opinion. Our applications are based on audit evidence obtained up to the date of our audit report, however future events or conditions may cause the Company to cease its operations;
- we assess the overall presentation, structure and content of the financial statement, including disclosure, and whether the financial statement presents the underlying transactions and events in a manner that ensures a fair presentation.

We provide the Supervisory Board with information about, among other things, the planned scope and time of the audit and significant findings of the audit, including any significant weaknesses of internal control that we will identify during the audit.

We submit to the Supervisory Board a statement that we have complied with the relevant ethical requirements regarding independence and that we will inform them of all connections and other matters that could reasonably be considered to jeopardize our independence and, where applicable, we inform about the safeguards applied.

From among the matters forwarded to the Supervisory Board, we determined those matters which were most significant during the audit of the financial statement for the current reporting period and that is why we considered them to be key issues of the audit. We describe these matters in our auditor's report, unless laws or regulations prohibit public disclosure or when, in exceptional circumstances, we determine that the issue should not be presented in our report because it would reasonably be expected that the negative consequences would outweigh the benefits of such a report to the public interest.

Other information, including an activity report

Other information consists of a report on the Company's operations for the financial year ended 31st of December, 2019 ("Activity Report") together with a statement on the application of corporate governance and a statement on non-financial information referred to in Art. 49b section 1 of the Accounting Act, which are separate parts of this Report (together "Other information").

Responsibility of the Management Board and the Supervisory Board

The Management Board of the Company is responsible for preparing Other information in accordance with the law.

The Management Board of the Company and members of the Supervisory Board are obliged to ensure that the Report on the Company's activities along with the separated parts meet the requirements provided for in the Accounting Act.

Responsibility of the auditor

Our opinion on the audit of the financial statement does not include Other information. In connection with the audit of the financial statement, it is our duty to read other information and, in doing so, consider whether other information is not materially inconsistent with the financial statement or our knowledge obtained during the audit or otherwise appear significantly distorted. If, based on the work performed, we find significant distortions in other information, we are required to inform you in our audit report. Our duty in accordance with the requirements of the Act on Expert Auditors is also to issue an opinion on whether the report on operations has been prepared in accordance with the regulations and whether it is consistent with the information contained in the financial statement. In addition, we are required to inform you whether the Company has made a statement about non-financial information and issuing an opinion on whether the Company has included the required information in the corporate governance statement.

We obtained the report on the Company's activity before the date of this audit report, and the Annual Report will be available after this date. In the event that we find a significant distortion in the Annual Report, we are obliged to inform the Supervisory Board of the Company about it.

Opinion on the Report on operations

Based on the work carried out during the study, in our opinion, the Report on the Company's operations:

- it has been drawn up in accordance with Article 49 of the Accounting Act and paragraph 70 of the Regulation of the Minister of Finance of 29th of March, 2018 regarding current and periodic information published by issuers of securities and conditions for recognizing information required by the law of a non-member state as equivalent ("Current Information Regulation" Journal of Laws of 2018, item 757);
- is consistent with the information contained in the financial statement.

In addition, in the light of knowledge about the Company and its environment obtained during our audit, we declare that we have not identified significant distortions in the Report on the Company's operations.

Opinion on the statement on the application of corporate governance

In our opinion, in the statement on the application of corporate governance, the Company has included the information specified in paragraph 70, para. 6 point 5 of the Regulation on current information. In addition, in our opinion, the information indicated in paragraph 70 para. 6 point 5 lit. c-f, h and lit. and the Regulations contained in the statement on the application of corporate governance are consistent with the applicable regulations and information contained in the financial statement.

Information on non-financial information

In accordance with the requirements of the Act on Expert Auditors, we confirm that the Company has prepared a statement on non-financial information, referred to in art. 49 section 9 1 of the Accounting Act as a separate part of the Report on operations.

We have not done any assurance work regarding a statement about non-financial information and we do not give any assurance about it.

Report on other legal and regulatory requirements

Declaration on services provided that are not auditing the financial statement

To the best of our knowledge and belief, we declare that the non-audit services we provide to the Company and its subsidiaries comply with the laws and regulations in force in Poland and that we have not provided non-audit services that are prohibited under Art. 5 sec. 1 of the EU Regulation and art. 136 of the Act on statutory auditors. The non-audit services we provided to the Company and its subsidiaries during the audited period are listed in 46 of the Company's financial statements.

Choosing an auditing company

We have been selected to audit the financial statements with a resolution of the Company's Supervisory Board of 29th of May, 2017 and again with a resolution of 27th of May, 2019. The Company's financial statements are tested continuously starting from the financial year ended 31st of December, 2017, that is for the next four years.

The key expert auditor responsible for the audit, which resulted in this report of the independent expert auditor is Marcin Krupa.

BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw,
entered into the list of audit firms under number **3355**

on behalf of which the expert auditor operates

*Signed by a qualified
electronic signature*

Marcin Krupa

Expert auditor
No. in the register 11142

*Signed by a qualified
electronic signature*

doctor André Helin

President of the Management Board of the
General Partner
Expert auditor, no. in the register 90004

Krakow, 30th of April, 2021