



ANNUAL REPORT 2014

**CHAIRMAN'S LETTER
MANAGEMENT REPORT
SELECTED FINANCIAL DATA
CORPORATE GOVERNANCE
STANDALONE FINANCIAL STATEMENTS**

24 February 2015

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I. CHAIRMAN'S LETTER

Dear shareholders and investors, valued customers, dear colleagues, dear readers,

we celebrated the 10th anniversary of existence of Asseco Group in 2014. Ten years ago, in 2004, the original ASSET Soft with the original COMP Rzeszów laid the Polish-Slovak foundations of a future international IT group called Asseco. I look forward to our regional Asseco Central Europe Group confirming by its results that it is one of the important and leading regions of Asseco Group in 2014, the tenth year of existence of Asseco Group.

The trend of undue pressure on the IT sector continues in Slovakia, but mainly in the Czech Republic and Hungary. IT is becoming a commodity and price pressure from customers compels not only us but all IT companies to review their existing strategy. We need to focus more on our strength, our rich historic and long-term competence. We have to modernize our solutions and to shape them into products and modules that are easy to integrate into the existing infrastructure of our customers.

Several investment initiatives were ongoing in our Asseco Central Europe Group during the year 2014.

We took over a German ERP company and its subsidiaries in Austria and Switzerland **at the beginning of the year**. The company was renamed Asseco Solutions, AG and thus we officially created **Asseco Solutions** in 2014 as one of the largest ERP producers in Central and Eastern Europe in the common trading Asseco Solutions Group under one umbrella with our long-term subsidiaries Asseco Solutions in the Czech Republic and Slovakia. Asseco Solutions is currently based in five countries and has annual revenues of almost 50 million EUR.

On the contrary, we disposed of our 51 percent interest in Slovanet (telecom operator) **at the end of June**. This plan had matured in the group for several years and the main reason for it was the difference of the Slovanet profile. Its profile is different from that of the whole group. Nine years of cooperation with Slovanet was a very pleasant and valuable experience for our group.

At the end of the year, in November, on the contrary, we did a tiny investment in a startup IT company **eDOCU** in which we got a 23 percent share. This "fresh" idea of young people attracted us and we finally agreed on mutual cooperation after a short discussion. We want to be a strategic supporter of spread of this product that supports the "social networking of things" by its functionality.

These investments consolidated the profile of Asseco Central Europe. The core of the group consists of:

- **Asseco Central Europe** (SK, CZ) with its products for "large" corporate clients (Finance, Building Savings, Insurance, Healthcare, Utilities) and in "big" government (ministries and their directly managed companies - Public). This core includes also the Hungarian subsidiaries **Statlogics** (HU) with its unique product designed for Consumer Finance, **GlobeNet** (HU) focused by its product on healthcare mainly for the Hungarian market and newly created firm **Asseco Hungary** (HU) for government and utilities for the Hungarian market. The utilities business is also supported by our companies **Asseco Berit** (DE, CH) with their implementing competencies for sales of products which we develop in Asseco CE in Czech Republic.

- **Asseco Solutions** (SK, CZ, DE, CH, AT) – ERP producer with its products mainly in the "medium" and "small" segment for customers of different economic sectors.
- **DanubePay** which is the processing center particularly in the area of card transactions for banks and other businesses. DanubePay may become the outsourcing operator for products developed in Asseco Central Europe in the future.

We failed to achieve the planned financial targets, but these were too ambitious given what opportunities the market offered. It looked like an unexpectedly large drop in revenue and profit in the middle of 2014 in comparison with 2013, but today I am pleased to state that we averted the dreaded slow down. There has been a slight decline compared with the year 2013 but I dare say that our final group results correspond to market opportunities in our region and the individual circumstances in each subsidiary of the group.

The vast majority of the members of Asseco Group Central Europe confirmed their market position by their results. Their results are similar to those in 2013 or their revenues even grew and showed organic growth.

Only three companies reported somewhat weaker results. The negative trend in the state administration in the Czech Republic hit the Czech part of Asseco CE by a one third slump in revenue which is also reflected in the results of operations. Statlogics experienced a significant decline but given the circumstances of 2013 (the original owners with 30 managers and specialists left for a competitor), I consider the rescue of the company and keeping of the company's customers to be a heroic act of the year. And thirdly DanubePay - our startup - found two clients (Fio banka in Slovakia and Volkswagen Bank in Poland) but we are still waiting for a really big customer.

Dear readers, allow me to thank all our customers for their trust and patience during some more complicated projects. Thanks also to all my colleagues in the Company for their work, effort and loyalty. Although some projects did not develop well during the year, we have eventually significantly improved the trend by dedication of many of our colleagues.

Many thanks to my colleagues from the Asseco Group who helped us create a common platform for international cooperation. We were able to convince new customers about our quality because of the size and position of Asseco Group also in 2014. The strong background of the Asseco Group, its references, many international products and solutions are a good foundation for further development of Asseco Central Europe and all its subsidiaries.

Jozef Klein

CEO and Chairman of the Board of Directors

II. MANAGEMENT REPORT

1 GENERAL INFORMATION

1.1 Organizational structure and nature of business operations

Asseco Central Europe, a. s. (the "Company", "Asseco CE") is a member of the international Asseco Group, one of the leading software houses in Europe.

Company is listed on the Warsaw Stock Exchange since 10 October 2006. At that time it was the first Slovak company directly listed on a foreign stock exchange.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software as well as the supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company's business activity is classified as "information technology". Other undertakings of the Group conduct similar operations.

Asseco Central Europe, a. s. is the Parent Company of the Asseco Central Europe Group (the "Group"). Members of the Group are also other IT oriented companies and the Company thus employs 1,450 people. In addition to comprehensive IT services, the Group also sells goods including computer hardware. The sale of goods performed is to a large extent connected with the provision of software implementation services.

1.2 General information

Company's name:	Asseco Central Europe, a. s.
Registered seat:	Trenčianska 56/A, 821 09 Bratislava
ID number:	35 760 419
VAT ID:	SK7020000691
Established:	12 February 1999
Legal form:	joint stock company
Share capital:	EUR 709,023.84
Number of shares:	21,360,000
Type of shares:	bearers shares
Nominal value of share:	EUR 0.033194
Registered:	Commercial Register maintained by the District Court of Bratislava I., Section: Sa, File No.:2024/B

2 SELECTED FINANCIAL DATA OF FINANCIAL STATEMENTS

SELECTED FINANCIAL DATA	In thousand of PLN		In thousand of EUR	
	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative
	1 Jan 2014 -	1 Jan 2013 -	1 Jan 2014 -	1 Jan 2013 -
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Sales revenues	197,389	148,711	47,118	35,315
Operating profit (loss)	25,823	25,797	6,164	6,126
Pre-tax profit (loss)	79,843	65,089	19,059	15,457
Net profit for the period reported	69,118	58,929	16,499	13,994
Net cash provided by (used in) operating activities	51,586	1,773	12,314	421
Net cash provided by (used in) investing activities	(218)	55,408	(52)	13,158
Net cash provided by (used in) financing activities	(33,422)	(42,299)	(7,978)	(10,045)
Increase (decrease) in cash and cash equivalents	17,947	14,882	4,284	3,534
Assets total	547,045	485,961	128,345	117,178
Non-current liabilities	-	-	-	-
Current liabilities	68,985	56,460	16,185	13,614
Shareholders' equity	478,060	429,501	112,160	103,564
Share capital	3,022	2,940	709	709
Number of shares	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in PLN/EUR)	3.24	2.76	0.77	0.66
Book value per share (in PLN/EUR)	22.38	20.11	5.25	4.85
Declared or paid dividends per share (in PLN/EUR)	1.55	1.98	0.37	0.47

Selected items of Statement of financial position are recalculated at the average exchange rate announced by the Polish National Bank prevailing on the balance sheet date. Selected items in the Profit and loss account and Cash flows statement for the period are converted by the arithmetic average of exchange rates announced by the Polish National Bank at the last day of each month of the period.

Exchange rates

The following exchange rates between PLN and EUR were used to recalculate financial information:

- Selected items of Statement of financial position as of 31 December 2014 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = PLN 4.262).
- Selected items of Statement of financial position as at 31 December 2013 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = PLN 4.147).

- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2014 to 31 December 2014 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = PLN 4.189).
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2013 to 31 December 2013 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = PLN 4.211).
- The highest and the lowest exchange rate for the reported periods are as follow:

		1 Jan 2014 - 31 Dec 2014	1 Jan 2013 - 31 Dec 2013
max	PLN -> EUR	4.3138	4.3432
min	PLN -> EUR	4.0998	4.0671

3 COMPANY VALUES

3.1 Mission

The mission of Asseco CE comprises binding values which form an integral part of the business environment and also apply internationally. These binding values are represented in particular by the high and stable quality of the offered solutions and services, continuous care for customers, flexible response to the needs of the market and providing the customers professional IT services and information systems on the basis of modern information technologies which support their business activities and success. Last, but not least, it includes the assurance of the long-term prosperity of Asseco Central Europe.

3.2 Visions

Asseco Central Europe's vision

"Solutions for Demanding Business" – the credo of Asseco CE represents a key and stable IT service-provider that is at the same time building its position of a strong, reputable and reliable company on the domestic, and international ICT market.

Asseco Group's vision

Asseco Group wants to build a reliable and profitable global information technology company providing high quality software and services. Asseco Group's strategy is in the long term based on two pillars. The first is organic growth which is achieved through proprietary software and services, whereas the second one involves expansion through acquisitions. A new third pillar is the support of and buying a business share in emerging start-ups in the role of a strategic investor.

Organic growth

Asseco strategy relies on good sector-specific business expertise, which is supported by technological competence. The company builds long-term trust-based relationships with customers, becoming their strategic business partner. Asseco leverages on the vast experience of its international affiliated companies to create a comprehensive portfolio of

products satisfying the needs of thousands of its customers. The company wants to be perceived as a 'one-stop shop' and therefore, in addition to its own IT solutions and services, it also delivers infrastructure necessary for the proper operation of business applications.

Expansion through acquisitions

Asseco is interested in taking over companies that will either enhance its competence in individual sectors or provide an opportunity to enter new geographical markets. Asseco Poland has successfully implemented its acquisitions policy for many years, and nowadays is one of the most experienced market consolidators in Poland.

Expanding the Portfolio by Start-ups

As a member accelerators, Asseco wants to support startups and invest in startups as a strategic partner to help implement interesting business ideas and thus expand its own portfolio of products and services.

3.3 The Company's strategic goals

- To be a stable partner of the customer and to support its development and competitiveness by deliveries of modern information systems with high added value to the customer.
- To continue to increase customer satisfaction by increasing the quality of services and by application of the latest trends in the development of information systems.
- Strengthen its position in the Central European market and to penetrate international markets using mutual synergies within the Asseco Group.
- Promote a strong, technically and morally savvy and customer-oriented employee base.
- Build a corporate culture that supports cooperation, innovative and dynamic development of the Company.

3.4 Characteristics of factors relevant to development of the Company

Constant Organic Growth

Asseco CE wants to improve constantly, keep up with the times and bring advanced technologies and "Solutions for Demanding Business" to the market, thus meeting the needs of the clients.

Trust of Investors and Shareholders

With its listing on a Stock Exchange market Asseco Central Europe was transformed from a privately owned joint-stock company to a publicly traded one. Its presence on the Stock Exchange means particularly the necessity of a new approach to process management and the implementation of key decisions, while considering the interests of investors, fulfillment of their expectations and building their trust.

Satisfied Customers

The only reliable way how to win and keep customers is to provide them with quality services and solutions with a high added value to reach their strategic goals. Their satisfaction and loyalty resulting from it are the basis of success of each company.

Proprietary software

In an effort to meet customers' and business partners' expectations, Asseco CE focuses particularly on continuous improvement of the quality of provided services and products. This is closely related to the stable, enhanced attention and devoted management, coordination and improvement of the processes in the Company. Asseco Central Europe implemented and certified Quality Management System according the norm ISO 9001 in 2002 for the first time. The system is constantly being improved and maintained in accordance with the requirements of applicable standards.

Employee Satisfaction

The Company is aware of the fact that its employees represent a key factor in the provision of quality services. It considers their motivation and loyalty an integral part of the Company's success. Its aim is to create a stimulating working environment that develops the creativity of employees and supports their personal growth.

Social Responsibility

Asseco Central Europe strives to contribute to increasing the quality of life of society not only by developing of modern information technologies, but also by supporting scientific institutions committed to this goal.

3.5 Company management code

Asseco CE is fully aware of the importance of having Corporate Governance standards in place and complying with them. In accordance with standards valid in the market, the above corporate management principles and methodology - "Best Practices" - were incorporated into the Company's documents and procedures. The Company Management Code was approved by the Company's Board of Directors and published in the Current Report, i.e. in the Stock Exchange report, on 13 March 2008. This report is accessible on the Company's official web site under the "Investors" Section. It contains complete information about the management methods utilized in the Company as well as all information about deviations from the Management Code and the reasons why the decision deviating from the Code was made.

3.6 Code of conduct

The Company's Code of Conduct represents a set of principles that are focused inside the Company - towards the employees, as well as towards its surrounding environment. It primarily recognizes principles of ethical behaviour while conducting business and upholds principles of objectivity, transparency, accountability and openness in its activities. Asseco Central Europe declares that it nowadays, as well as in the future, wants to be a reliable partner for its customers, shareholders, business partners, employees and also for the public in all the countries and regions where it operates. Based on conditions for an open

and transparent corporate culture that are created by the Company, the staff members are able to distinguish between reasonable and contentious actions.

Asseco CE regards as its core values, above all, to be:

Relations within the Company, especially:

- respect for people – a basis for interpersonal relationships,
- honest, conscientious and efficient work,
- communication ethics,
- Company loyalty,
- upholding the Company's reputation and safeguarding its assets,
- ethics in conflict resolution,

and **Relations with customers and suppliers**, meaning respect for customers and correctness toward business partners. Local or international legal frameworks apply to all entrepreneurial conduct. Once the Company was listed on the Warsaw Stock Exchange, the impact of these frameworks on Company's conduct is even more significant.

Asseco CE encourages any expression of opinions and suggestions staff members make. The corporate culture of Asseco CE values open feedback that any employee can share thru the HR partner of their division.

4 COMPANY'S AUTHORITIES

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2014:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2014-31.12.2014	Adam Tadeusz Góral	1.1.2014-31.12.2014
Marek Grác	1.1.2014-31.12.2014	Andrej Košári	1.1.2014-31.12.2014
David Stoppani	1.1.2014-31.12.2014	Ján Handlovský	1.1.2014-31.12.2014
		Marek Paweł Panek	1.1.2014-31.12.2014
		Przemysław Sęczkowski	1.1.2014-31.12.2014

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 24 February 2015:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2015-present	Adam Tadeusz Góral	1.1.2015-present
Marek Grác	1.1.2015-present	Andrej Košári	1.1.2015-present
David Stoppani	1.1.2015-present	Ján Handlovský	1.1.2015-present
Branislav Tkáčik	10.2.2015-present	Marek Paweł Panek	1.1.2015-present
		Przemysław Sęczkowski	1.1.2015-present

The Ordinary General Meeting of Shareholders of the Asseco Central Europe, a. s. held on 9 April 2014 passed a resolution on the recalling and re-appointing of Mr. Adam Góral, Mr. Andrej Košári and Mr. Marek Paweł Panek as members of Supervisory Board of the Company.

The Ordinary General Meeting of Shareholders of the Company recalled with the effect from 9 April 2014:

- Mr. Adam Góral from the office of Supervisory Board Chairman of the Company,
- Mr. Andrej Košári from the office of Supervisory Board Vice-Chairman of the Company,
- Mr. Marek Paweł Panek from the office of Supervisory Board member of the Company.

The Ordinary General Meeting of Shareholders of the Company further appointed, with the effect from 9 April 2014:

- Mr. Adam Góral as a Supervisory Board member of the Company and concurrently recommended the Supervisory Board to appoint him as a Supervisory Board Chairman of the Company,
- Mr. Andrej Košári as a Supervisory Board member of the Company and concurrently recommended the Supervisory Board to appoint him as a Supervisory Board Vice-Chairman of the Company,
- Mr. Marek Paweł Panek as a Supervisory Board member of the Company.

Following the re-appointing of Mr. Adam Góral and Mr. Andrej Košári as Supervisory Board members of the Company by the General Shareholders Meeting of the Company held on 9 April 2014, the Supervisory Board members appointed Mr. Adam Góral as the Chairman of the Supervisory Board of the Company and Mr. Andrej Košári as the Vice-Chairman of the Supervisory Board of the Company. The voting took place on 18 May 2014 in accordance with Article 33.3 of the Statutes of the Company, referring to voting per rollam.

The Supervisory Board of the Company at its meeting, held on 19 September 2014, adopted a resolutions on recalling and re-appointment of Mr. Jozef Klein as a Chairman of the Board of Directors of the Company. Recalling and re-appointment came into effect on 19 September 2014.

Mr. Radek Levíček has resigned from his position in the Board of Directors of Asseco Central Europe, a. s. According to Article 27.7 of the Statutes of the Company, the resignation came into effect on the date when the Board of Directors discussed the resignation, i.e. 10 November 2014.

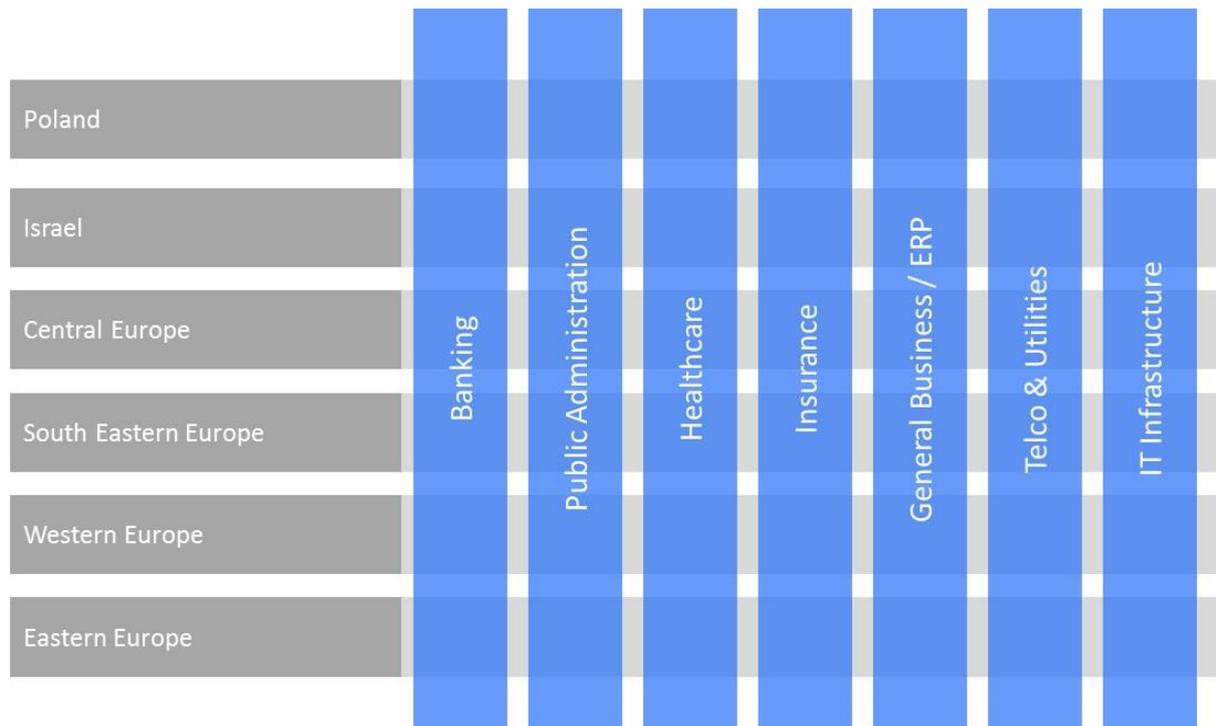
The Supervisory Board of the Company appointed Mr. Branislav Tkáčik as the Member of the Board of Directors. The voting took place on 27 January 2015 in accordance with Article 33.3 of the Statutes of the Company, referring to voting per rollam. Appointment came into effect on 10 February 2015.

