

**COMARCH S.A.**

**REPORT OF THE INDEPENDENT AUDITOR FROM THE AUDIT OF THE  
ANNUAL FINANCIAL STATEMENT AS OF 31.12.2023**

26.04.2024

# REPORT OF THE INDEPENDENT AUDITOR

*for the General Meeting and the Supervisory Board of the Parent Company Comarch S.A.*

## **Report from the audit of the annual financial statement**

### *Opinion*

We have audited the annual financial statement of Comarch S.A. ("Company"), which consists of: balance sheet prepared as at the 31<sup>st</sup> of December, 2023, profit and loss account, statement of changes in equity (fund) and cash flow statement for the financial year ending on the 31<sup>st</sup> of December, 2023 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 the 31<sup>st</sup> of December, 2023, 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 of the 29<sup>th</sup> of September, 1994 ("Act on Accounting" – Journal of Laws of 2023, item 120 with subsequent changes) 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 Act on Accounting.

This opinion is consistent with the additional report for the Audit Committee, which we issued on the 26<sup>th</sup> of April, 2024.

### *Basis of the opinion*

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution of the National Council of Statutory Auditors No. 3430/52a/2019 of the 21<sup>st</sup> of March, 2019, on National Auditing Standards and Other Documents, with subsequent changes and Resolution No. 38/I/2022 of the Board of the Polish Audit Oversight Agency of the 15<sup>th</sup> of November, 2022, on National Quality Control Standards and National Auditing Standard 220 (Amended) ("KSB"), and also pursuant to the Act of the 11<sup>th</sup> of May, 2017, on Statutory Auditors, Audit Firms and Public Oversight ("Act on Statutory Auditors" - Journal of Laws 2023, item 1015, with subsequent changes) and EU Regulation No. 537/2014 of the 16<sup>th</sup> of April, 2014, on Specific Requirements for Statutory Audits of Financial Statements of Public Interest Entities ("EU Regulation" - Official Journal EU L158 of 27/05/2014, p. 77, with subsequent changes). Our responsibility under these standards is further described in the section of our report *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 Statutory Auditors no. 3431/52a/2019 of the 25<sup>th</sup> of March, 2019, on the professional ethics of statutory auditors, with subsequent changes, 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 statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory 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.

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**Key research matter**

**How our study addressed this issue**

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## **Recoverable amount of investments in subsidiaries**

In the annual standalone financial statement, the Company reported shares in related parties as non-current financial assets within significant asset items in the amount of TPLN 284,733, representing 16% of the balance sheet total as at 31.12.2023.

In accordance with the adopted accounting principles, if there are indications of impairment of these assets, the Company is obliged to carry out impairment tests.

The issue was considered crucial due to the value of the assets indicated above, which is significant for the separate financial statements, as well as due to the element of subjective judgment of the Company's management, both as to the need to carry out an impairment test and the assumptions underlying this text.

*Reference to disclosures in the separate financial statement*

The applicable disclosures regarding the valuation of long-term financial investments can be found in the introduction to the annual separate financial statement in section III and in notes 3b-3e of the report.

Our procedures for the identified key audit matter included, but are not limited to:

- discussion of the processes and identification of control mechanisms functioning in the Company regarding the analysis of asset impairment;
- identification of evidence of impairment of specific long-term financial assets;
- verification of the compliance of the accounting policy with regard to the recognition and measurement of investments in subsidiaries with the provisions of the Accounting Act, including the Company's approach to creating revaluation write-offs;
- comparison of the value of shares shown in the Company's assets with the book value of equity in order to identify premises for possible impairment;
- verification of impairment tests
- f) analysis of financial statements and audit reports of companies whose shares are an asset.

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## **Long-term contracts**

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The company performs long-term contracts regarding IT service contracts. The issue was considered a key risk area due to the model of long-term contracts valuation and the significance of revenue from this, as well as the complex nature of processes in the area of long-term contracts, which relate in particular to:

- recognizing revenue from multi-element contracts that require a significant level of judgment on the part of the Management Board;
- the correct allocation of costs and revenue to the relevant project and the relevant reporting period;
- recognizing expected losses on contracts.

*Reference to disclosures in the separate financial statements*

The accounting principles adopted by the Company regarding the settlement of long-term contracts are described in the introduction to the financial statements. Relevant disclosures are contained in notes 9a and 17a.

Our procedures for the identified key audit matter included, but are not limited to:

- verification of the Company's accounting policy regarding the settlement of contracts for IT services with the provisions of the act;
- analyzing the budgets that are the basis for settling revenues from the implementation of contracts in terms of the degree of completion of works and changes in the assumed margin;
- budgets were compared with signed contracts with clients;
- assessing the risk of loss on contracts and verifying the amount of provisions created in this respect;
- analyzing the adequacy of disclosures in the financial statements in relation to significant accounting policies regarding sales revenue.

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*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 continuation and using the continuity of activities'

principle as the 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 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 conclusions 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 the 31<sup>st</sup> of December, 2023, ("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 Act on Accounting, which are separate parts of this Activity Report ("Annual Report") (altogether "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 Act on Accounting.

#### *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 Statutory 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 activity report*

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

- it has been drawn up in accordance with Article 49 of the Act on Accounting and paragraph 70 of the Regulation of the Minister of Finance of the 29<sup>th</sup> 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 with subsequent changes);
- 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 Activities.

#### *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 Current Information Regulation. In addition, in our opinion, the information indicated in paragraph 70 para. 6 point 5 lit. c-f, h and lit. i of the Regulation 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 Statutory Auditors, we confirm that the Company has prepared a statement on non-financial information, referred to in art. 49 section 1 of the Act on Accounting as a separate part of the Report on Activities.

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 during the audited period up to the date of issuance of this audit report, we have not rendered any services to the Company and its Controlled Entities other than reviews of the interim separate financial statement, reviews of the interim consolidated financial statement, audits of the separate financial statement, audits of the consolidated financial statement, assurance services to verify the compliance of the consolidated financial statement prepared in the uniform electronic reporting format with the requirements of the Technical Standards Regulation concerning the specification of the uniform electronic reporting format, and assurance services to evaluate the remuneration report.

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.

#### *Choosing an auditing company*

We have been selected to audit the financial statements with a resolution of the Company's Supervisory Board of the 16<sup>th</sup> of May, 2022 (resolution was updated on the 28<sup>th</sup> of June, 2023). We are examining the Company's financial statements for the second time.

The key statutory auditor responsible for the audit, which resulted in this report of the independent statutory auditor is Dominik Biel

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Registration number 13567

acting on behalf of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, entered on the list of audit firms under number 3886, on behalf of which the key statutory auditor examined the financial statement.

Warsaw, 26<sup>th</sup> of April, 2024