4.1 Changes in the number of Asseco Central Europe shares owned by the members of the Board of Directors (BoD) and Supervisory Board (SB)

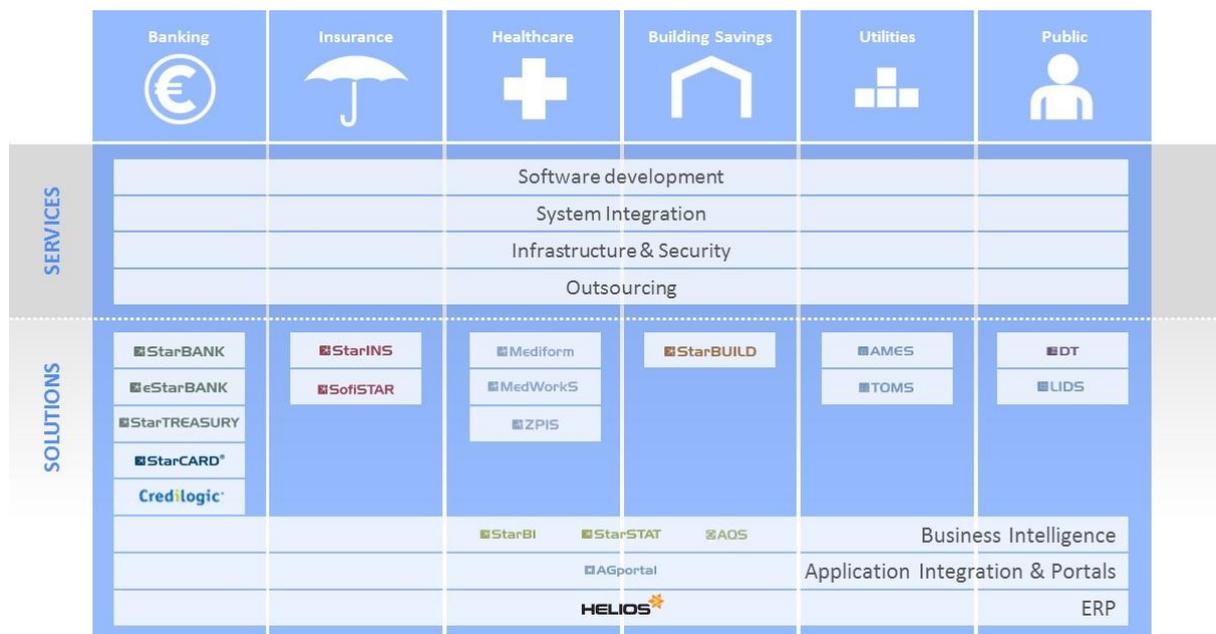
Members of the Board of Directors and the Supervisory Board of the Company do not hold any shares of the Company.

5 PRODUCT PORTFOLIO

In order to benefit from synergies arising from mergers and acquisitions, the products and services provided by individual companies within the Asseco Group are divided into transparently defined organizational units called Business Units. Business Units include Banking, Insurance, Healthcare, Public Administration, Telco & Utilities, IT Infrastructure and ERP (Enterprise Resource Planning). This matrix-oriented organizational structure combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organizational structure, which is strictly focused on creating business opportunities in the given segment. This organizational arrangement makes it possible to consolidate products and services within Business Units and at the same time to simplify the offer of the whole group.



The offer of products and services is also within every regional grouping arranged to segment-oriented groups/ areas which are autonomously managed. Within Asseco Central Europe, they include the following areas: Finance, Healthcare & Insurance, Public & Utility, IT Infrastructure & Integration and ERP. Specific divisions of Asseco CE SK/ CZ or entities belonging to Asseco CE at the regional level are allocated to individual Business Units. Products or product groups are divided in the same way. Asseco CE builds its offer on key products which represent the basis of its competences and experience. One of the basic goals of the Company is to create efficient and easily accessible solutions which fully respect the differences and specifics of individual customers and thus help them achieve their competitive advantage. This goal has been fulfilled by a suitable combination of offered products and present solutions and by the development of customized solutions.



Segment oriented groups with overview of Company's portfolio of solutions and services.

The product offer is complemented by key services and competences which spread across the product portfolio. They include two basic services: software development and outsourcing.

Software development is the strongest competence of Asseco CE, covering all activities associated with software development – from detailed analysis of customer requirements through the consultation of possible solutions, development, design of optimal technology architecture, technology and development tools, up to testing, documentation, implementation, training or support in the solution of operational problems.

In the area of **outsourcing** Asseco CE offers a wide spectrum of services. It provides assistance to both external and internal customers, and not just with service-related activities. It handles queries regarding repairing of different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), provides HW and SW procurement consulting, HW equipment upgrade, realize equipment installation and consequent preventive checks, installation and maintenance of operating systems – all of that by means of remote, as well as local service support in the entire territory of Slovak Republic.

Company supplies and installs POS terminals, provides training, service, maintenance and support for networks of POS terminals. Terminals are managed centrally by a specialized department consisting of a team of qualified experts with appropriate technical facilities, and expertise in the field. The Company uses special web application for service management a remote support, designed for management, monitoring and evaluation of the state of service processes/ services. Local support is provided by the service team covering (similar to IT Service) the entire territory of the Slovak Republic and Czech Republic.

Company further provides personalization of smart cards.

Business Unit Finance

Asseco Central Europe has more than twenty-five years of experience in the financial segment. It has implemented a number of projects and developed several unique solutions for banks. One of them is the information system **StarBANK** which automates all retail and wholesale operations and provides a comprehensive set of reports, controlling and intra dealing. **eStarBANK** is a portal solution that enables the use of electronic distribution channels ensuring all basic retail functions for remote clients (Internet banking, home banking, mail banking and GSM banking).

The offer of Asseco Central Europe in the financial segment is complemented by the **Credilogic®** family of software applications developed by the Company's subsidiary Statlogics. These solutions serve some of the most demanding financial institutions in the world. Credilogic® applications cover the entire workflow of credit lifetime from origination to loan account management and collection of bad debt.

StarCARD® enjoys a unique position in the Company's product portfolio. It is a full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement and dealer administration. An integral part of the system is application software for end devices, ATMs, and POS terminals. Based on the success of the StarCARD® solution, the processing center DanubePay was founded within the Asseco Central Europe Group in 2012 which is certified by VISA a Mastercard.

The Company has developed the **StarBUILD** solution for the needs of building savings banks. This complex banking information system fully covers the individual business processes of the building savings bank. Apart from the core banking system, it also contains a wide portfolio of additional modules which are well integrated into one unit. The maximum integration of individual modules in a single complex solution brings a significant reduction in the costs of HW, standard SW licensing (operating systems, databases) and the maintenance thereof.

The offer of business unit Finance closes **StarSTAT** which is suitable for all types of companies whose employees are engaged on a regular basis in acquiring, editing, processing and creation of generated data. It is a versatile reporting tool but it also offers pre-loaded functionality to comply with reporting obligations to financial market regulators of banks, insurance companies, leasing companies and other financial institutions.

Asseco CE's proprietary solutions for financial segment can be found in international banks as well as smaller local financial institutions like Slovenská sporiteľňa (member of ERSTE Group), Poštová banka, EXIMBANKA SR, Wüstenrot hypoteční banka, Wincor Nixdorf, GE Money Bank, Českomoravská hypoteční banka, Českomoravská záruční a rozvojová banka, J & T Banka, UniCredit Bank Slovakia, OTP Banka Slovakia. The Company has achieved a dominant position on the market of building societies in the Czech Republic. The StarBUILD solution is in operation in three of the five building societies (Wüstenrot Stavební spořitelna, Modrá pyramida stavební spořitelna and Stavební spořitelna České spořitelny) and the fourth - the largest building society in the Czech Republic - Českomoravská stavební spořitelna is preparing to implement the solution with planned start date of operation in September 2015.

Business unit Healthcare & Insurance

Asseco Central Europe offers a wide range of solutions for the healthcare segment, both standardized software products and complex solutions developed according to the specific needs of the customers. Mediform and ZPIS are among the solutions targeted at health insurance companies. **Mediform** covers the most important processes in an insurance company, e.g. IS administration, diaries and catalogues, client registers, receipt, audit and claiming of insurance premium, annual accounting of premiums, payment processing of healthcare costs, medical revision of costs and refunding of costs of insured persons from the EU. Accounting and balance account is a part of the system. **ZPIS** is a centralized multi-tier information system (IS) for health insurance companies (HIC). It includes complete application program facilities for the administration and support of activities of a health insurance company. It is built on the extensive experience in developing and improving systems for health insurance and contains the latest modern technologies. It is a universal modifiable system based on relational database technology. The IS is integrated with an Internet portal and electronic registry for contact between the customer and their clients and partners. The IS can be connected to other support systems (ERP, MIS, call centre, etc.).

eHealth covers the solution to public administration for "electronic health services". It ensures the implementation of visual services "providing health information of the patient" - electronic medical records. The solution includes a summary report of the patient, extracts from the personal account of the patient and personal records of citizens. An important component of the solution is granting approvals for the provision of patient-related health information as per the assigned patient consent and in accordance with legislation applying to health professionals and citizens.

The healthcare offering is complemented by the solutions of the Company's Hungarian subsidiary GlobeNet which supplies **MedWorkS**, a complex hospital information system. This solution provides assistance and support to the communities within healthcare institutions in every single aspect of their daily jobs. The regular activities of physicians, patients, nurses, hospital management and other employees are intensively supported by MedWorkS' unique capability of tracking, administration and optimization of healthcare processes. MedWorkS is a unified hospital IT system engineered for operating across the institution and the entire local and remote infrastructure; appropriate user interfaces were generated and implemented for different profession-specific work areas with differing functionality.

The portfolio of Asseco Central Europe also includes information systems for commercial insurance companies. Its comprehensive information system **StarINS** automates all front-office and backoffice operations including personal, property and liability insurance as well as life, health and pension insurance. The system operates as an independent product for electronic distribution channels. **SofiSTAR** is a production information system for management of pension funds. The system provides for front-office and back-office activities with a high degree of process automation and Internet access of clients to their personal pension accounts and automatic processing of electronic documents related to pension savings.

The third and last area under Business Unit Healthcare & Insurance is business intelligence. During software development, the Company developed in this field from initial reporting tasks via dashboards and ad-hoc analysis to advanced methods of datamining and predictive modeling. Our product **StarBI** is either provided as a turnkey solution or by customizing modules prepared in advance. The solution uses standard BI platform and databases (IBM, Microsoft, Oracle and SAS). Asseco Central Europe offers a wide range of solutions for monitoring and evaluating profitability (of products, customers, sales channels), automating reporting for internal or external environment (regular reporting, ad hoc outputs), in-depth analysis of data through data mining tools and dealing with tasks such as for instance detection of fraud (insurance, government revenue - taxes), cross-selling, subsequent sales, customer segmentation and other types of tasks. The AQS (Asseco Quality Services) solution is used to consolidate data and transfers thereof among heterogeneous systems by combining a software product, methodology and related services designed to implement migrations, consolidations and data cleansing.

The most important clients of the Healthcare & Insurance Business Unit include ministries (Ministry of Health of the Slovak Republic), specialized health institutions (National Health Information Center (SK), Institute of Health Information and Statistics of the Czech Republic, Coordination Center for Departmental Medical Information Systems – a branch of State in the Ministry of Health of the Czech Republic), owners and operators of regional healthcare networks (Svet zdravia (SK)), health insurance companies (Česká průmyslová zdravotní pojišťovna, Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví, Revírní bratrská pokladna, zdravotní pojišťovna, Union zdravotná poisťovňa, Všeobecná zdravotná poisťovňa, Vojenská zdravotní pojišťovna České republiky, Zaměstnanecká pojišťovna Škoda, State Health Insurance Company, Hungary (OEP)), commercial insurance companies and pension funds management companies (Allianz – Slovenská poisťovňa, Union poisťovňa, Pojišťovna Všeobecné zdravotní pojišťovny, STABILITA d.d.s., VÚB Generali dôchodková správcovská spoločnosť, Wüstenrot neživotní

pojišťovna, Wüstenrot životní pojišťovna, ČSOB Penzijní společnost), Fakultná nemocnica s poliklinikou F.D.Roosevelta, ambulances and general practitioners.

With respect to solutions for data warehousing and business intelligence, important clients of the business unit include commercial and non-commercial organizations from industries other than the healthcare sector and the insurance industry where Asseco solutions significantly help for example the Financial Administration of the Slovak Republic in the fight against tax evasion, allow processing of statistical data for the Czech Statistical Office or are part of the integration of data and systems as in the case of Českomoravská stavební spořitelna.

Business Unit Public & Utility

Systems for public administration developed and implemented by the Business Unit Public & Utility are the major fields of interest of the Company in addition to solutions for commercial entities. In the area of solutions to central public administration, Asseco CE specializes in the creation and delivery of such solutions which cannot be carried out by conventional means and instruments without a large amount of creative work. A significant advantage of the Company is the ability to design and implement systems for processing large volumes of data with sophisticated transactional logic as well as special portal solutions with form interface intended for public administration that are implemented with cross-linking to key components of eGovernment. A specific offer to public administration is the design and delivery of complex systems for government that includes hardware, network infrastructure and specialized heavy duty applications with guaranteed high availability for the specific needs of government-type central registers, business registers, supervisory systems for the distribution of government benefits and subsidies or budgetary information systems for processing and publishing of large data files on platforms Informix or Oracle using WebLogic application servers and Geocluster RAC topology and Java development environment.

The largest projects undertaken in this area include delivery of solutions for ministries (Czech Ministry of Transport, Slovak Ministry of Transport Construction and Regional Development, Czech Ministry of Finance, Czech Ministry of Interior, Slovak Ministry of Interior, Czech Ministry of Justice, Slovak Ministry of Health), but we also cooperate with the Slovak Supreme Audit Office, Czech and Slovak Central Statistical Offices and many other authorities or institutions such as the Central Securities Depository of the Czech Republic, Central Securities Depository of the Slovak Republic, the Czech Social Security Administration, Financial Administration of the SR, the Czech Surveying Office, the Senate, Road and Motorway Directorate of the Czech Republic, EXIMBANKA SR, Česmad Slovakia.

We provide solutions to self-government entities based on our own software (via Asseco Solutions, a. s.) which is defined by a high degree of customization and focus on processes that are specific and key to local selfgovernment. One of our advantages is the fact that these systems can be adequately complemented for example by solutions for geographic and spatial data and systems for metropolitan area networks. Our main clients are regions (Vysočina Region, Hradec Králové Region, Moravian-Silesian Region, Regions Olomouc and Pilsen), cities (Capital City of Prague), large municipalities and organizations constituted (owned) by the State.

Wide range of offerings by Asseco CE allows to appropriately complement the solutions by other products and services. These include solutions in the field of GIS and infrastructure

management of utility companies provided based on the experience acquired by the Company over the past twenty years in the development and implementation of geographic information systems (GIS), administrative systems for operation of technical equipment (Facility Management), web and portal solutions (Web) and integration based on service-oriented architecture (SOA). Asseco CE has solutions for utility companies, industrial companies and also state and local government businesses. The core products in this area are based on the latest technologies and standards and include the geographic information system **LIDS**, framework for creating communications and publishing portals **AG Portal**, a tool for record-keeping and asset management **AMES**, solution for process support in the distribution of manufacturing enterprises **TOMS** and system of management of work in the field based on work orders (and all related material information) sent to mobile devices - tablets of the mobile work crews (**WFMS** – Work Force Management System).

A special area of competence of Asseco CE is Transport Telematics which includes mainly **Intelligent Transportation Systems** (ITS). This solution allows a more efficient use of existing transport infrastructure, improving traffic flow that enables savings in time and fuel. The result of the introduction thereof is also a decrease of negative environmental impacts.

The Company's portfolio for the public segment contains the solution in the area of business intelligence which is an extension of the data from production systems and other reference data sources (record-keeping DB, etc.). It allows to generate statistical analysis and forecasting, data analysis by OLAP technologies and to prepare data as a basis for support of decision-making. The solution is designed for the field of economy, transport, education, subsidies and so forth. Another product of this group is a modular information system that allows management of all the aspects of record-keeping the flows of documents, quick search, procedural processing and archiving of documents and information.

The main objective of the newly established Division of Public Consulting will be to shortly establish Asseco CE in the education sector and with the Ministry of Labour. Following the project Služby NSK that is currently implemented, the intention is not only to apply for other projects in the field of lifelong learning, dual learning and education as such, but to become an equal partner and competitor to companies that are already active in this area. This ambition will be fulfilled by building a strong team of consultants who have expertise in these areas and use competences already acquired which Asseco gained in other sectors. The division has the same aspirations in the field of human resources and the related operational program under the Ministry of Labour, Social Affairs and Family.

Business Unit IT Infrastructure & Integration

The Business Unit Infrastructure & Integration is a provider of infrastructure solutions that cover all phases of the life cycle of these solutions from design through delivery and implementation to ensuring operation with the required level of service, including service under continuous availability and supporting the systems 7x24. Doing this, the division uses its long-standing experience in the development, delivery and operation of critical systems in the public sector, the financial segment, health care and utilities, and follows the standard methodology for effective delivery and management of IT systems. In line with current trends and using the latest technology, the Business Unit Infrastructure & Integration focuses in an increasing extent on the supply of integrated solutions up to the

level of "IT as a Service", allowing customers to focus on their core business, while using modern, flexible and efficient IT systems.

We work closely with other business units while preparing proposals so that the resulting solutions meet customer requirements for functionality, security, performance, availability, extensibility and scalability, administration and supervision. The infrastructure solutions supplied by us cover all infrastructure layers including the security project, server systems, networking and security, storage systems, database systems, middleware, application servers and user systems that are built according to the needs and requirements of the customer either "on premise" of the customer or in "the cloud". Asseco Central Europe provides call centre services and helpdesk in continuous operation to support external and internal customers.

The Business Unit Infrastructure & Integration ensures the supply of hardware, software licenses, network and supporting infrastructure and consumer devices, maintaining partnerships with most major manufacturers and distributors of these technologies.

Among the most important customers to whom the Business Unit Infrastructure & Integration delivered the design, supply, implementation and support of IT infrastructure are the Ministry of Interior of the Slovak Republic, Českomoravská stavební spořitelna, Czech Statistical Office, Supreme Audit Office of the Slovak Republic, GE Money Bank (delivery of an integrated database Oracle Exadata), Czech Social Security Administration (operation of the information and communication interfaces of e-Portal), administration of basic registers (operation of registers RPP and ROS), the capital city of Prague (operation of the CMC Information System), a subsidiary of DanubePay (support and operation of banking and payment systems).

The Business Unit Infrastructure & Integration also operates and develops internal information systems of Asseco Central Europe. In 2014, it built a unified network and video infrastructure among companies in the Czech Republic, Slovakia and Hungary that allows efficient sharing of knowledge and resources across the companies. The development teams of business units also benefit from continuously designed, implemented and managed development and testing environment necessary for the development of and subsequent support to customer solutions.

Business Unit ERP

Business Information Systems from the portfolio of our subsidiaries – Asseco Solutions - cover the needs of businesses of all sizes in various fields of business and public administration. Systems complement a wide range of services and partner programs. They are highly valued for their technological advancement and the other properties that result from perfect knowledge of the domestic market. Thanks to the geographical closeness of Asseco Solutions companies to local customers, the product portfolio can be better tailored to the specific requirements across sectors and countries and to offer a better service at a professional level. The selected proven local solution can also be introduced into commercial offer in other countries in the longer term.

Within the composition of Asseco CE is the competence in the field of corporate information systems known also under the HELIOS name.

6 SHAREHOLDER ' STRUCTURE OF ASSECO CENTRAL EUROPE, A. S.

According to the information available to the Board of Directors following shareholders exceeded the 5% share as at 31 December 2014 and 24 February 2015:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland, S. A.	19,973,096	19,973,096	93.51

The share capital of the Company as at 31 December 2014 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with a nominal value of EUR 0.033194 each.

7 PERSONNEL INFORMATION AND POLICY

Asseco CE is one of the major employers in the IT field in Slovakia and the Czech Republic. The personnel policy of this Company is based on the principles of honesty, transparency, respect, integrity, personal responsibility and trust. In practice this means the daily integration of these principles into the running of the Company, its behaviour and communication towards external and internal environment.

Given the focus of the Company, the highest percentage of employees are developers. Software engineers, analysts, system and database specialists, testers, project experts and consultants represent more than 89% of the total number of employees. The model based on the transfer of experts - business consultants directly into production divisions to connect developers and consultants to support the preparation and delivery of solutions to our customers has been successful.

The age structure of employees has traditionally been balanced. More than 60% of employees in Slovakia are in the age group 20-40 years, 20% of employees are younger than 30 years of age. However, the Company also employs employees over 50.

In the area of cooperation with universities, Asseco CE works both directly with academia and with student organizations. The Company has presented during the Days of Opportunities organized by the student organization IAESTE for several years in a row. In 2014, we also became an educational partner of the student organization AIESEC Bratislava and IAESTE. This is a cooperation within which Asseco CE prepares development trainings and workshops for students in exchange for help in building our brand as an employer among students. In addition, we are an active contributor in the contest Global Consulting Program carried out by the University of Economics in Bratislava and we prepare expert lectures for FIIT, FEI STU and the Pan-European University. Asseco CE also introduced the role of "ambassadors" who represent the Company among students. Our human resources strategy for the last year began to focus more on recruiting graduates and students - a quality workforce with added value.

7.1 Employment structure in the Asseco Central Europe

Number of employees	31 Dec 2014	31 Dec 2013
Board of Directors of the Parent Company	2*	3**
Production departments	359	319
Sales departments	6	5
Administration departments	29	20
TOTAL	396	347

* does not include Mr. Stoppani employed in Asseco Central Europe /CZ/.

** does not include two members (Mr. Stoppani and Mr. Levíček) employed in Asseco Central Europe /CZ/.

8 MARKET POSITION

8.1 Information technology market and future outlook

The Development of the Global IT Market

The development of the global IT market in 2015 should be accompanied by growth of the whole sector by 2.4%, at least according to Gartner forecasts. In total, therefore, the spend in five main categories should total \$ 3.8 trillion this year. Gartner previously counted with growth of 3.9%.

"The change in forecast is less dramatic than it might at first seem. The rising U.S. dollar is chiefly responsible for the change — in constant currency terms the downward revision is only 0.1 percent," said John-David Lovelock, vice president at Gartner.

The five categories mentioned are equipment, systems for data centers, software, IT services and telecommunications services. Unlike 2014, this year shall see a slight increase in each of these categories.

The growth in categories equipment and software should exceed 5%, while growth should not exceed 1% in the largest category of telecommunications services.

Gartner predicts growth of 5.1% in the category equipment and growth of only 3.9% in the category of smart devices. The total value of the equipment market should reach \$ 732 billion.

Segment of systems for data centers is to achieve value of \$ 143 billion at 1.8% growth this year. Compared to the earlier estimates, higher sales are expected in the areas of communication applications and enterprise networks. On the contrary, servers and external storage should see a decline caused by extended life cycle of hardware and businesses switching to cloud services.

Enterprise software is poised to be the fastest growing segment of IT this year with 5.5% growth. It should achieve the value of \$ 335 billion altogether. However, Gartner expects continued decline in prices and related market consolidation due to strong competition among producers of traditional software and cloud providers. For example, the CRM software market should lose 25% of its value in the period until 2018 because of this.

IT services segment is to grow by 2.5% to reach \$ 981 billion. Originally, Gartner expected growth of 4.1% in this segment. The reduction in the estimate is because of an expected decrease in revenue from technical support caused by enterprise software growing at a slower pace.

Telecommunications services, the largest of the five main categories, shall stagnate this year with marginal growth of 0.7%. The value of this segment is to reach 1.6 trillion dollars. Gartner adds that various factors will play a role in each national market, both positive and negative. It is, therefore, impossible to identify any specific trend that would determine the development of the segment during the year.

According to an IDC analysis, a dynamic transition to "third platform" of technological innovation and growth will be the key in the IT sector. The third platform concept is based on mobility, cloud services, big data analysis and social technologies.

Jan Široký, vice president and regional director for Central and South Eastern Europe from the company IDC, said that third platform technologies would represent a third of global spending on IT and 100% of IT growth in 2015. The third platform transforms the IT industry as well as other industries. This year will witness the most important period since its inception, a phase of massive adoption and innovation.

In the coming years, IDC expects a sharp increase of innovation based on this platform, supported by a new wave of technologies called innovation accelerators that significantly expand the use of the third platform in all sectors. These include for example the emergence of Internet of Things, robotics or 3D print in production.

According to IDC, a large part of global spending is to focus on third platform technology. IDC estimates that emerging markets will grow at a rate of 7.1% while developed markets by only 1.4% year-on-year. IT spend of 5.9 billion USD is expected in the Czech Republic, representing an increase of 0.6%.

The company Forrester even predicts in its new study 5.3% growth in the global ICT market in 2015 and 5.9% growth in 2016. The growth should be supported in particular by technologies aimed at the end user.

The software segment should be significant, growing - for example - by 9.2% to \$ 677 billion between 2015 and 2016. The impact of the new era focused on the end user will be reflected there as well, forcing companies to invest in new solutions.

Conversely, computers will represent "only" \$ 412 billion of the total in 2016, i.e. only a 5% increase in comparison with the year 2015.

In terms of national markets, Forrester expects that growth will be driven by the US market which is to grow by 6.3% this year and by 6.1% in the year 2016.

The fastest-growing countries should also include China, India, Israel and Sweden. On the contrary, a series of European countries, Japan and Russia are to be left behind.

8.2 Position of the Company in the IT sector

Asseco Central Europe and its subsidiaries won several major awards in 2014. The Company has ranked high in the Trend TOP in ICT ranking compiled by the weekly Trend each year. It scored again in 2014 and became No. 1 in three categories (IT Service Providers in Slovakia, Top IT Suppliers to Private Financial Sector, Top IT Supplier to Public Sector). Company dominates the category of IT Service Providers in Slovakia for several years in the row already. A more detailed overview of the Company's ranking is presented in the table below.

Category	Ranking
IT Service Providers in Slovakia	1.
TOP IT Suppliers to Private Financial Sector	1.
TOP IT Suppliers to Public Sector	1.
TOP IT Suppliers to Utility Companies	6.
TOP IT Suppliers to Services Providers	5.
Software Houses in Slovakia	2.
ICT Companies with the Highest EBITDA	2.
Suppliers of Information Technologies in Slovakia Ranked by Added Value	4.
The most profitable IT companies in Slovakia	2
Suppliers of Information Technologies in Slovakia Ranked by Sales	4.
Package Software Producers in Slovakia	3.

Source: Trend TOP in IT, the weekly Trend, May 2014

The Company did not miss also the rankings of TOP companies and organizations operation in Slovakia in various fields of business and non-profit sector. In the most important ranking - **Trend TOP 200** – Asseco Central Europe placed at the 126th position.

Here is a summary of some additional successes of Asseco CE:

- **1st place** in the ranking "**IT Service Providers in Slovakia**",
- **3rd place** in the ranking "**Package Software Producers in Slovakia**",
- **6th place** in the ranking "**The Largest Suppliers of Information Technology in Slovakia**",
- **48th place** in the ranking "**The biggest employers in Slovakia**",
- Asseco CE was the **36st** among **largest companies according to added value**. The Company thus ranks among companies that significantly contribute to the national GDP.

9 NEW PROJECTS, PRODUCTS AND SERVICES

Application Software for Information System Identifier of Individuals (IS IFO) of the Ministry of Interior

Asseco CE (in consortium with the company Gratex International) has concluded a contract with the Ministry of Interior of the Slovak Republic for the delivery of application software (AS) IS IFO, including delivery of hardware and licensed software products, as well as the necessary communication infrastructure that will be the output operating platform of AS IS IFO delivered to the customer. The scope of delivery includes supporting measures and

conversion programs, installation, setup of parameters and user settings, implementing AS IS IFO, interconnection and integration of IS IFO with selected external systems. The contract is for 24 months from its effective date.

The project, one of the fundamental elements of the interoperability of eGovernment, represents a new perspective to access personal data of Slovak citizens as regards the availability as well as security thereof. The solution of IS IFO shall prevent misuse of personal data.

Creation of the National Qualification System

The Company Asseco CE won a tender by the *Štátny inštitút odborného vzdelávania* of the Ministry of Education and has been working with it on creation of the National Qualification System (NSK Creation) from April. The delivery primarily spans consulting and organizational services where Asseco CE sees opportunities for development of new skills. The project NSK Creation is of importance to the society and will bring about a comprehensive view of the qualification system of our country as linked to the European Qualifications Framework. The project aims to define what a citizen needs to know, what skills to have to perform a specific job. Based on the project criteria for qualifications described in the qualification cards, one can be tested in the future. Setting up this system allows people to get a certificate, diploma or a certificate not only in a formal way (at school), but also non-formally (by practice) and by informal methods (self-study). It will help thousands of Slovaks to better enter the labor market in our country and abroad. The creation of NSK shall link the labor market and the education sector. It will help to clearly define the requirements for skilled workforce and transfer the requirements of the labor market into lifelong learning and education which can substantially help to maintain the competitiveness of our economy.

Czech Statistical Office - Delivery of the Key Elements of the Statistical Information System (SIS)

In November 2014, we successfully implemented, gained acceptance and delivered the project subject of which was the inclusion of the various functional blocks and the integration thereof into the existing customer environments.

At the same time, we started to deliver comprehensive service support, maintenance and user support of the various components of SIS. The CSO will therefore gain a new information system that can effectively promote the integration of processes, tools and technologies used in the assessment of user requirements, preparation and processing of statistical tasks, analyzing and publishing the statistical information collected and use it in a shared parameterized digital information eGovernment system of the CR.

Currently, the IS modules enter real (routine) operation and the whole system starts its everyday operation within the Czech Statistical Office.

e-Portal of the Czech Social Security Administration (ČSSZ)

The e-Portal of the Czech Social Security Administration was launched within the project to build the information and communication interface (IKR) of the ČSSZ that Asseco CE had worked to prepare for about 15 months and that was successfully handed over in 2014. Asseco CE was the main contractor responsible for the architecture of the entire solution and supply of its main components. The main objective was to extend the possibilities of electronic communication by ČSSZ with its clients through a new e-Portal that can easily be complemented by other services. The portal should also facilitate the work of employees

of the CSSA as it offers a new employee user interface and the computerization of administration. This IKR design is based on our experience with the project in the building of basic registers. The IKR is fully in line with the trend of eGovernment and is based on modern technology of service-oriented architecture (SOA).

During the year 2014, we successfully completed (together with our business partners) a project to implement interactive forms into the environment of the ČSSZ e-Portal. This makes the ČSSZ e-Portal one of the most advanced interfaces for communication of the state with the citizens in the Czech Republic. In principle, it forms the basis for the concept of full electronic filing which is one of the most important concepts of development of eGovernment for the next period of time.

Register of Rights and Obligations - Ministry of Interior of the Czech Republic

In December, our Company signed a contract to support the operation and development of a key system - Register of Rights and Obligations (RPP). This is one of the basic registers of the CR. We consider this project to be a prestigious one but we also understand it as an important reference in terms of volume and the actual operation. So far, our Company has a contract for 2015 and we would like to get a contract to support this system in the following years. The project included three information systems for the management thereof - AISs (Agenda Information Systems). These include the Editing AIS, Tasking and Special AIS. Each one is an autonomous system in scope, supporting RPP.

Consultation Project at the Ministry of Interior of the Czech Republic

As a member of a consortium E2020, we concluded a contract for the consulting project "Effective Development and Implementation of Government Policies in the Field of eGovernment" in February 2014; the scope of the project was to review eGovernment projects for the programming period 2007-2013, the creation of architectural maps the current state of eGovernment, a proposal for the target state in 2020 and draft project areas for transforming the current status quo into the newly defined target state. The proposed project areas are the basis for the definition of specific projects and challenges for the upcoming programming period. This project included a design of a system that allows to tie three important domains: strategy, design, architecture - as such, it is well suited for efficient management of the development of eGovernment in the Czech Republic.

The specific proposal of the architectural framework and development of rich architectural content is a major impetus for the final completion of the concept and implementation of GEA (Government Enterprise Architecture) in the Czech Republic. This will result in a significant progress of the Czech Republic in the field of eGovernment compared to the rest of the EU. The principles of the project can be applied to other departments and public bodies as a guide on how to work with these issues and thereby achieve a synergy with the central management of eGovernment development projects. The Asseco CE experts thus had the opportunity to effectively contribute to the further development of Czech eGovernment.

Implementation of the Notification Center Product for Slovenská sporiteľňa

At the end of the year, we managed to sign a contract for the implementation of the product Notification Centre for end client Slovenská sporiteľňa. The project foresees pilot deployment in autumn next year. The implementation of the product will extend the options (SMS, e-mail and push notifications for Android and iOS platforms) for the delivery of electronic notifications, increase the efficiency of service and decrease costs in this area.

The product takes into account the business priorities for the delivery of different types of notifications, supports automatic switching to an alternative delivery channel, is able to provide analytical information on the availability of the client on the channels which gives the customer the option to choose a cost-effective model for delivering notifications at the level of an individual client. The product also provides topping up prepaid cards of all mobile operators in Slovakia.

Financial Administration of the SR – MOSS

The Company deployed its system MOSS - Mini One Stop Shop. It was delivered to the Financial Administration of the Slovak Republic. MOSS allows registration of taxpayers providing selected electronic services in a simplified mode. Registration is not mandatory but brings about advantages in terms of reduced administrative burden in meeting tax obligations related to VAT. The goal of the implementation is to avoid multiple registration of operators in different Member States based on consumption. This system allows taxpayers to comply with their tax liability and record VAT payable in respect of the provision of those services in a unified manner through a web portal of the State in which they are registered. The taxpayers thus file one tax return and pay tax on all services supplied to EU countries in a single country. The system also enables the processing of payments related to the payment of VAT due and the distribution thereof and payment to other EU Member States. A part of the implementation of the system are statistical reports for monitoring the operation and use in the country of registration. The application for the MOSS system is available through the Portal of the Financial Administration to any user of the authorized electronic services who has the authority to act on behalf of the taxpayer.

Financial Administration of the SR – AVI

The Company implemented a solution for automatic data exchange for the Financial Administration of the Slovak Republic. The purpose of the AVI project is to ensure mandatory automatic exchange of information among EU Member States to support the fight against tax evasion and avoidance. Tax fraud and evasion is a global problem and the Member States lose billions of euros annually through tax fraud and evasion. To reduce these scams, automatic exchange of information in the AVI system includes information from the following areas: income from employment, royalties, life insurance, pensions and real estate. The first phase of implementation in the Slovak Republic will see the AVI system integrated with the Social Insurance Agency which will provide data on pensions. Part of the implementation of the system is statistics and reports designed to validate the received and transmitted data and monitor the system.

Contract with the National Health Insurance Company in Hungary

Asseco CE signed a contract with the national health insurance company in Hungary in September for the delivery of a project which aims to establish a uniform information background for a more effective functioning of the financing of health services. It includes the creation of a single contracting process and a central database of contracts between the state health insurance company (OEP) and other partners (providers, doctors, pharmacies, spas, etc.). The basic task of OEP is managing the Health Insurance Fund. The changing environment requires the creation of a funding process (processing health services, medicines, medical devices and treatment in a spa, etc.) and prepare it to work with the e-Recipe functionality. The task of Asseco CE is to create an appropriate information architecture and software environment, restore the data store of OEP, allow

access to data that can be controlled easily and to increase operational safety by employing modern information architecture and creating a secondary data center that can be used in case of a disaster. Finally, the project aims to lay the foundations of modern identification of persons in the department by adapting the project to work with the Central Office of Public Administration and electronic services.

ePobočka of Všeobecná zdravotná poisťovňa (VŠZP)

The aim of this project is to build a portal for clients of VŠZP that will include all the attributes of modern electronic communication with the insurance company. The client portal underwent a complete technology, graphics and security overhaul last year with redesigned and streamlined processes which led to a reduction in red tape and increased access to electronic services. ePobočka is available 24 hours a day and is intended for policyholders, payers of insurance and healthcare providers. As an example, ePobočka provides the insured extracts from their personal account of the insured person, reports on visits to physicians and reports on supplemental charges for medicines. Policyholders can easily apply for a European Health Insurance Card, find out who pays the premiums on their behalf or check data on healthcare provided to their child. Payers of premiums and healthcare providers have access to a number of practical functionality of ePobočka that simplify the process for them. When sending regular reports, they can choose the security level of the filing by picking electronic signature or certificate using a GRID card. Payers of premiums can check the status of their balance and an overview of legislation that will enable them to verify the amount and payment of their monthly advances and they can also access a table of annual balance. Health care providers will find their basic data, overview of patients who chose another health insurance company and an overview of prescriptions.

Development and Implementation of National Health Registers of the Czech Republic

In June, Asseco CE won two minitenders for the development and delivery of "National Registry of Reproductive Health" and "National Registry of Cardiovascular Surgery and Interventions" for the Coordination Center for Departmental Medical Information Systems of the Czech Republic. These span the supply of registers integrated into a single technology platform (JTP), developing tools for analyzing collected data, reporting from registers and data migration from legacy systems and databases. Acceptance of the work was scheduled to take place on October 30, 2014 and the deadline was met. The project has been in pilot testing by end users since November and the individual registers have been deployed into routine operation according to the needs and requirements of the professional community. By implementing the registers, the customer will gain registries operated and managed on a single platform, an environment and tools for effective analysis of collected data, as well as support of statistical processing and analysis thereof. The users of the registers will be the Institute of Health Information and Statistics and the professional medical community.

Operational and Technical Information System in Pražská plynárenská

In October 2014, Asseco CE successfully completed the implementation of the target concept of the operational and technical information system (PTIS) in the company Pražská plynárenská. This first phase of the project was handed over at the required quality and within deadline and was accepted without reservations. The satisfaction of the end

customer with the work done and the attitude of the workers of Asseco CE to the project contributed to a significant expansion of the project to implement other parts of PTIS.

The implementation of the operational and technical information system will be based on supply of the TOMS product and customization of the Applications, Construction, Maintenance, Operation and Management of Crews modules supported by web technology AG Portal. PTIS will be integrated into the surrounding IS, especially to SAP ERP, SAP CRM and GIS ESRI. The project will be implemented in several sub-phases with the whole project scheduled for completion in June 2016.

Teplárny Brno – Maintenance Management Concept

In February 2014, the Company Asseco CE won the tender to develop the concept of information support for maintenance management of production and distribution of heat and electricity in Teplárny Brno. The company is a manufacturer, distributor and marketer of heat and electricity in Brno and surrounding areas and supplies heat to about 100 thousand households and also to many businesses and institutions. Teplárny Brno have been our long-time customer who has been using the geographic information system LIDS since the mid-nineties to document primary and secondary heat distribution.

The new concept was prepared in the period April-September 2014 and served not only as a strategic basis for the development of ICT in the company but also as tender documentation for tender for the supply and implementation of a new information system to support maintenance processes.

Improving the Position of Routes of Distribution Networks of ČEZ Distribuce

In March 2014, an extensive project that had lasted for several years was successfully completed; it focused on improvement of GIS data of ČEZ and Asseco CE was the general contractor. The project started in 2010 and built upon the successful cooperation on previous projects completed for ČEZ. The extraordinary scope of the project is shown by the volume of processed data which required editing 100,000 km of the low voltage network, more than 26,000 substations schemes and tens of thousands of disconnecting cabinet schemes. The experience of this project has been used by the company in the processing of bids for a new contract with ČEZ for processing spatial data and we won (together with our subcontractor Hrdlička, a. s.) the bid called "Pilot Specification of Positions of Distribution Networks Routes of ČEZ Distribuce." We have got a contract for two regions to be implemented during the period December 2014 - May 2015.

New projects of the UTILITY division in Poland

In 2014, we successfully completed the implementation of asset management system in the main factory of the Polish chemical concern PKN Orlen. The solution based on our own modular system AMES was implemented in collaboration with our colleagues from Asseco Poland. The second chemical plant which will use our products will be the company SYNTHOS SA – we won the tender for supply of GIS for documentation of the site of the company, allowing us to extend our solutions from the Czech plant of the company SYNTHOS Kralupy nad Vltavou into the Polish parent company. The documentation of the site is built on our product LIDS 7, leveraging our more than twenty years of experience in managing documentation of industrial sites.

In September 2014, we started work under a subcontract for the agricultural division of Asseco Poland. A part of the supply for the Agency for Restructuring and Modernizing Agriculture (ARiMR) in the first phase is the provision of components for working with the

map in interactive applications for Polish farmers, serving to input applications for agricultural subsidies via the Internet. The implementation will be completed in the first quarter of 2015.

Network Inventory Centrum for the Project Internet dla Mazowsza

Since the beginning of 2014, Asseco CE has been a subcontractor involved in the project of implementation of high-speed networks in the Mazovia Region ("Internet dla Mazowsza", Poland). The extensive project financed by the European funds will include our Network Inventory Centre which serves to keep technical documentation of infrastructure and to provide the necessary information to other modules of the network management system (OSS, BSS) provided to the project by Asseco Poland. Our solution is based on our own product LIDS, mainly using its specialized module LIDS Telco.

The entire project will be completed and put into use during 2015.

10 ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO CENTRAL EUROPE, A. S.

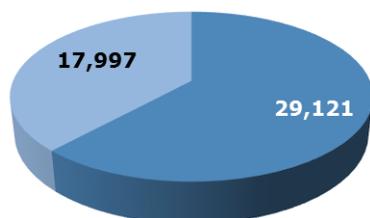
The Company reported the following financial results for the period of twelve months ended 31 December 2014 ("2014") and the comparative period of twelve months ended 31 December 2013 ("2013"):

SELECTED ITEMS	2014	Margin	2013	Margin	Change y/y
Sales revenues	47,118	--	35,315	--	33.4%
Gross profit on sales	8,833	19%	9,606	27%	-8.0%
Operating profit	6,164	13%	6,126	17%	0.6%
Pre-tax profit	19,059	40%	15,457	44%	23.3%
Net profit for the period reported	16,499	--	13,994	--	18%

The Company reported growth in sales by 33.4% in 2014 on year-on-year basis ("y/y"). A more detailed analysis of revenues reveals that the core revenues from proprietary software and services increased by 10.8% in 2014 y/y. Major change was in revenues from third-party software and hardware – increase by 99% y/y which was driven by increases in both its sub-categories - Third-party software and services (107%) and Computer hardware and infrastructure (94%) .

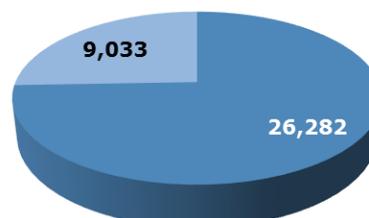
In spite of high revenues in 2014, the Company's results and profitability were still adversely influenced by the business environment in Slovakia. Limited new investments and general cost savings trends resulted in continuous price negotiations in both public and finance sector. Re-negotiated contracts include lower monthly fees, lower man-day rates and lower number of change requests.

Structure by type of revenues in 2014



■ Proprietary software and services
■ Third-party software and equipment

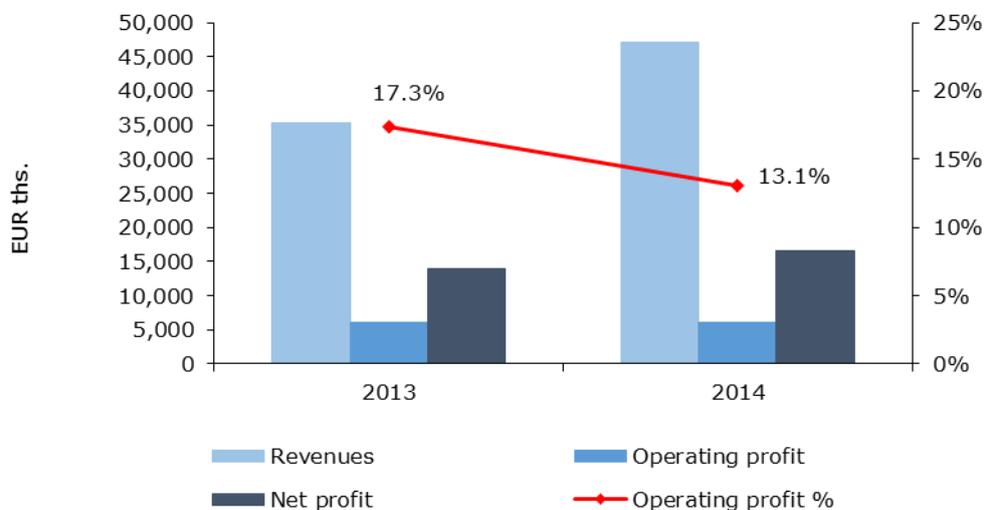
Structure by type of revenues in 2013



■ Proprietary software and services
■ Third-party software and equipment

All figures in thousands of EUR.

Due to relatively low margin from sale of 3rd party products and the higher utilization of human resources from Czech Republic the gross profit margin decreased to 19% in 2014. Cost savings in S&GA area contributed to increased operating profit in 2014 y/y (EUR 0.6 million).



Net financial income included lower intra-group dividends in the reporting period (by EUR -1.7 million y/y) and gain from the disposal of shares in Slovanet, a. s. (EUR 5.4 million) which resulted in higher 2014 pre-tax profit and net profit by EUR 3.6 million and EUR 2.5 million resp.

Analysis of concentration risks

Sales revenues to the following customers exceeded a 10% share on total sales of the Company in year 2014: Finančné riaditeľstvo Slovenskej republiky, Všeobecná zdravotná poisťovňa, a. s. and PosAm, s.r.o.

There are no suppliers exceeding 10% share in total revenues of the Company.

11 DESCRIPTION OF SIGNIFICANT RISKS AND THREATS

Market risks

Risks associated with the macroeconomic situation in the markets where the Company operates

Unpredictable development of the markets, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investments in the previous periods which may repeat in future, decline in public procurement due to budgetary restrictions or increase in inflation can have a negative impact on the activities and financial situation of the Company, its financial results and prospects of development. In the same way can the Company effect changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labour and social security. Especially adoption of legislation, when some of the activities provided by the private institutions will be eliminated and moved to the State responsibility (health insurance, social security and pension insurance and selected banking activities) may lead to adverse changes of our business.

Adverse changes in exchange rates, but clearly slowed by the introduction of euro in the Slovak Republic, especially in the case of Group companies that operate in the euro area and mostly invoice in euro could affect the actual amount of revenues from the projects.

Risks related to the increased competition in the IT market

The IT market in Slovakia, as well as in other Central and Eastern European countries, is rapidly evolving and becoming increasingly competitive. Competition is generally based on products' functionality, range of service offerings, customer service and price. Increasing competition on the IT market can have a negative impact on the ability of the Company to obtain new projects, which can result in reduction of profit margins and lead to a reduction in market share.

Risks linked with the development in the financial sector

Most of the Company's customers are customers from the financial sector, development in this sector will have an impact on the results of the Company.

Risk of becoming dependent on the key customers

Our business is highly dependent on new projects acquisitions from existing as well as new clients. With the growth of our services, including new segments and regions, our dependence on main projects is decreasing, however it remains significant. Dependence on major customers, few big projects and any difficulties in obtaining new projects may have an adverse impact on the Company's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affect adversely the operation activities, forecasts, financial results and situation of the Company.

Risk associated with the failure in successful development and introduction of new products and services

The market for our products and services is characterized by rapid technological advances, changes in customer requirements and evolving industry standards. Thus, in order to remain competitive and increase our operating revenues, we must successfully introduce new products and services, or develop enhancements to and new features for our existing services, in a timely manner. Otherwise, our product and service offerings may become obsolete, less marketable and less competitive and our business will suffer. Failure in the successful development and introduction of new products and services may adversely affect the business, prospects, results of operations and financial condition of our Company.

Regulatory and legal risks

Risk of changes in regulations and their interpretation

Asseco Central Europe SK was founded and operates in accordance with Slovak legislation. The Company is listed on the Warsaw Stock Exchange and is subject to the relevant legislation valid in Poland, which is available in Polish or English language. Furthermore, there is a risk of non-compliance of Polish or Slovak legislation with the legislation of the country where subsidiaries operate. There is an additional risk from not assessing the current situation of a subsidiary correctly from the public point of view. Interpretation of laws of a foreign legal system, with the inaccuracy of interpretation gives rise to the regulatory risk occurring in the environment in which Company operates.

Operating risks

Risk of losing the customers' trust

Most of the projects realised by the Company involve creating and providing to our clients' complex IT solutions. The complexity of these projects results in the risk of not meeting the contractual deadlines. There is also a potential risk that we will not be able to achieve all the targets set by our client in a given project. We are only partially able to manage this risk, since the development of solutions and thus the ability to provide them within the agreed milestones and business targets depend to a large extent on our clients and sometimes also on third parties, like state authorities in the case of some legal framework changes which influence our solutions. There are some typical contractual penalties or indemnification clauses involved in most of our agreements.

There is also a risk that not meeting certain deadlines or business or other targets set by our clients may result in worsening our relations with a particular client even if it will not result in any contractual penalties.

There is also a risk of undue performance of our solutions provided to our clients, even some time after the project is successfully closed. We try to manage this risk by implementing several testing procedures, both our own and those of our clients; however we are not able to manage fully this risk, and in particular we are not able to insure this risk.

Possible payment of contractual penalties, worsening our relations with a particular client or undue performance of our solutions may, to a certain extent, adversely influence the business, prospects, and results of operations or financial condition of our Company.

Risk related to adjusting our products to changes in law which may cause significant costs

The solutions we implement for our clients have to be in compliance with existing laws. As changes of law occur quite frequently in Slovakia and other CEE countries, we may be obliged to implement certain amendments to our solutions. On the basis of some agreements concluded with our clients, we are usually obliged to adjust our solutions in a very limited scope to the changing laws within the maintenance fee. More complex adjustments are made on a remuneration basis. In the process of budgeting we assume the potential consequences of changes in law. We cannot definitely exclude the risk that we may be subject to some financial losses in future due to the performance of these adjustments.

Risk related to limitation of cooperation with us by our main suppliers

Relationships with worldwide, well-known suppliers provide us access to the best technology supporting our competitive position on the market. As with all IT solutions providers, we may face the risk that one of our big suppliers, e.g. Microsoft or Oracle, may stop supporting a particular technology used in some of our projects. In our opinion, such steps are untypical for our business environment and, if they do happen, are always announced several years ahead and therefore there is a sufficient period to adapt. However, in the event that our main suppliers stop providing us their technologies and we would not be able to substitute them with other alternatives, we may face negative consequences on the business, prospects, and results of operations or financial condition of our Company.

Risk related to difficulties on the side of our sub-contractors

In some cases we provide our clients with solutions developed by our sub-contractors. The sub-contractors are in general obliged to service the solutions delivered by them. Our sub-contractors, in common with businesses generally, may face business and financial difficulties resulting in their becoming unable to fulfil their service obligations. This may negatively impact our credibility among our clients and adversely affect our business, prospects, and results of operations or financial condition.

In some particular projects having a role of integrator for the whole solution, we are not only responsible for our sub-contractors, but also for all other parties involved in the project, provided their solutions were chosen or recommended by us. In such cases any undue performance of the third-party solutions may also influence negatively our projects. This may adversely affect the business, prospects, and results of operations or financial condition of our Company. We protect ourselves from these adverse effects to some extent by implementing similar contractual penalties to agreements with our subcontractors as are contained in our agreement with the client. We also try to take part in key development works, may it prove to be ensuring the successful execution of the integration project.

General risks of acquisition of companies

We closed several acquisition transactions. There is a risk that the post-merger integration process will not be successful and some of the targets will not perfectly fit into our Group strategy.

Risk related to carrying out of public tenders

Our Company plans also in the future to participate in projects of the public sector, some of them co-financed from Operational programs of EU. Delay or restrictions of any kind of these projects could have an adverse effect on our business, prospects, and results of operations or financial condition.

Risks associated with the management of Asseco Central Europe

Our controlling shareholder has the ability to take actions that may conflict with the interests of other holders of our Shares.

The number of members of the Supervisory Board, which elect employees according to relevant provisions of the Statute, may not be consistent with the law.

Insurance policy may not cover all risks.

Rapid growth and development can lead to difficulties in obtaining adequate managerial and operational resources.

Company is dependent on key personnel, and their loss could have an adverse effect on the execution of IT contracts conducted by the Company, as well as on ensuring the required quality and range of services provided. At the same time, Company also faces the risk of persistence of difficult availability of IT professionals in the labour market.

Board of Directors members may take actions that may conflict with the interests of Supervisory Board members. Board members who resign, may require compensation.

Integration of management processes in the Company may be incorrectly interpreted and cause divergent decisions.

Polish courts issued rulings against the Company may be more difficult to apply in Slovakia than it would be if the Company and its management were in Poland.

Shareholders from Poland may have difficulty with the exercise of rights under the Slovak legislative.

Investors may not be able to sell shares of the Company at the expected price or the expected date due to the lack of an active or liquid market.

Excess supply of the Company shares on the stock market may have an adverse impact on their price.

12 SIGNIFICANT EVENTS AND ACHIEVEMENTS OF THE ASSECO CENTRAL EUROPE, A. S.

General Shareholders Meeting

On 9 April 2014, the Ordinary General Meeting of Shareholders adopted resolutions regarding approval of the Board's report on the business activities of the Company for the financial year 2013 and approval of the Board's report on the business activities of the group for the financial year 2013.

Furthermore, the Ordinary General Meeting of Shareholders adopted resolution regarding approval of Company's annual financial statements for the financial year 2013 and consolidated financial statements for the financial year 2013.

The Ordinary General Meeting of Shareholders adopted also resolution on distribution of the profit and payment of dividend for the year 2013 in the amount of EUR 13,993,714.80 as follows:

- EUR 6,090,514.80 to transfer this amount to the account of retained earnings,
 - EUR 7,903,200.00 to split between shareholders as dividends.
- The dividend per share was EUR 0.37.

Important business contracts realized by the Company

- Contract with State Institute of Vocational Education – creation of National System of Qualifications (contract signed in reporting period)
- Contract with Ministry of Interior of the Slovak Republic - Information System of Natural Person Identifier (contract signed in reporting period)
- Contract with Všeobecná zdravotná poisťovňa – ePobočka (contract signed in reporting period)
- Contract with Erste Group IT SK, spol. s r. o. – e-banking for Slovenská sporiteľňa (contract signed in reporting period)
- Contract with Union Health Insurance Company & Union Insurance Company - delivery of the Paperless office project and its components (contract signed in reporting period)
- Contracts with Financial Administration of the Slovak Republic – ADMIS, DWH and interface to new production system, MOSS and AVI implementation (contracts signed in reporting period)
- Contract with OEP, Hungary – implementation of comprehensive information system (contract signed in reporting period)

13 ADDITIONAL INFORMATION

13.1 Indication of proceedings pending before courts and public administration

Currently there are no ongoing proceedings before the courts, the authority responsible for arbitration proceedings or public administration bodies, in which the party would be Asseco Central Europe, a. s. which would be subject to claims or liabilities of at least 10% of the equity of the Company.

13.2 Information about seasonality

Production of the Company is subject to the usual seasonality observed across the IT industry. According to past experience most of the Company revenues are generated in the fourth quarter, when investments budgets are realized by the customers.

13.3 Information on dividends paid or declared

According to information published in the Prospectus, the Company has not declared a dividend policy.

During the year 2014 and 2013 the Parent Company paid out to its shareholders a dividend for the year 2013 and 2012, respectively. See section II. MANAGEMENT REPORT note 12 for more details.

13.4 Information on changes in contingent liabilities or contingent assets

Information on contingent liabilities or contingent assets are presented in the Note 25 and Note 26 of the Company's financial statements.

13.5 Related party transactions

Transactions of the Company with related parties are provided in the Note 22 and Note 23 of the financial statements of the Company.

13.6 Loans, loan agreements, sureties, guarantees and commitments

Loans granted and loans collected are presented in the Note 16 of the financial statements of the Company. Commitments and contingent liabilities are provided in the Note 25 and Note 26 of the financial statements of the Company.

13.7 Opinion on feasibility of the Management's financial forecast for 2014

The Board of Directors of the Company did not publish any forecast for 2014.

13.8 Management of financial resources

The financial resources of Company consist of operating activities.

The Company holds surplus funds with licensed banking institutions, in form of term deposits with minimal risk. The Company does not invest in securities for short-term appreciation of resources other than those reported in the Note 17 of the financial statements of the Company.

The Company generally fulfils its obligations on time. If necessary, the Company is able to react to short-term lack of liquidity by using intercompany loans.

13.9 Evaluation of feasibility of investment projects

All of the investment transactions were planned in a way that they should not limit or threaten the ongoing character of operating activities of the Company and the financial liquidity of individual companies of the group. Moreover, the Company plans to continue reinvesting in the assets, which are used for operating activities.

13.10 Factors and events, particularly of unusual character, having an impact on financial results

There were no one-off transactions having significant impact on financial results of the Company in 2014.

13.11 Characteristics of the factors relevant to the development of the Company

External factors affecting future financial performance of the Company include:

- Development of economic situation in the countries of Central Europe and economic situation in the customers market.
- Level of demand for IT solutions in the financial sector.
- Level of demand for IT solutions in public administration.
- The rapid pace of technological development.
- Actions of competitors from the IT industry.
- Exchange rate volatility.

Internal factors affecting future financial performance of the Company include:

- Realization of customer contracts.
- Results of tenders and negotiation of new contracts in the IT sector.
- Cooperation and synergies resulting from the collaboration of companies within the group in order to maintain competitive advantages and strengthening the group's position in the market.
- The Company's management expects further integration of the group companies, based on planned synergies enabling more benefits for Asseco Central Europe SK and CZ and Asseco Solutions SK and CZ in the future.

13.12 Changes in the basic principles of management of the Company

In the reporting period, there were no changes in the basic principles of management of Company.

13.13 All agreements between the Company and its management, providing compensation in case of their resignation or dismissal

Asseco Central Europe, a. s. has not entered into agreements with its management, providing for compensation in case of their resignation or dismissal.

13.14 Information on salaries, bonuses or benefits for managers and supervisors

Information on salaries, bonuses or benefits for managers and supervisors are presented in the Note 31 of the financial statements.

13.15 Information about existing agreements that may result in future changes of the proportions of shares held by existing shareholders

Asseco Central Europe, a. s. is not aware of any agreement which could result in changes in the proportion of shares held by existing shareholders.

13.16 Information about share based payment transactions

The Company does not conduct employee share schemes.

13.17 Agreement with the entity authorized to audit financial statements

General Shareholders Meeting of Asseco Central Europe, a. s. approved the selection of Ernst & Young Slovakia, spol. s r.o. with registered seat at Hodžovo námestie 1/A Bratislava, SKAU Licence No. 257 as independent auditor for standalone and consolidated financial statements of Asseco Central Europe, a. s. for the year 2014.

Detailed information about the total audit fees charged to Asseco Central Europe, a. s. are presented in the Note 30 of the financial statements of the Company.

13.18 Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Signatures of all members of the Board of Directors of Asseco Central Europe, a. s. under the Management report on activities of the Asseco Central Europe for the 2014 year



Jozef Klein
Chairman of the
Board



Marek Grác
Member of the
Board



David Stoppani
Member of the
Board



Branislav Tkáčik
Member of the
Board

24 February 2015, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Asseco Central Europe, a. s. on the reliability of the financial statements of the Asseco Central Europe, a. s. for the period from 1 January to 31 December 2014.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the financial statements for the period from 1 January to 31 December 2014 have been prepared in accordance with the rules under International Financial Reporting Standards, International Accounting Standards and related interpretations published by the European Commission and give a true and fair financial position of the Company and its financial performance and that the report shall include a true picture of the development and achievements and the Company, including a description of the main threats and risks.



Jozef Klein
Chairman of the
Board



Marek Grác
Member of the
Board



David Stoppani
Member of the
Board



Branislav Tkáčik
Member of the
Board

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the financial statements of Central Europe, a. s. for the period from 1 January to 31 December 2014.

This Board of Directors of Asseco Central Europe, a. s. declares that the entity authorized to audit the financial statements of the Asseco Central Europe, a. s., i.e. Ernst & Young Slovakia, spol. s r. o., with seat in Bratislava was chosen in accordance with the law. Entity and the auditors who audited the report fulfilled the conditions of an impartial and independent opinion about the study, in accordance with applicable law.



Jozef Klein
Chairman of the
Board



Marek Grác
Member of the
Board



David Stoppani
Member of the
Board



Branislav Tkáčik
Member of the
Board

24 February 2015, Bratislava

A 3D-rendered road with yellow double lines curving into the distance, set against a light blue gradient background.

REPORT ON COMPLIANCE
of Asseco Central Europe, a. s.
with the corporate governance standards

February 24, 2015

Declaration of Asseco Central Europe, a. s. on compliance with the Corporate Governance Standards, prepared pursuant to §91 sect. 5 item 4 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, dated 19 February 2009 (Journal of Laws No. 33, item 259)

I. THE SET OF CORPORATE GOVERNANCE STANDARDS APPLICABLE TO THE ISSUER AND THE PLACE WHERE IT IS PUBLICLY AVAILABLE.

Asseco Central Europe, a. s. („the Company”) is bound by the Code of Best Practice for WSE Listed Companies adopted by a resolution of the Supervisory Board of the Warsaw Stock Exchange No. 19/1307/2012 dated 21 november 2012. Full text of the Code of Corporate Governance is available on web page <http://www.corp-gov.gpw.pl>. The report on corporate governance standards applied by Asseco Central Europe, a. s. was published in the Company's current report No. 15/2008 of 13 March 2008 as well as in the Report on Compliance with the Corporate Governance Standards in 2008, 2009, 2010, 2011, 2012 and 2013 prepared pursuant to §91 sec. 5 item 4 of the Regulation of the Minister of Finance dated 19 February 2009 published for year 2008 on 18 February, for 2009 on 11 March, for 2010 on 15 March, for 2011 on 8 March, for 2012 on 1 March and for 2013 on 4 March. Furthermore, the Company made a declaration of compliance with the corporate governance standards, which has been published on our corporate website www.asseco.com/ce, in the Investor Relations section.

II. CORPORATE GOVERNANCE STANDARDS WHICH HAVE BEEN PARTIALLY OR ENTIRELY WAIVED BY THE ISSUER AND THE RATIONALE FOR DOING SO.

The Company’s Board of Directors decided to abandon application of the following corporate governance rules:

Rule No.	Rule	Our comment
II.1.11.	A company should operate a corporate website and publish information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company’s General Meeting.	We apply this rule in a limited scope, i.e., the Company discloses information on shareholders holding not less than 5% of the total number of votes at the general meeting in the form of a current report. Information on stakes held by members of our Board of Directors and Supervisory Board is disclosed in our periodical reports.
II. 3.	Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the	We apply this rule in line with our binding Articles of Associations. The powers of the Supervisory Board include <i>inter alia</i> granting consent for entering into agreements between the Company and members of its Board of Directors and Supervisory Board, our shareholders or

	operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U. No. 184, item 1539, as amended).	entities linked with the Company or entities having capital or personal connection to members of our Board of Directors, Supervisory Board or our shareholders.
II.7	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	We do not apply this rule. We are registered in Slovakia and our General Meetings take place in Slovakia. The possibility of some of our Polish shareholders to participate in General Meetings may be limited. In order to make this easier for our shareholders, we plan to organize, in Poland, meetings preceding the General Meeting at a convenient time and place. These pre-meetings will allow all shareholders to register and discuss topics intended to be subject matter of the General Meeting. They will be able to grant powers of attorney to persons delegated by us to such meetings.
III.1.1)	In addition to its responsibilities laid down in legal provisions the Supervisory Board should: once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system.	We apply this rule in a limited scope, i.e. annual reports signed by Board of Directors include information regarding evaluation of the Company's situation.
III.4.	A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	We apply this rule in a limited scope, i.e., our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. Asseco Poland has a very similar business activities profile and potentially acceptance of this rule could be impossible or could complicate the activities of our Supervisory Board.
III.6	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board</i> . Irrespective	We apply this rule in a limited scope, i.e. our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. One Supervisory Board member is appointed by our employees. For these reasons, the Board of Directors is not able to ensure compliance with this rule.

	of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	
III.8	Annex I to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors...</i> should apply to the tasks and the operation of the committees of the Supervisory Board.	We apply this rule in a limited scope, i.e., our Supervisory Board shall act on the basis of the laws of the Slovak Republic.
IV.6	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	The Company acts on the basis of the regulations in force in the Slovak Republic and, as a company listed on the WSE, is obliged to obey the regulations in force in Poland. In the case of dividend payments, the Company must adjust the method of payment to the two systems. For this reason, there might be a slight delay between the day on which a right to a dividend is established and the day the dividend is actually paid.

III. MAIN FEATURES OF THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS APPLIED BY THE ISSUER IN THE PROCESS OF PREPARING ITS SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS.

The Company's separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Both IAS and IFRS include interpretations approved by the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key control mechanisms in the process of preparing the Company's financial statements involves periodical verification of such financial statements by an independent certified auditors, and in particular the review of semi-annual financial statements as well as the preliminary and final audits of annual financial statements.

Certified auditors are selected by the Company in such a way as to ensure that their entrusted tasks are performed impartially. For the sake of such impartiality, the Company changes the entity authorized to audit its financial statements at least once every five years. The change of certified auditors should be also understood as changing the individual carrying out the audit. Certified auditors are each year selected by the Supervisory Board from among reputable auditing firms, which can guarantee high standards of service and independence. Auditing agreements are concluded for one-year periods.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the Company's Board of Directors adopted the following documents:

1. Company Organizational Regulations,
2. Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards,
3. Quality Management System ISO 9001:2000,
4. Numerous internal procedures regulating the Company's operations with significant exposure to risk.

Quality of the accounting data, which provide basis for the preparation of financial statements, is additionally guaranteed by the fact that the Company's accounting books are maintained in an integrated ERP system.

The Audit Committee, established from among Members of the Supervisory Board, plays an important role in internal control of the preparation of separate and consolidated financial statements. This committee is entitled to perform financial auditing activities within the company and in particular to:

- monitor the financial reporting process;
- monitor efficiency of the internal control, internal audit and risk management systems;
- monitor performance of the financial audit activities;
- monitor independence of the certified auditor as well as of the entity authorized to audit financial statements.

The internal control and risk management procedures applied in the process of preparing the financial statements of Asseco Central Europe are very effective and enable production of high quality reports, which is best proved by the opinions issued by certified auditors following their audits of the Company's annual financial statements.

IV. SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SIGNIFICANT STAKES OF SHARES INCLUSIVE OF THE NUMBERS OF SHARES AND EQUITY INTERESTS HELD, AND THE NUMBERS OF VOTES AND VOTING INTERESTS THEY ARE ENTITLED TO AT THE GENERAL MEETING OF SHAREHOLDERS.

To the best knowledge of the Company's Board of Directors, as at the publication date of this report, i.e. at 24 February 2015, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total votes at the General Meeting of Shareholders were as follows:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	19,973,096	19,973,096	93.51

V. HOLDERS OF ANY SECURITIES CARRYING SPECIAL RIGHTS WITH REGARD TO CONTROL OF THE COMPANY AND DESCRIPTION OF SUCH RIGHTS.

None

VI. LIMITATIONS ON THE EXERCISE OF VOTING RIGHTS, SUCH AS LIMITATIONS ON VOTING BY HOLDERS OF A CERTAIN PORTION OR NUMBER OF VOTES, TIMING LIMITATIONS ON VOTING, OR OTHER PROVISIONS UNDER WHICH, IN COOPERATION WITH THE COMPANY, OWNERSHIP OF SECURITIES IS DEPRIVED OF SOME RIGHTS INCIDENTAL THERETO.

None

VII. LIMITATIONS ON TRANSFERABILITY OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES.

None

VIII. RULES REGARDING APPOINTMENT AND DISMISSAL OF THE MANAGEMENT MEMBERS AND DETERMINING THEIR AUTHORITY, IN PARTICULAR THE RIGHT TO DECIDE ON ISSUANCE OR REDEMPTION OF SHARES.

The Board of Directors is the statutory body that manages the Company and acts on its behalf. Two members of the Board of Directors acting jointly are entitled to represent the Company. The Board of Directors decides all matters related to the operations of the Company unless the matter lies within the competence of the General Meeting or the Supervisory Board. Any 2 (two) members of the Board of Directors shall act jointly on behalf of the Company in all of the Company's matters towards third parties.

Members of the Board of Directors are elected for the period of 5 (five) years and recalled by the Supervisory Board of the Company. The Supervisory Board shall at the same time determine which of the members of the Board of Directors shall be the Chairman of the Board of Directors. If in accordance with the Articles of Association the Supervisory Board fails to elect/recall the member(s) of the Board of Directors or to appoint the Chairman of the Board of Directors, the General Meeting shall elect/recall members of the Board of Directors, appoint the Chairman of the Board of Directors in accordance with the Articles of Association. A repeated election is possible.

IX. RULES REGARDING AMENDMENT OF THE ISSUER'S ARTICLES OF ASSOCIATION

Commercial Code (Journal of Laws No. 513/1991) applicable in the Slovak Republic regulates the formal requirements for change of the Articles of Association in joint stock companies under § 173 and 174. Articles of Association of Asseco Central Europe, a. s. does not provide specific provisions governing the amendment of the Articles of Association, i.e. the Company applies the provisions of the Commercial Code in force in the Slovak Republic (Commercial Code), according to which a change of the Company Articles of Association requires a resolution of general meeting and the introduction of new wording to the Registrar of District Court Bratislava I.

If the general meeting agenda includes a change of the Articles of Association, the notice of general meeting must include at least a summary of the proposed changes. The draft amendments to the Articles of Association must be made available to shareholders for inspection at the premises of the company within a general meeting. The resolution of the general assembly to amend the Articles of Association requires a two-thirds of shareholders

present at a general meeting and a notarial record must be prepared. After any change to the Articles of Association of the Board shall be obliged to prepare the full text of the Articles of Association and is responsible for its completeness and correctness.

X. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THE EXERCISE THEREOF, AND IN PARTICULAR THE RULES SET FORTH BY THE BYLAWS OF THE GENERAL MEETING OF SHAREHOLDERS PROVIDED SUCH BYLAWS HAVE BEEN ADOPTED, UNLESS SUCH INFORMATION IS DETERMINED DIRECTLY BY THE PROVISIONS OF LAW.

The General Meeting shall be the supreme body of the Company. All shareholders and/or their proxies authorized under power of attorney, as well as other persons/entities shall have the right to participate in the General Meeting in compliance with provisions of the Articles of Association of the Company.

Members of the Board of Directors and the Supervisory Board shall attend the General Meeting. The General Meeting shall be held at least once per year and it shall be convened by the Board of Directors.

The General Meeting shall usually take place in Bratislava in the Company's registered seat. The General Meeting may be also held in another place determined by the Board of Directors during convocation of the General Meeting.

The Extraordinary General Meeting may be convened if the Company's interests require so, or in cases provided for by the generally binding legal regulations and/or the Articles of Association. The General Meeting shall be convened by the Board of Directors by publishing a notice of the General Meeting at least 30 (thirty) days before the date of the General Meeting in nationally circulated periodicals publishing news from the stock exchange.

In respect of difference in laws regulating operation of joint-stock company within two different systems of law, that means difference between Slovak laws, by which is regulated operation of the Company and Polish law regulating rules of trading with shares of the Company at Warsaw Stock Exchange, and for the purpose of explanation of these laws, the Board of Directors can call before each General Meeting an informational meeting of shareholders (further just „informational meeting“), which can happen in Bratislava and/or in Warszawa.

Informational meeting takes place not earlier than 5 and not later than 1 business day before the date of the General Meeting. The right of the shareholder to attend the General Meeting is checked upon an extract of the shareholder's account led by the member of Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with Articles of Association. The original extract from the shareholder's account must be in Slovak or English language in case it will be delivered directly by the depository (bank) to the address of Asseco Central Europe. In the event that the extract is delivered to the Shareholders' Meeting directly by the shareholder within the time specified in the invitation, it must be certified by a notary translation into Slovak language.

The shareholder may exercise its rights at the General Meeting either in person or through a proxy authorized under a written power of attorney. A shareholder's proxy authorized under a power of attorney may not be a member of the Supervisory Board of the Company.

During registration for the General Meeting the shareholders shall present the documents listed further below in order to allow for verification of their right to participate in the General Meeting:

I.

Original or officially authenticated copy from the extract of the shareholder's account led by the member of the Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in the Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with the Articles of Association.

and

II.

(a) if the shareholder is an individual:

- a valid ID Card or a valid passport or another document replacing the above documents;

(b) if the shareholder is a legal entity:

- an original or an officially verified copy of the Excerpt from the Commercial Register not older than 3 (three) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting, and
- its statutory body; members of the statutory body authorized to act in the name of the Company who are attending the General Meeting shall submit a valid ID Card or a valid passport or another document replacing the above documents;

(c) a proxy – an individual:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;
- a valid ID Card or a valid passport or another document replacing the above documents; and
- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register in respect of the shareholder not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

(d) a proxy – a legal entity – represented by its statutory body:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;
- an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting,
- a valid ID Card or a valid passport or another document replacing the above documents of the statutory representative of the proxy; and
- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

The official language of the General Meeting is the Slovak. If a shareholder needs a translation into a foreign language, it must be provided by the shareholder at the shareholder's costs.

The General Meeting decide about all questions by two-thirds vote majority of present shareholders, except cases, when the generally binding legal acts require higher number of votes of shareholders (more).

The number of a shareholder's votes shall depend on the nominal value of shares held by such shareholder. Each share with a nominal value of 0.033194 EUR shall represent one vote.

Minutes must be taken from every General Meeting in respect of its course.

The following issues shall be entrusted in the scope of competence of the General Meeting:

- (a) amendments to the Articles of Association of the Company,
- (b) deciding on increase and decrease in the registered capital, on authorization of the Board of Directors to increase the registered capital pursuant to Section 210 of the Commercial Code and to issue bond
- (c) selection and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors, provided that the Supervisory Board does not decide on election/recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors pursuant to Article of Associations,
- (d) election and recalling of members of the Supervisory Board, except for the members of the Supervisory Board elected and recalled pursuant to Section 200 of the Commercial Code by employees of the Company,
- (e) approval of the Annual and Extraordinary Financial Statements, deciding on distribution of profit or payment for losses and determining the royalties,
- (f) deciding on transformation of the nature of securities issued as certificated securities into book-entry securities and vice-versa, if allowed by the generally binding legal regulations,
- (g) deciding on winding-up of the Company and on a change in its legal form,
- (h) deciding on termination of registration of the Company's shares for trading at the Stock Exchange and deciding on Company's ceasing to exist as a public joint-stock company,
- (i) approval of directives applicable to remuneration of members of the Company's bodies,
- (j) deciding on approval of an Agreement on transfer of the enterprise or Agreement on transfer of a part of the enterprise,
- (k) deciding on change of type of the Company's shares issued as registered shares to bearer shares and vice-versa;
- (l) deciding on division (split off) of the Company's shares into shares with lower nominal value;
- (m) deciding on further questions that the law or the Articles of Associations put under the scope of competence of the General Meeting or that the General Meeting acquires into its scope of competence by its resolution.

Other provisions of the course and organization of the meetings of the shareholders meeting, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

XI. COMPOSITIONS, LAST YEAR CHANGES IN THE COMPOSITIONS, AND OPERATIONS OF THE ISSUER'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES AND THEIR COMMITTEES.

THE SUPERVISORY BOARD

The Supervisory Board is the inspection body of the Company which supervises how the Board of Directors exercises its range of powers and how the business activity of the Company is conducted. The Supervisory Board shall have 5 (five) members. The term of office of the members of the Supervisory Board shall be five (5) years.

Members of the Supervisory Board shall be elected and recalled by the General Meeting. The principle shall apply at all times that 3 (three) members of the Supervisory Board shall be nominated by Asseco Poland, S.A., with its registered office in Rzeszów, Olchowa 14, 35-322 Rzeszów, the Republic of Poland, registered in the Register of Entrepreneurs of the National Court Register held by the District Court in Rzeszów, XII Commercial Division of the National Court Register under the KRS number 0000104838 and 1 (one) member of the Supervisory Board shall be nominated and elected by employees pursuant to valid legal regulations.

The range of powers and duties of the Supervisory Board shall include, in particular, without limitation:

- review of the Annual and Extraordinary Financial Statements of the Company;
- review and evaluation of the Reports of the Board of Directors on the activity and position of the Company and the companies controlled by it, as well as review and evaluation of proposals of the Board of Directors for distribution of profit and/or covering of losses;
- approval of annual budget of the Company;
- submission of a written report on results of the aforementioned reviews at the General Meeting;
- approval of rules for remuneration of members of the Board of Directors of the Company;
- convocation of General Meetings of the Company in compliance with the conditions set forth by the Commercial Code and these Articles of Association;
- other issues entrusted to the competence of the Supervisory Board by legal regulations and/or other provisions of these Articles of Association;
- election and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors;
- granting approval with procuration granted by the Board of Directors of the Company;
- approval for the Company to take/provide loans and credits, the value of which exceeds the value of the registered capital in one transaction or in whole series of connected transactions or, as the case may be, a corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company, or which have not been approved by a resolution of the General Meeting or of the Supervisory Board;
- approval of a sale and purchase of real estate property by the Company, including co-ownership interests in the real estate property regardless of the value of the title to the real estate property to be acquired or transferred, which have not been taken into account in the financial budget of the Company;
- granting approval with disposition of costs, including investment costs of the Company, in the amount exceeding ten times the value of the registered capital in one transaction or in a series of connected transactions or, as the case may be, the corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company;
- provision of any guarantees, security interests, any out-of-balance sheet obligations, acceptance of liability for damage which have not been taken into account in the financial budget of the Company;

- granting approval with establishment or creation of an easement on any part of the real estate property of the Company, which has not been listed in the financial budget of the Company,
- approval of a purchase or any other acquisition of ownership interests of other companies, shares, with entrance of the Company into other business companies, associations of legal entities, foundations or other investment funds;
- approval of sale of assets of the Company, the value of which exceeds 10% (ten percent) of the book value of the assets of the Company based on the last financial statements verified by an independent auditor, the sale of which has not been taken into account in the financial budget of the Company;
- granting approval with entering into agreements between the Company and members of the Board of Directors of the Company, the Supervisory Board of the Company, shareholders of the Company or, as the case may be, Dependent Entities or entities connected through capital or personally with members of the Board of Directors, members of the Supervisory Board or shareholders;
- granting approval with the acquisition and subsequent use of a specific amount of treasury shares within the total amount of treasury shares that the Company is entitled to acquire based on the prior decision of the General Meeting.

Other provisions of the course and organization of the meetings of the supervisory board, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2014:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2014-31.12.2014
Andrej Košári	Vice-Chairman	1.1.2014-31.12.2014
Ján Handlovský	Member (elected by employees)	1.1.2014-31.12.2014
Marek Paweł Panek	Member	1.1.2014-31.12.2014
Przemysław Sęczkowski	Member	1.1.2014-31.12.2014

The Ordinary General Meeting of Shareholders of the Asseco Central Europe, a. s. held on 9 April 2014 passed a resolution on the recalling and re-appointing of Mr. Adam Góral, Mr. Andrej Košári and Mr. Marek Paweł Panek as members of Supervisory Board of the Company and concurrently recommended the Supervisory Board to appoint Mr. Adam Góral as a Supervisory Board Chairman of the Company and Mr. Andrej Košári as a Supervisory Board Vice-Chairman of the Company. The Supervisory Board members appointed Mr. Adam Góral as the Chairman of the Supervisory Board of the Company and Mr. Andrej Košári as the Vice-Chairman of the Supervisory Board of the Company on 18

May 2014. The voting took place in accordance with Article 33.3 of the Statutes of the Company, referring to voting per rollam. Appointment came into effect on 18 May 2014.

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 24 February 2015:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2015-present
Andrej Košári	Vice-Chairman	1.1.2015-present
Ján Handlovský	Member (elected by employees)	1.1.2015-present
Marek Paweł Panek	Member	1.1.2015-present
Przemysław Sęczkowski	Member	1.1.2015- present

THE BOARD OF DIRECTORS

The Board of Directors is the statutory body of the Company which manages all the activity of the Company, acts on its behalf and represents it in legal acts. The Board of Directors decides all matters of the Company unless they fall within the powers of the General Meeting or the Supervisory Board pursuant to legal regulations or these Articles of Association.

The Board of Directors adopts a decision by majority of all votes of its present members.

The Board of Directors shall in particular, without limitation, to:

- a) ensure proper management of the Company's accounting and submit to the General Meeting for approval the Company's annual or extraordinary financial statements and a proposal for distribution of profit or covering of the Company's losses,
- b) together with the annual financial statements, submit to the General Meeting once a year a report on the business activities of the Company and the state of its assets and liabilities; this report shall form an integral part of the annual report prepared according to special regulations,
- c) submit to the Supervisory Board once a year information on fundamental intentions of the business management of the Company for the future period as well as the expected development of the state of assets and liabilities, finances and proceeds of the Company,
- d) upon request and within the term determined by the Supervisory Board submit a written report on the state of the business activity and assets and liabilities of the Company as compared with the expected development,
- e) inform the Supervisory Board without undue delay about all facts which may substantially influence the development of the business activity and the state of assets and liabilities of the Company, in particular its liquidity,
- f) upon request of the Supervisory Board, participate in meetings of the Supervisory Board and give its members additional information in the requested scope about submitted written reports,
- g) convene an extraordinary General Meeting without undue delay if it finds out that the Company's loss has exceeded one third of its registered capital or if this can be

- expected, and submit to the General Meeting proposals for measures; the Board of Directors shall also inform the Supervisory Board without undue delay about these facts,
- h) exercise its range of powers with due diligence and in accordance with interests of the Company and all its shareholders. In particular, it shall obtain and take into account all accessible information concerning the subject matter of decision-making, not to disclose business secret and confidential information and facts to third parties, if such disclosure might be detrimental to the Company or threaten interests of the Company and its shareholders. The obligation to keep confidential shall apply also after the expiration of the term of office of a member of the Board of Directors until such information becomes generally known,
 - i) ensure publication of data from financial statements verified by an auditor in accordance with Act on Accounting at the cost of the Company by publishing them in Commercial Bulletin,
 - j) submit all documents prescribed by law to the collection of deeds maintained by the relevant Commercial Register and submit motions for entry/change of entry of all data to be registered with the Commercial Register, and that within 30 days as of their occurrence,
 - k) with a prior consent of the Supervisory Board adopt principles for founding of a new company with an interest of the Company or acquisition of an interest in an existing company, as well as establishment of its branch office in the Slovak Republic or abroad,
 - l) observe provisions of relevant generally binding legal regulations, Articles of Association of the Company and decisions of its bodies;
 - m) executes budget of the Company, submits it for the approval of the Supervisory Board and after obtaining of an approval is responsible for its fulfillment.

Other provisions of the course and organization of the meetings of the Board of Directors, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 31 December 2014:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2014-31.12.2014
Marek Grác	Member	1.1.2014-31.12.2014
David Stoppani	Member	1.1.2014-31.12.2014

Radek Levíček has resigned from his position in the Board of Directors of Asseco Central Europe, a. s. According to Article 27.7 of the Statutes of the Company, the resignation came into effect on the date when the Board of Directors discussed the resignation, i.e. 10 November 2014.

The Supervisory Board of the Company at its meeting, held on 19 September 2014, adopted a resolutions on recalling and re-appointment of Mr. Jozef Klein as a Chairman of the Board of Directors of the Company with effect from 19 September 2014.

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 24 February 2015:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2015-present
Marek Grác	Member	1.1.2015-present
Branislav Tkáčik	Member	10.2.2015-present
David Stoppani	Member	1.1.2015-present

The Supervisory Board of the Company appointed Mr. Branislav Tkáčik as the Member of the Board of Directors. The voting took place on 27 January 2015 in accordance with Article 33.3 of the Statutes of the Company, referring to voting per rollam. Appointment came into effect on 10 February 2015.

PROCURATION

According to Article 14 of Slovak Commercial Code (Journal of Laws No. 513/1991) the Board of Directors of Asseco Central Europe, a. s. pursuant its resolutions decided on granting procuration to following persons:

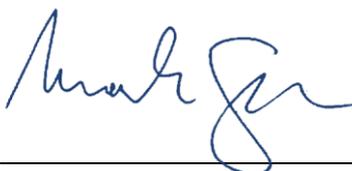
Martin Smutný
Michal Navrátil

According to Article of 34.2. a) the Supervisory Board of Asseco Central Europe, a. s. by its resolution has approved procuration granted by the Board of Directors of the Company.

Procurist acts on behalf of Company on its own, and when he signs the documents he shall state the commercial name of the Company, his name and in an addendum indicate his procuration, and attach his signature.



Jozef Klein
Chairman of the Board
of Directors



Marek Grác
Member of the Board of
Directors



David Stoppani
Member of the Board of
Directors



Branislav Tkáčik
Member of the Board of
Directors

Independent Auditors' Report

To the Shareholders of Asseco Central Europe, a.s.:

We have audited the accompanying separate financial statements of Asseco Central Europe, a.s. ('the Company'), which comprise the statement of financial position as at 31 December 2014, the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

24 February 2015
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Holly
UDVA Licence No.1072

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT



ASSECO CENTRAL EUROPE, a. s.

**SEPARATE FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2014

**PREPARED IN ACCORDANCE WITH THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS
as endorsed by European Union**

Bratislava, 24 February 2015

**FINANCIAL STATEMENTS
OF ASSECO CENTRAL EUROPE, a. s.
INCLUDING INDEPENDENT AUDITOR ´S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a. s.
INCLUDING INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

These financial statements were prepared on 24 February 2015 and authorized for publication by the Board of Directors of Asseco Central Europe, a. s. on 24 February 2015.

Board of Directors:

RNDr. Jozef Klein Chairman of the Board of Directors



Ing. David Stoppani Member of the Board of Directors



Ing. Marek Grác Member of the Board of Directors



Ing. Branislav Tkáčik Member of the Board of Directors



Person responsible for maintaining the accounting books:

Rastislav Mordavský Chief Accountant



PROFIT AND LOSS ACCOUNT
ASSECO CENTRAL EUROPE, a. s.

	Note	12 months ended 31 Dec 2014 (audited)	12 months ended 31 Dec 2013 (audited)
Sales revenues	<u>1</u>	47,118	35,315
Cost of sales (-)	<u>2</u>	(38,285)	(25,709)
Gross profit on sales		8,833	9,606
Selling expenses	<u>2</u>	(474)	(457)
General administrative expenses	<u>2</u>	(2,478)	(3,140)
Net profit on sales		5,881	6,009
Other operating income	<u>3</u>	329	228
Other operating expenses	<u>3</u>	(46)	(111)
Operating profit		6,164	6,126
Financial income	<u>4</u>	13,014	9,390
Financial expenses	<u>4</u>	(119)	(59)
Pre-tax profit		19,059	15,457
Corporate income tax (current and deferred portions)	<u>5</u>	(2,560)	(1,463)
Net profit for the period reported		16,499	13,994
Earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):			
<i>Basic consolidated earnings per share from continuing operations for the reporting period</i>	<u>6</u>	0.77	0.66
<i>Diluted consolidated earnings per share from continuing operations for the reporting period</i>	<u>6</u>	0.77	0.66

STATEMENT OF COMPREHENSIVE INCOME
ASSECO CENTRAL EUROPE, a. s.

	Note	12 months ended 31 Dec 2014 (audited)	12 months ended 31 Dec 2013 (audited)
Net profit for the reporting period		16,499	13,994
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		16,499	13,994

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

ASSETS	Note	31 Dec 2014	31 Dec 2013
		(audited)	(audited)
Non-current assets		84,534	75,711
Property, plant and equipment	<u>8</u>	898	814
Intangible assets	<u>9</u>	7,523	9,446
Investments in associates	<u>10</u>	430	-
Investments in subsidiaries	<u>11</u>	74,915	64,758
Deferred income tax assets	<u>5</u>	768	693
Current assets		43,811	41,467
Inventories		-	71
Deferred expenses	<u>13</u>	925	811
Trade accounts receivable	<u>15</u>	14,611	17,910
Other receivables and other assets	<u>15</u>	2,388	3,331
Loans granted	<u>16</u>	2,558	2,328
Other financial assets	<u>17</u>	2,774	745
Cash and short-term deposits	<u>18</u>	20,555	16,271
TOTAL ASSETS		128,345	117,178

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a. s.

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 Dec 2014	31 Dec 2013
		(audited)	(audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)			
Share capital	<u>19</u>	709	709
Share premium		74,901	74,901
Retained earnings		36,550	27,954
Total shareholders' equity		112,160	103,564
Current liabilities			
Trade accounts payable	<u>21</u>	6,986	4,271
Corporate income tax payable	<u>21</u>	892	1,295
Liabilities to the State budget	<u>21</u>	1,711	1,371
Other liabilities	<u>21</u>	2,666	2,123
Provisions	<u>20</u>	752	1,284
Accrued expenses	<u>21</u>	2,001	2,282
Deferred income	<u>21</u>	1,177	988
TOTAL LIABILITIES		16,185	13,614
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		128,345	117,178

STATEMENT OF CHANGES IN EQUITY
ASSECO CENTRAL EUROPE, a. s.

	Note	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2013	<u>19</u>	709	74,901	23,999	99,609
Net profit for the period		-	-	13,994	13,994
Dividend for 2012	<u>7</u>	-	-	(10,039)	(10,039)
As at 31 December 2013 (audited)	<u>19</u>	709	74,901	27,954	103,564
As at 1 January 2014	<u>19</u>	709	74,901	27,954	103,564
Net profit for the period		-	-	16,499	16,499
Dividend for 2013	<u>7</u>	-	-	(7,903)	(7,903)
As at 31 December 2014 (audited)	<u>19</u>	709	74,901	36,550	112,160

STATEMENT OF CASH FLOWS
ASSECO CENTRAL EUROPE, a. s.

		12 months ended	12 months ended
	Note	31 Dec 2014	31 Dec 2013
		(audited)	(audited)
Cash flows - operating activities			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		19,059	15,457
Total adjustments:		-	-
Depreciation and amortization	<u>2</u>	2,351	2,384
Changes in working capital	<u>24</u>	6,875	(7,573)
Interest income and expense		(106)	(206)
Gain on investing activities (including dividends)		(7,456)	(9,151)
Profit on disposal of intangible assets		(20)	(8)
Income/cost from financial assets		(5,381)	(32)
Other		30	(88)
Net cash generated from operating activities		15,352	783
Corporate income tax paid		(3,038)	(362)
Net cash provided by (used in) operating activities		12,314	421
Cash flows - investing activities			
Proceeds from disposal of tangible fixed assets and intangible assets		20	52
Acquisition of tangible fixed assets and intangible assets		(512)	(361)
Acquisition of other financial assets	<u>17</u>	(4,950)	-
Acquisition of subsidiary companies	<u>11</u>	(13,800)	(9)
Acquisition of associates	<u>12</u>	(430)	-
Proceeds from sale of other financial assets	<u>17</u>	2,945	3,330
Proceeds from sale of investment in subsidiaries	<u>11</u>	9,000	2,000
Settlement of derivative financial instrument		-	32
Loans granted	<u>16</u>	(1,040)	(1,081)
Loans collected	<u>16</u>	781	-
Interest received		130	399
Dividends received		7,804	8,796
Net cash provided by (used in) investing activities	-	(52)	13,158
Cash flows - financing activities			
Finance lease commitments paid		-	(6)
Interest paid		(75)	-
Dividends paid to shareholders of the parent entity		(7,903)	(10,039)
Net cash provided by (used in) financing activities	-	(7,978)	(10,045)
Increase (decrease) in cash and cash equivalents		4,284	3,534
Cash and cash equivalents as at 1 January		16,271	12,737
Cash and cash equivalents as at 31 December	18	20,555	16,271

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

Asseco Central Europe, a. s. (the "Company", "Parent Company", "Issuer") is a joint-stock company with its registered seat at ul. Trencianska 56/A, 821 09 Bratislava, Slovakia.

The Company was established on 16 December 1998. The original name of the company ASSET Soft, a. s. was changed to Asseco Slovakia, a. s. in September 2005. The new Company's name was registered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company changed its name from Asseco Slovakia, a. s. to Asseco Central Europe, a. s. and registered it in the Commercial Register of the Slovak Republic on the same day.

Since 10 October 2006, the Company's shares have been listed on the main market of the Warsaw Stock Exchange.

The parent company of Asseco Central Europe, a. s. is Asseco Poland SA (the higher-level parent company). As at 31 December 2014, Asseco Poland SA held a 93.51% stake in the share capital of Asseco Central Europe, a. s.

The period of the Company's operations is indefinite. Asseco Central Europe, a. s. is the parent company of the Asseco Central Europe Group (the "Asseco CE Group"). The business profile of Asseco Central Europe, a. s. includes software and computer hardware consultancy, production of software, as well as supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company's business activity is classified as "information technology".

In addition to comprehensive IT services, the Company also sells goods including computer hardware. The sale of goods conducted is to a large extent connected with the provision of software implementation services. These financial statements provide a description of the Company's core business broken down by relevant segments.

These financial statements cover the period of 12 months ended 31 December 2014 and contain comparative data for the period of 12 months ended 31 December 2013 in the case of the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2013 in the case of the statement of financial position.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union ("IFRS") for the current and comparative period. Asseco Central Europe, a. s. has applied the IFRS since 2006.

II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING FINANCIAL STATEMENTS

1. Basis for preparation of financial statements

The financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments which were measured at their fair value.

The presentation currency of these financial statements is euro (EUR), and all figures are presented in thousands of euro (EUR), unless stated otherwise.

These financial statements were prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future.

Up to the date of approval of these financial statements, no circumstances indicating a threat to the Company's ability to continue as a going concern have been identified.

2. Compliance statement

These financial statements have been prepared in accordance with International Financial Reporting Standards endorsed by the European Union ("IFRS"). At the date of authorisation of these financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is a difference between International Financial Reporting Standards and International Financial Reporting Standards endorsed by the European Union. The Group applied the possibility existing for the companies applying International Financial Reporting Standards endorsed by the EU, to apply IFRS 10, IFRS 11, restated IAS 27 and IAS 28 for the reporting periods beginning on 1 January 2014. IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

3. Significant accounting judgments, estimates and assumptions

Preparing financial statements in accordance with IFRS requires making judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been adopted on the basis of the Company management's best knowledge of the current activities and occurrences, the actual results may differ from those anticipated.

In the 12 months period ended 31 December 2014, the Company's approach to making estimates was not subject to any substantial changes on the prior periods. Details of the main areas subject to accounting estimates and management's professional judgment, whose estimates, if changed, could significantly affect the Company's future results, are given below.

***i* Operating cash flows assumed for valuation of IT contracts as well as measurement of their completion**

The Company executes a number of contracts for construction and implementation of information technology systems. Additionally, some of those contracts are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives; it also requires measurement of the progress of contract execution. The progress of contract execution is measured as a relation of costs already incurred (provided such costs contribute to the progress of the work) to the total costs planned, or as a portion of man-days worked out of the total work-output required.

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 31 December 2014, receivables from the valuation of IT contracts amounted to EUR 2,194 thousand, while liabilities due to such valuations equalled EUR 439 thousand. As at

31 December 2014, there were no embedded financial derivatives recognized in financial liabilities.

ii Rates of depreciation and amortization

The level of depreciation and amortization rates is determined on the basis of the anticipated period of useful economic life of the components of tangible and intangible assets. The Company verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

iii Impairment test of financial and non-financial assets

The Board of Directors regularly reviews whether there exist indicators of impairment of financial and non-financial assets. Amongst other the Company considered as a potential impairment indicator its market capitalization and dividends payments from subsidiaries. Upon assessment of triggering events, the Company concluded there were indicators of impairment related to its financial investments. The Company therefore tested its financial investments on impairment. This task required making estimates of value in use of financial investments. The value in use is estimated by determination of the future cash flows expected to be generated by the investments and determination of a discount rate to be used in order to calculate net present value of those cash flows. As at 31 December 2014, the carrying amount of financial investments was EUR 74,915 thousand. Refer to the Note 10 for details. As at 31 December 2014 market capitalization of Asseco Central Europe, a. s. presented amount of EUR 78,078 thousand.

4. Changes in the accounting principles applied – will change according to group principles

The accounting principles (policy) adopted in the preparation of these financial statements are coherent with those applied for the preparation of the Company's annual financial statements for the year ended 31 December 2013, except for applying new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2014:

- IFRS 10 *Consolidated Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IFRS 11 *Joint Arrangements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IFRS 12 *Disclosure of Interests in Other Entities* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- Amendments of IFRS 10, IFRS 11 and IFRS 12 *Transitional Provisions* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IAS 27 *Separate Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods

beginning on or after 1 January 2014. The Company has decided to apply the amended IAS from the annual period beginning on 1 January 2014;

- IAS 28 *Investments in Associates and Joint Ventures* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply the amended IAS from the annual period beginning on 1 January 2014;
- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting of Financial Assets and Financial Liabilities* – effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* (issued on 29 May 2013) – effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (issued on 27 June 2013) – effective for annual periods beginning on or after 1 January 2014;
- Amendments of IFRS 10, IFRS 12, and IAS 27 *Investment entities* – effective for annual periods beginning on or after 1 January 2014.

The Amendments and new standards have no material impact on the Company's financial position, comprehensive income and the scope of information presented in the Company's financial statements.

The Company did not decide on early adoption of any other standard, interpretation or amendment which has been published but has not yet become effective.

5. New standards and interpretations published but not yet in force – will change according to group principles

The following standards and interpretations were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC), but have not come into force:

- IFRS 9 *Financial Instruments* – effective for financial years beginning on or after 1 July 2018 – not yet endorsed by EU till the date of approval of these financial statements, approval by EU project postponed as at the date of approval of these financial statements;
- IFRIC 21 *Levies* – effective for financial years beginning on or after 1 January 2014, in EU effective at the latest for financial years beginning on or after 17 June 2014;
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* – effective for financial years beginning on or after 1 July 2014;
- *Annual Improvements to IFRSs 2010-2012* – some amendments effective for financial years beginning on or after 1 July 2014 and some effective prospectively for transactions occurring on or after 1 July 2014;
- *Annual Improvements to IFRSs 2011-2013* – effective for financial years beginning on or after 1 July 2014;
- *Annual Improvements to IFRSs 2012-2014* – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- IFRS 14 *Regulatory Deferral Accounts* – effective for financial years beginning on or after 1 January 2016 – decision about terms of performing particular steps resulting

in endorsement of the Standard has not yet been made by EFRAG – not yet endorsed by EU till the date of approval of these financial statements;

- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- IFRS 15 *Revenue from Contracts with Customers* – effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (issued on 12 August 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval these financial statements;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* (issued on 11 September 2014) – effective for financial years beginning on or after 1 January 2016– not yet endorsed by EU till the date of approval of these financial statements;
- Annual Improvements to IFRSs 2012–2014 (issued on 25 September 2014) – effective for financial years beginning on or after 1 January 2016– not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (issued on 18 December 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 1 *Disclosure Initiative* (issued on 18 December 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements.

The Board of Directors of the Parent Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Company is currently conducting an analysis of how the above-mentioned amendments are going to impact its financial statements.

6. Summary of major accounting principles

i. Translation of items expressed in foreign currencies

The functional currency of the Company as well as the reporting currency used in these financial statements is the euro (EUR).

Transactions denominated in foreign currencies are initially recognized at the functional currency exchange rate of the transaction date. Assets and liabilities expressed in foreign currencies are restated at the functional currency exchange rate of the balance sheet date. Foreign currency non-monetary items valued at historical cost are restated at the exchange rate as at the initial transaction date. Foreign currency non-monetary items valued at fair value are restated using the exchange rate as of the date when such fair value is determined.

The following exchange rates were applied for the purpose of valuation in the statement of financial position:

Currency	As at	As at
	31 Dec 2014	31 Dec 2013
EUR	1.00000	1.00000
USD	1.21410	1.37910
CZK	27.73500	27.42700
GBP	0.77890	0.83370
HUF	315.54000	297.04000
PLN	4.27320	4.15430

ii. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment write-downs. Any costs incurred after a tangible asset has been commissioned to use, such as costs of repairs and technical inspections, or operating fees, are expensed in the reporting period in which they were incurred. At the time of purchase, tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Such assets are depreciated using the straight-line method over their expected useful lives which are as follows:

Type	Period of useful life
Buildings and structures	12-20
Machinery and technical equipment	4-12
Transport vehicles	3-6
Computer hardware	4-12

The appropriateness of the periods of useful life and residual values applied is subject to annual review which results in relevant adjustments to the depreciation charges to be made in the subsequent years.

A tangible asset may be derecognized from the statement of financial position after it is disposed of or when no economic benefits are expected from its further use. Gain/loss on disposal of a tangible fixed asset is assessed by comparing the proceeds from such a disposal against the present book value of such an asset, and it is accounted for as an operating income/expense. Any gains or losses resulting from derecognition of a given item of property, plant and equipment from the statement of financial position (calculated as a difference between the net cash obtained from sales and the book value of this item) are recognized in the profit and loss account in the period in which the derecognition from the accounting books was made.

Investments in progress relating to tangible assets under construction are recognized at purchase price or production cost, decreased by any eventual impairment write-downs. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned into use.

iii. Intangible assets

Purchased separately or acquired as a result of merger of companies

Intangible assets purchased in a separate transaction are measured at initial recognition as cost. Intangible assets acquired as a result of a merger are measured at their fair value as at the date of merger.

The period of useful life of an intangible asset is assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over the expected useful life, and amortization charges are expensed appropriately in the profit and loss account. The periods of useful life, being the basis for determination of amortization rates, are subject to annual verification and, if needed, they are adjusted starting from the next financial year. Below are the periods of useful life adopted for intangible assets:

Type	Period of useful life
Cost of development work	2-5
Computer software	2-8
Patents and licences	2-8
Customer relations	2-7
Other	2-5

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Except for development work, intangible assets produced by the Company on its own are not capitalized, but the expenditures on their production are expensed in the profit and loss account for the period in which they were incurred.

Research and development work

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to reliably measure the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Any gain or loss resulting from derecognition of an intangible asset from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of such item) is disclosed in the profit and loss account for the period in which such derecognition was effective.

iv. Leasing

Finance lease agreements, under which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company, at the commencement of the lease term are recognized as assets and liabilities in the statement of financial position at the amounts equal to the fair value of the leased asset or, if lower, at the present value

of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability so as to obtain a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are charged as expenses directly in the profit and loss account.

Property, plant and equipment used under finance lease agreements are subject to depreciation over the estimated useful life or the leasing period, whichever is shorter.

Leasing agreements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of the leased asset, are treated as operating leasing. Lease payments under an operating leasing are recognized as expenses in the profit and loss account on a straight-line basis over the leasing period.

v. Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired. Should there be any indications of impairment, the Company estimates the recoverable value. If the book value of a given asset exceeds its recoverable value, impairment charges are made reducing the book value to the level of the recoverable value. The recoverable value is the higher of the following two values: fair value of an asset or cash-generating unit less selling expenses, or value in use determined for an asset if such an asset generates cash flows significantly independent from cash flows generated by other assets or other groups of assets or other cash-generating units.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

Impairment tests are performed annually for intangible assets with an indefinite period of useful life, assets under construction and those which are no longer in use. The remaining intangible assets are tested for impairment if there are indications of a possible impairment in value. If the book value exceeds the estimated recoverable value (whichever is the higher of the two following values – net sales price or value in use), the value of these assets are to be reduced to the recoverable value.

vi. Subsidiaries, Associated Companies and Joint Ventures

Securities and shares in subsidiaries, associated companies and joint ventures which are not classified as held-for-sale are recognized at the carrying value representing acquisition cost less potential accumulated losses of impairment. The Company used cost method for accounting of its shares in associated companies as at 31 December 2014.

Securities and shares in subsidiaries, associated companies and joint ventures classified as held-for-sale are recognized at whichever is the lower of carrying value or fair value less disposal costs

vii. Financial instruments

Financial instruments are divided into the following categories:

- Financial assets held to maturity;
- Financial instruments valued at fair value through profit or loss;
- Loans granted and receivables;
- Financial assets available for sale; and

- Financial liabilities.

All the financial assets are initially recognized at the purchase price equal to fair value of the effective payment, including the costs related to the purchase of a financial asset, except for financial instruments valued at fair value through profit or loss.

Financial assets held to maturity are investments with identified or identifiable payments and with a fixed maturity date which the Company intends and is able to hold to maturity. Financial assets held to maturity are valued at amortized cost using the effective interest rate. Financial assets held to maturity are classified as non-current assets if their maturity exceeds 12 months from the balance sheet date.

Financial instruments acquired in order to generate profits owing to short-term price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date. Changes in these financial instruments are recognized as financial income or expenses. Financial assets valued at fair value through profit or loss are classified as current assets, provided the Board of Directors intends to dispose them within 12 months from the balance sheet date.

Loans granted and receivables are carried at amortized cost. They are recognized as current assets unless their maturity periods are longer than 12 months from the balance sheet date. Loans granted and receivables with maturity periods longer than 12 months from the balance sheet date are recognized as non-current assets.

Any other financial assets constitute financial assets available for sale. Financial assets available for sale are carried at fair value, without deducting the transaction-related costs, taking into consideration their market value as at the balance sheet date. If the financial instruments are not quoted on an active market and it is impossible to determine their fair value reliably with alternative methods, financial assets available for sale are valued at the purchase price adjusted by impairment charges. Provided financial instruments have a market price determined in a regulated active market, or it is possible to determine their fair value in other reliable way, the positive and negative differences between the fair value and the purchase price of such assets available for sale (after deducting any deferred tax liabilities) is recognized in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, is recognized as a financial expense in the profit and loss account.

Purchases or disposals of financial assets are recognized in the accounting books at the transaction date. At the initial recognition they are valued at purchase price; this is at fair value plus the transaction-related costs.

Financial liabilities other than financial instruments valued at fair value through profit or loss are measured at amortized cost using the effective interest rate.

A financial instrument are derecognized from the statement of financial position if the Company no longer controls the contractual rights arising from such instrument; this usually takes place when the instrument is sold or when all the cash flows to be generated by this instrument are transferred to an independent third party.

viii. Trade accounts receivable

Trade accounts receivable, usually with payment terms ranging from 14 and 30 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectible receivables. Such an allowance for doubtful accounts is determined if it is no longer probable that the entire receivable amount will be collected. Doubtful accounts are expensed in the profit and loss account at the time when they are deemed uncollectible.

Where the effect of the value of money in time is material, the value of accounts receivable is measured by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time. If the discounting method is used, the increase in receivables over time is booked as financial income.

ix. Cash and short-term deposits

Cash and cash equivalents presented in the statement of financial position consist of cash kept in banks and in hand by the Company, current cash deposits with a maturity not exceeding 3 months, and other highly liquid instruments.

The balance of cash and cash equivalents disclosed in the financial statement of cash flows consists of the cash and cash equivalents as defined above. For the purposes of the statement of cash flows, the Company decided not to present current account credits (used as an element of financing).

x. Trade accounts payable

Trade accounts payable relating to operating activities are recognized and disclosed at the amounts stated on the invoices as received, and are recognized in the reporting periods to which they relate. Other liabilities to a significant extent also relate to operating activities although, in contrast to trade accounts payable, they were not invoiced.

xi. Derivative financial instruments and hedges

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Company utilizes currency forward contracts. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets or liabilities depending on whether their value is positive or negative.

Fair value of currency forward contracts is determined on the basis of the forward exchange rates currently available for contracts with similar maturity.

Gains and losses on changes in fair value of derivatives are recognized directly in profit or loss for the current financial reporting period, due to the fact that the Company does not use financial instruments which are qualified for hedge accounting.

xii. Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets is reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and assesses them collectively for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of a group of assets for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. This reversal of the impairment write-down is recognized in profit or loss to the extent that the carrying amount of the financial asset does not exceed its amortized cost at the date the impairment is reversed.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial assets available for sale

When there is objective evidence that a financial asset available for sale is impaired, then the amount of difference between the purchase cost of the asset (net of any principal repayments and amortization) and its current value decreased by any impairment charges on that financial asset, as previously recognized in profit or loss, is derecognized from equity and recognized in the profit and loss account. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, then the amount of such an impairment loss is reversed in the profit and loss account.

xiii. Inventories

Inventories are valued at the whichever is the lower of the following two values: purchase price/production cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company measures the cost of inventories consumed by using the specific identification method. Revaluation write-downs of inventories are recognized in operating expenses.

xiv. Deferred expenses

Deferred expenses comprise expenses incurred before the balance sheet date that relate to future periods.

In particular, deferred expenses may include the following items:

- rent paid in advance;
- insurances;
- subscriptions;
- prepaid third-party services to be provided in future periods;
- other expenses incurred that relate to future periods.

xv. Accrued expenses and deferred income

Accrued expenses are recognized in profit and loss in the amount of the probable obligations related to the current reporting period, in particular resulting from the supplies delivered / services rendered to the entity by its contractors, and the obligation's amount can be reliably valued.

Similarly to the provisions for liabilities, accruals' amounts are estimated. While preparing the estimates, the generally accepted trade practices should be considered.

Amortization of accruals may fall according to the time or volumes of supplies / services. Time and manner of amortization schedule is justified with the nature of the costs amortized, with respect to the prudence principle.

Liabilities recognized as accruals decrease the costs of the reporting period in which it was stated that they would not occur.

Deferred income (unearned revenues) relates mainly to prepayments received for the provision of maintenance services in future periods. The Company applies deferred expenses or deferred income accounts if such income or expenses relate to future reporting periods. By contrast, accrued expenses are disclosed in the amount of probable liabilities relating to the present reporting period.

Accrued expenses and deferred income are presented in the statement of financial position as non-current and current liabilities.

xvi. Revenues and expenses related to completion of implementation contracts

Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are being determined, or as a portion of work completed out of the total work effort required. When determining the contract execution costs incurred up to the balance sheet date, any expenses for future activities related to the contract are not taken into account. These are disclosed as deferred expenses.

If it is impossible to reliably estimate the progress of a service execution as at the balance sheet date, sales revenues are recognized in the amount of costs incurred in the reporting period; however, this is limited to the amount of costs that are likely to be paid by the ordering party in the future.

In the event that it is probable that the total contract execution costs exceed the total contract revenues, the anticipated loss is recognized as cost in the reporting period in which it is detected.

Production costs of unfinished services comprise the costs incurred since the effective date of relevant agreement to the balance sheet date. Production costs incurred prior to concluding the agreement and which are related to the subject matter thereof are capitalized, provided they are likely to be covered with future revenues received from the ordering party.

If the progress of costs incurred deducted by expected losses and increased by profits included in the profit and loss account exceeds the progress of invoiced sales, the amount of non-invoiced sales constituting this difference is presented as other receivables.

On the other hand, if the progress of invoiced sales exceeds the proportion of costs incurred, decreased by expected losses and increased by profits included in the profit and loss account, future-related (unearned) revenues resulting from such difference are disclosed as other liabilities.

xvii. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects that the expenditure required to settle a provision is to be reimbursed, e.g. under an insurance contract, this reimbursement is recognized as a separate asset when, and only when, it is virtually certain that such reimbursement will be received. The expense relating to such a provision is presented in the profit and loss account, net of the amount of any reimbursements.

The Company recognizes provisions for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Where the effect of the value of money in time is material, the amount of a provision is determined by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time and the risks related to the liability. Where the discounting method is used, the increase in a provision due to the passage of time is recognized as borrowing costs.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

xviii. Equity

Shareholders' equity is presented at nominal value. Shareholders' equity comprises the following items:

- share capital, presented in the amount of capital contributions made and paid up;
- share premium from the sale of shares over their par value;
- other comprehensive income;
- retained earnings, including the net profit for the reporting period.

xix. Sales revenue

The accounting principles relating to recognition of sales revenues from execution of IT contracts have been already described above. Sales revenues are recognized in the amount reflecting the probable economic benefits associated with the transaction to be obtained by the Company and when the amount of revenue can be measured reliably.

While recognizing sales revenue the following criteria are also taken into account:

Sales revenue

Revenue is recognized if the significant risks and benefits resulting from ownership of products have been transferred to the buyer and when the amount of revenue can be reliably measured. Sales of computer software services (implementations, modifications and maintenance) are recognized systematically over the term of relevant contracts. On the other hand, revenues from sale of implementation services are recognized based on the percentage of their completion. Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are determined, or as a proportion of work completed out of the total work effort planned. If it is impossible to estimate reliably the result of the contract, the revenues are only recognized in the amount of costs incurred which the Company expects to recover.

Interest income

Interest income is recognized on a time-proportion basis (taking into account the effective yield - the interest rate which accurately discounts future cash flows during the estimated period of use of a financial instrument to the net book value of such a financial asset).

Interest income comprises interest on loans granted, investments in securities held to maturity, bank deposits and other items, as well as the discounts of costs (liabilities) according to the method of the effective interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment is vested.

xx. Operating costs

The Company maintains cost accounting both by cost nature and by cost function. Cost of sales comprises the costs resulting directly from purchases of merchandise sold and generation of services sold. Selling expenses include the costs of distribution activities. General administrative expenses include the costs of the Company's management and administration activities.

xxi. Payroll expenses and costs of social and other insurance

The Company provides short-term employee benefits (mainly comprising payroll expenses, costs of medical, health and social security as well as the costs of creating the social fund). Over the course of the year, the Company makes contributions to social and health insurance from the gross wages paid, as well as contributions to the unemployment fund as per the statutory rates. The costs of the contributions are posted in the profit and loss account in the same period as the relevant payroll expenses.

In respect of employees who opted to participate in the programme of supplementary pension insurance, the Company contributes an amount of up to 2.5% of the total monthly tariff wage for these purposes.

No pension scheme is currently in operation in the Company.

xxii. Income tax and value added tax

For the purposes of financial reporting, deferred income tax is calculated applying the balance sheet liability method to all temporary differences that exist, at the balance sheet date, between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax provisions are established in relation to all positive temporary differences – except for situations when a deferred tax provision arises from an initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre-tax profit, taxable income or tax loss, as well as in relation to positive temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures – except for situations when the investor is able to control the timing of reversal of such temporary differences and when it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as unutilized deferred tax assets or unutilized tax losses carried forward to subsequent years, in such an amount that it is probable that future taxable income will be sufficient to allow the above temporary differences, assets or losses to be utilized. This does not apply to situations when deferred tax assets related to negative temporary differences arise from the initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre-tax profit, taxable income or tax loss. Furthermore, in the event of negative temporary differences arising from investments in a subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position in such amounts only that it is probable that the above temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

The book value of an individual deferred tax asset is verified at every balance sheet date and is duly decreased or increased to reflect any changes in the estimates of achieving taxable profit sufficient to utilize the deferred tax asset partially or entirely.

Deferred tax assets and deferred tax provisions are valued using the future tax rates anticipated to be applicable at the time when a deferred tax asset is realized or a deferred

tax provision is reversed, the basis for which are the tax rates (and tax regulations) legally or factually in force at the balance sheet date.

Income tax relating to items that are directly recognized in equity is recognized under equity and not in the profit and loss account. Revenues, expenses and assets are recognized in the amounts excluding value added tax unless:

- value added tax paid at the purchase of merchandise or services is not recoverable from the tax authorities; in such an event the value added tax paid is recognized as a part of the purchase price of an asset or as an expense; and
- receivables and liabilities are presented including value added tax.

The net amount of value added tax which is recoverable from or payable to the tax authorities is included in the statement of financial position as a part of receivables or liabilities to the state budget.

III. INFORMATION ON SEGMENTS

The Company operates in the sector of information technologies and telecommunications. Because the main business activities have a similar character, there is no reason to adopt the standard relating to segmental information. The organizational structure is homogeneous, without any independent part that would operate on different activities. On the base of the above, the Company declares itself as one business segment.

The Company operates in more economic regions, but almost 80% of revenues come from the Slovak Republic. The rest are from the Czech Republic, where Asseco Central Europe has the international branch and from other European countries are included in the financial statements submitted.

Geographical sectors are distinguished by the Company's geographical operations where economic activities are being conducted.

The numbers in the tables below are after inter-company eliminations, and dividends are seen directly in the net profit of the reportable segment.

For 12 months ended 31 December 2014			
and as at 31 December 2014 (audited)	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	37,616	9,502	47,118
Operating profit of reportable segment	4,929	1,235	6,164
Interest income	181		181
Interest expense	(75)	-	(75)
Corporate income tax	(2,288)	(272)	(2,560)
<i>Non-cash items:</i>			
Depreciation and amortization	(2,351)	-	(2,351)
Impairment write-downs on segment assets	(128)	-	(128)
Net profit of reportable segment	15,536	963	16,499
Segment assets	124,864	3,481	128,345
Segment capital expenditures	(512)	-	(512)

The impairment write-downs on segment assets of EUR 128 thousand comprise allowances for receivables.

For 12 months ended 31 December 2013			
and as at 31 December 2013 (audited)	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	25,391	9,924	35,315
Operating profit (loss) of reportable segment	4,439	1,687	6,126
Interest income	207		207
Interest expense	-	-	-
Corporate income tax	(1,058)	(405)	(1,463)
<i>Non-cash items:</i>			
Depreciation and amortization	(2,384)	-	(2,384)
Impairment write-downs on segment assets	502	-	502
Net profit (loss) of reportable segment	12,712	1,282	13,994
Segment assets	111,855	5,323	117,178
Segment capital expenditures	(369)	-	(369)

IV. NOTES TO THE FINANCIAL STATEMENTS

1. Sales revenue

In 2014 and the corresponding comparative period, the operating revenues were as follows:

Sales revenues by type of business	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Proprietary software and services	29,121	26,282
Third-party software and services	7,147	3,452
Computer hardware and infrastructure	10,850	5,581
	47,118	35,315

Sales revenues by sectors	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Banking and finance	14,607	18,354
Enterprises	9,672	2,074
Public institutions	22,839	14,887
	47,118	35,315

Sales revenues by territorial structure	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Slovakia	37,616	25,391
Czech Republic	8,865	9,800
Other European countries	637	124
	47,118	35,315

2. Operating costs

	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Materials and energy used (-)	(201)	(160)
Costs of goods sold	(15,903)	(7,771)
Third party work (-)	(8,874)	(6,298)
Salaries (-)	(10,388)	(9,551)
Employee benefits, of which (-)	(3,452)	(3,120)
<i>social security contributions (-)</i>	<i>(1,607)</i>	<i>(1,469)</i>
Depreciation and amortization (-)	(2,351)	(2,384)
Taxes and charges (-)	(18)	(12)
Business trips (-)	(214)	(227)
Change in write-offs (+)/(-)	164	217
Other (-)	-	-
	(41,237)	(29,306)
Cost of sales:	(38,285)	(25,709)
<i>production cost (-)</i>	<i>(22,382)</i>	<i>(17,938)</i>
<i>cost of merchandise, materials and third party work sold (COGS) (-)</i>	<i>(15,903)</i>	<i>(7,771)</i>
Selling expenses (-)	(474)	(457)
General administrative expenses (-)	(2,478)	(3,140)

3. Other operating income and expenses

	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Gain on disposal of tangible fixed assets	20	8
Compensations received	35	40
Income from rental services	10	75
Reversal of allowances of other receivables	-	78
Reversal of other provisions	239	23
Other	25	4
Total	329	228

	12 months ended	12 months ended
Other operating expenses	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Charitable contributions (-)	(26)	(14)
Provision for penalties and compensations	-	(78)
Other (-)	(20)	(19)
Total	(46)	(111)

Provisions for penalties and compensations in 2013 represented provisions created for contractual penalties, mostly related to delayed project deliveries in 2013.

4. Financial income and expenses

	12 months ended	12 months ended
Financial income	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Interest income on loans granted, debt securities and bank deposits	181	207
Gain on disposal of investment in subsidiaries	5,353	-
Gain on revaluation of financial derivatives	24	-
Gain on exercise of currency derivatives - forward contracts	-	32
Dividends received	7,456	9,151
Total financial income	13,014	9,390

Gain on disposal of investment in subsidiaries represents gain on sales Slovanet shares (refer to Note 10).

	12 months ended	12 months ended
Financial expenses	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Interest expense (-)	(75)	-
Loss on foreign exchange differences (-)	(44)	(59)
Total financial expenses	(119)	(59)

5. Corporate income tax

The main charges on the pre-tax profit are due to corporate income tax (current and deferred portions):

	12 months ended 31 Dec 2014	12 months ended 31 Dec 2013
	(audited)	(audited)
Current portion of corporate income tax and prior years adjustments	(2,635)	(1,892)
Deferred portion of corporate income tax	75	429
<i>related to occurrence or reversal of temporary differences</i>	75	429
Income tax expense as disclosed in the profit and loss account, of which:	(2,560)	(1,463)

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving taxpayers of the possibility to refer to well-established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations, either between companies and public administration or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of the liabilities so determined must be paid with high interest. In effect, the amounts disclosed in the financial statements may later be changed, after the taxes payable are finally determined by the taxation authorities.

Reconciliation of corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax computed at the Company's effective tax rate.

	12 months ended 31 Dec 2014	12 months ended 31 Dec 2013
	(audited)	(audited)
Pre-tax profit	19,059	15,457
Statutory corporate income tax rate	22%	23%
Corporate income tax computed at the statutory tax rate	4,193	3,555
Non-taxable financial income - dividends	(1,640)	(2,105)
Other non-taxable income and non-deductible expenses	7	13
Corporate income tax computed at the effective tax rate of 13.4 % in 2014 and 9.5% in 2013	2,560	1,463

The Company made an estimate of taxable income planned to be achieved in the future and concluded it will make feasible the recovery of deferred income tax assets (net of provisions) in the full amount as at 31 December 2014 and as at 31 December 2013.

The rate of Corporate income tax was 23% in 2013. In 2014 the rate of Corporate income tax decreased to 22%.

	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Tax rate used for calculation deferred income tax	22%	22%
Deferred income tax assets	792	809
Deferred income tax provisions	(24)	(116)
Deferred income tax assets (+)/Deferred income tax provision (-), net	768	693

	Balance Sheet			Profit and Loss Account	
	31 Dec 2014	Mergers and taking control over companies	31 Dec 2013	12 months ended 31 Dec 2014	12 months ended 31 Dec 2013
	(audited)	(audited)	(audited)	(audited)	(audited)
Deferred income tax provision					
Fair-value adjustment to other assets on a ISZP merger in 2010 (know-how)	-		(106)	106	115
Valuation of tangible assets at fair value and difference between tax depreciation and accounting depreciation	(24)		(10)	(14)	14
Deferred income tax provision, gross	(24)	-	(116)		
Deferred income tax assets					
Accrued expenses, provisions and other liabilities	667		680	(13)	422
Inventories allowances	5		-	5	-
Receivables allowances	89		80	9	(98)
Other	31		49	(18)	(24)
Deferred income tax assets, gross	792	-	809		
Deferred income tax assets, net	768		693		
Change in deferred income tax in the period reported, of which				75	429
deferred income tax change recognized in profit or loss				75	429

For the calculation of Deferred income tax as at 31 December 2014, tax rate of 22% was used.

6. Earnings per share

Basic earnings per share are computed by dividing the net profit for the period reported, attributable to shareholders of the Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Company, by the adjusted (due to the diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The tables below present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	12 months ended	12 months ended
	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Net profit attributable to		
Shareholders of the Parent Company	16,499	13,994
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	21,360,000	21,360,000
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	21,360,000	21,360,000

Both in the present reporting period and the corresponding period in the prior year, no events took place that would cause dilution of earnings per share.

7. Dividends

In April 2014 the Company paid out to its shareholders a dividend for 2013. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 7,903,200 from net profit for the year 2013 was allocated to payment of a dividend of EUR 0.37 per share and the amount of EUR 6,090,514.80 remained in retained earnings.

8. Property, plant and equipment

For 12 months ended 31 December 2014 (audited)	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2014, less depreciation and impairment allowance	-	403	390	15	6	814
Additions, of which:	3	323	114	-	33	473
Purchases	3	316	114	-	40	473
Other changes	-	7	-	-	(7)	-
Reductions, of which:	-	(221)	(167)	(1)	-	(389)
Depreciation charge for the reporting period (-)	-	(221)	(167)	(1)	-	(389)
Disposal and liquidation (-)	-	(107)	(201)	-	-	(308)
Depreciation of Disposals and liquidations	-	107	201	-	-	308
As at 31 December 2014, less depreciation	3	505	337	14	39	898
As at 1 January 2014						
Gross value	-	1,675	1,386	20	6	3,087
Depreciation and impairment write-downs (-)	-	(1,272)	(996)	(5)	-	(2,273)
Net book value as at 1 January 2014	-	403	390	15	6	814
As at 31 December 2014						
Gross value	3	1,891	1,299	20	39	3,252
Depreciation and impairment allowance (-)	-	(1,386)	(962)	(6)	-	(2,354)
Net book value as at 31 December 2014	3	505	337	14	39	898

As at 31 December 2014, no tangible fixed assets served as security for bank credit.

For 12 months ended 31 December 2013	Computers and other equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
(audited)					
As at 1 January 2013, less depreciation and impairment allowance	419	284	16	115	834
Additions, of which:	163	275	-	(109)	329
Purchases	163	162	-	4	329
Other changes	-	113	-	(113)	-
Reductions, of which:	(179)	(169)	(1)	-	(349)
Depreciation charge for the reporting period (-)	(173)	(157)	(1)	-	(331)
Disposal and liquidation (-)	(87)	(248)	-	-	(335)
Depreciation of Disposals and liquidations	81	211	-	-	292
Impairment write-downs (-)	-	25	-	-	25
As at 31 December 2013, less depreciation	403	390	15	6	814
As at 1 January 2013					
Gross value	1,599	1,359	20	115	3,093
Depreciation and impairment write-downs (-)	(1,180)	(1,075)	(4)	-	(2,259)
Net book value as at 1 January 2013	419	284	16	115	834
As at 31 December 2013					
Gross value	1,675	1,386	20	6	3,087
Depreciation and impairment allowance (-)	(1,272)	(996)	(5)	-	(2,273)
Net book value as at 31 December 2013	403	390	15	6	814

As at 31 December 2013, no tangible fixed assets served as security for bank credit.

9. Intangible assets

For 12 months ended 31 December 2014

(audited)	Cost of development work	Computer software	Goodwill on merger	Other	Total
As at 1 January 2014, less amortization and impairment allowance	17	7,863	1,083	483	9,446
Additions, of which:	-	39	-	-	39
Purchases	-	39	-	-	39
Reductions, of which:	(17)	(1,464)	-	(481)	(1,962)
Amortization charge for the reporting period (-)	(17)	(1,464)	-	(481)	(1,962)
As at 31 December 2014, less amortization	-	6,438	1,083	2	7,523
As at 1 January 2014					
Gross value	530	12,009	1,083	2,407	16,029
Amortization and impairment allowance (-)	(513)	(4,146)	-	(1,924)	(6,583)
Net book value as at 1 January 2014	17	7,863	1,083	483	9,446
As at 31 December 2014					
Gross value	530	12,048	1,083	2,407	16,068
Amortization and impairment allowance (-)	(530)	(5,610)	-	(2,405)	(8,545)
Net book value as at 31 December 2014	-	6,438	1,083	2	7,523

As at 31 December 2014, no intangible assets served as security for bank credits.

For 12 months ended 31 December 2013

(audited)	Cost of development work	Computer software	Goodwill on merger	Other	Total
As at 1 January 2013, less amortization and impairment allowance	34	9,292	1,083	964	11,373
Additions, of which:	-	30	-	-	30
Purchases	-	30	-	-	30
Reductions, of which:	(17)	(1,459)	-	(481)	(1,957)
Amortization charge for the reporting period (-)	(100)	(1,472)	-	(481)	(2,053)
Release of allowance (+)	83	13	-	-	96
As at 31 December 2013, less amortization	17	7,863	1,083	483	9,446
As at 1 January 2013					
Gross value	530	11,979	1,083	2,407	15,999
Amortization and impairment allowance (-)	(496)	(2,687)	-	(1,443)	(4,626)
Net book value as at 1 January 2013	34	9,292	1,083	964	11,373
As at 31 December 2013					
Gross value	530	12,009	1,083	2,407	16,029
Amortization and impairment allowance (-)	(513)	(4,146)	-	(1,924)	(6,583)
Net book value as at 31 December 2013	17	7,863	1,083	483	9,446

As at 31 December 2013, no intangible assets served as security for bank credits.

10. Goodwill

	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
ISZP	533	533
MPI	550	550
Total	1,083	1,083

The Parent Company performs an impairment test of goodwill on an annual basis (as at 31 December) and whenever the indicators of impairment exist. For the purpose of goodwill impairment tests, goodwill was allocated to a cash generating unit or a group of cash generating units ("CGU") which benefit from the acquisitions.

Goodwill related to acquisitions of ISZP and MPI Consulting was tested at the CGU level represented by the Healthcare & Insurance Business Unit of Asseco Central Europe and the CGU represented by the Financial Business Consulting division respectively.

Each impairment test requires making estimates of the recoverable value of a cash-generating unit or a group of cash-generating units to which goodwill is allocated. Impairment testing involve determination of their value in use by applying the model of discounted free cash flow to firm (FCFF).

The Company carried out a sensitivity analysis in relation to impairment tests conducted as at 31 December 2014, in order to find out how much the selected parameters applied in the model could be changed so that the estimated value in use of cash-generating units equalled their carrying amounts. Such sensitivity analysis examined the impact of changes in the applied:

- nominal discount rate applied for the residual period, i.e. cash flows generated after 2019;
- compound annual growth rate of free cash flow changes over the forecast period, i.e. in the years 2015-2019;

as factors with influence on the recoverable value of a cash-generating unit, assuming other factors remain unchanged.

Reasonable change in the assumptions will not lead to impairment.

The results of the conducted sensitivity analysis are presented in the table below:

	Carrying amount of CGU	Discount rate		Compound annual growth rate of cash flows	
		applied in the model for residual period	residual	applied in the model for forecast period	residual
		EUR thousand	%	%	%
<i>Cash-generating units constituted by companies or groups of companies</i>					
MPI	1,516	6.9%	∞	-8.8%	-44.4%
ISZP	2,319	6.9%	∞	-13.5%	-61.7%

∞ - means that the terminal discount rate for the residual period is greater than 100%.

11. Investment in subsidiaries

	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Slovanet a. s.	-	3,645
Asseco Solutions, a. s. (Datalock a. s.)	9,295	9,295
Asseco Solutions AG	13,802	-
DanubePay, a. s.	15	15
Asseco Central Europe, a. s., Czech Republic	34,986	34,986
Asseco Hungary Zrt.	9	9
Statlogics Zrt.	10,818	10,818
GlobeNet Zrt.	5,990	5,990
Total	74,915	64,758

Acquisition of shares in Asseco Solutions AG

On 9 January 2014 Asseco Central Europe, a. s. acquired a 100% stake in the company Asseco Solutions AG based in Karlsruhe, Germany. The shares were purchased from the company Asseco Dach S.A.

Based on the Asseco Group Accounting Policy this transaction was accounted for as a combination under common control as all of the combining entities are ultimately controlled by Asseco Poland S.A., both before and after the business combination, and that control is not transitory.

The purchase price amounted to EUR 13,800 thousand and was fully paid, what is presented in the Statement of cash-flows as Acquisition of subsidiary companies.

Sale of shares in Slovanet, a. s.

On 27 June 2014 Asseco Central Europe, a. s. signed an agreement for sale of 51 registered shares of Slovanet, a. s. The buyer SNET, a. s. seated in Bratislava, owned the remaining 49% of shares in Slovanet, a. s. since 2006 and represented the executive management of Slovanet, a. s. After the transaction SNET, a. s. holds 100% of shares in Slovanet, a. s.

The transaction resulted from strategy adopted by the Asseco Central Europe Group, under which Asseco Central Europe will keep focus mainly on IT core business in the future.

The sale price of 51 shares of Slovanet a. s. amounted to EUR 11,000 thousand. Asseco Central Europe received payment in three instalments in 2014.

The book value of sold shares amounted to EUR 3,645 thousand. Other costs consisting from selling commission, costs of consulting and legal services amounted to EUR 2,002 thousand. Selling commission and consulting services in amount of EUR 2,000 thousand were paid to related parties (refer to Note 22).

Amount of Proceeds from sale of investment in subsidiaries in the Statement of cash-flow in value of EUR 9,000 thousand presents receipt from sold share of Slovanet, a. s.

The Company regularly undergoes assessment of a presence of impairment indicators in relation to its financial investments in subsidiaries. As at 31 December 2014 the Company performed impairment testing with no impairment identified. The sensitivity analysis revealed that no impairment would be charged for any financial investment as at 31 December 2014.

The Company carried out a sensitivity analysis in relation to investments impairment tests conducted as at 31 December 2014, in order to find out how much the selected parameters applied in the model could be changed. Such sensitivity analysis examined the impact of changes in the applied:

- nominal discount rate applied for the residual period, i.e. cash flows generated after 2019;
- compound annual growth rate of free cash flow changes over the forecast period, i.e. in the years 2015-2019;

The results of the conducted sensitivity analysis are presented in the table below:

	Carrying amount of CGU EUR thousand	Discount rate		Compound annual growth rate of cash flows	
		applied in the model for residual period	residual	applied in the model for forecast period	residual
		%	%	%	%
Cash-generating units constituted by companies or groups of companies					
Asseco Central Europe (Czech Republic)	18,871	7.2%	∞	34.1%	1.2%
Asseco Solutions (Slovakia)	7,308	9.3%	27.7%	(8.9%)	(22.2%)
Asseco Solutions (Germany)	18,139	6.9%	24.8%	23.9%	2.7%
Asseco Solutions (Czech Republic)	5,787	9.0%	∞	(4.4%)	(26.3%)
GlobeNet	3,798	11.9%	36.5%	62.1%	47.7%
Statlogics	5,939	11.9%	32.2%	36.1%	19.4%

Reasonable change in the assumptions will not lead to impairment of investment.

12. Investment associated companies

	31 Dec 2014 (audited)	31 Dec 2013 (audited)
eDocu a.s.	430	-
Total	430	-

On 25 November 2014 according to extraordinary shareholder's meeting in startup company eDocu, Asseco Central Europe purchased 23% of total 32,468 shares for EUR 7 thousand and invested additional EUR 423 thousand into share premium. The purchase price was fully paid, what is presented in the Statement of cash-flows as Acquisition of associates.

Company is certain that eDocu is an associate in line with IAS 28 criteria, due to following:

- Company holds 23% of eDocu shares.
- There is existence of significant influence as Asseco Central Europe, a. s. as:
 - The Company is represented in Board of directors of the associate;
 - Participation on key policy making decisions.

13. Deferred expenses

Current	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Maintenance services	902	731
Pre-paid insurance	8	12
Pre-paid subscriptions	3	3
Pre-paid other services	12	65
Total	925	811

14. Implementation contracts

In 2014 and 2013, the Company executed a number of so-called IT implementation contracts. In line with IAS 11, sales generated from such contracts are recognized according to the percentage of completion of relevant contracts. In 2014 and 2013 the Company measured the percentage of completion of IT implementation contracts using the "cost" method (this is by determining the relation of costs incurred to the overall project costs) or according to the "work-effort" method.

The following table includes basic data about the ongoing IT implementation contracts.

	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Costs incurred due to execution of IT contracts (-)	(10,621)	(4,470)
Profit (loss) on execution of IT contracts	8,088	3,232
Total revenues related to IT contracts	18,709	7,702
<i>of which:</i>		
Progress billing	16,954	8,101
Receivables relating to valuation of IT contracts (Note 15)	2,194	902
Liabilities relating to valuation of IT contracts (-) (Note 21)	(439)	(1,301)

15. Trade and other receivables

	31 Dec 2014	31 Dec 2013
Trade accounts receivable	(audited)	(audited)
Trade accounts receivable including:	14,611	17,910
Receivables from related companies, of which:	3,325	3,158
<i>from subsidiaries</i>	3,325	3,158
Receivables from other companies	11,995	15,334
Revaluation write-down on doubtful accounts receivable (-)	(709)	(582)

Trade accounts receivable are not interest-bearing.

The Company has a policy of selling its products to reliable clients only. Owing to that, in the management's opinion, the credit sales risk would not exceed the level covered by the allowances for doubtful accounts as established by the Company.

The decrease of Receivables from other companies was caused by invoicing of less projects' phases finalized at the year-end.

As at 31 December 2014 and 31 December 2013, no receivables and future receivables served as security for bank credits.

The transactions with related companies are presented in Note 22 to these financial statements.

Ageing of trade accounts receivable	as at 31 Dec 2014 (audited)		as at 31 Dec 2013 (audited)	
	amount	structure	amount	structure
Receivables not yet due	13,433	92%	17,210	96%
Receivables past-due up to 3 months	1,023	7%	496	3%
Receivables past-due over 3 months	155	1%	204	1%
	14,611	100%	17,910	100%

	31 Dec 2014	31 Dec 2013
Other receivables and other assets	(audited)	(audited)
Receivables from book valuation of IT contracts	2,194	902
Receivables from prepayments paid	52	1,940
Receivables from dividends	-	352
Other receivables	142	137
Total	2,388	3,331

Receivables from valuation of IT contracts (implementation contracts) result from the surplus of the percentage on completion of implementation contracts over invoices issued.

Receivables from prepayments paid (EUR 1,940 thousand) represented as at 31 December 2013 advance payment provided in 2013 to STIEFEL EUROCARD, s. r. o. that related to ordered goods which were delivered in 2014.

16. Loans granted and loans collected

Loans granted of EUR 2,558 thousand presented as at 31 December 2014 include loan due from DanubePay, a. s. (principal EUR 1,440 thousand + interests EUR 21 thousand, interest rate 1M EURIBOR + 1.1% p.a., maturity on 31 December 2015, repayment period was extended from 31 December 2014 to 31 December 2015), loan due from GlobeNet Zrt. which was in 2014 converted to loan denominated in currency Hungarian Forint (principal EUR 951 thousand + interests EUR 7 thousand, interest rate 1M BUBOR + 1.5% p.a., maturity on 31 December 2015) and loan due from Asseco Hungary Zrt. (principal EUR 136 thousand + interests EUR 3 thousand, interest rate 1M BUBOR + 2.25% p.a., maturity on 31 December 2015).

Loans granted of EUR 2,328 thousand presented as at 31 December 2013 include loan due from DanubePay, a. s. (principal EUR 894 thousand + interests EUR 6 thousand, interest rate 1M EURIBOR + 1.1% p.a., maturity on 31 December 2014, repayment period was extended from 31 December 2013 to 31 December 2014) and loan due from GlobeNet Zrt. (principal EUR 1,398 thousand + interests EUR 30 thousand, interest rate 1M EURIBOR + 1.1% p.a. or 1M BUBOR + 2.25% p.a., maturity on 31 December 2014).

Amount of Loans granted in the Statement of cash-flow in value of EUR 1,040 thousand presents loan for DanubePay, a. s. (EUR 905 thousand) and loan for Asseco Hungary Zrt. (EUR 135 thousand).

Amount of Loans collected in the Statement of cash-flow in value of EUR 781 thousand presents loan collected from DanubePay, a. s. (EUR 354 thousand) and from GlobeNet Zrt. (EUR 427 thousand).

No impairment indicators were identified in respect of these financial assets.

17. Other financial assets

As at 31 December 2014 the Company owned bills of exchange of J&T Private Equity B.V in amount of EUR 2,750 thousand with maturity on 19-th January 2015 (EUR 1,400 thousand, interest rate 4.0%), 8-th April 2015 (EUR 150 thousand, interest rate 6.25%), 21-th April 2015 (EUR 1,000 thousand, interest rate 4.0%) and 28-th July 2015 (EUR 200 thousand, interest rate 6.25%).

Amount of EUR 24 thousand in Other financial assets presents currency forward too.

As at 31 December 2013 the Company owned bills of exchange of J&T Private Equity B.V in amount of EUR 745 thousand with maturity in February 2014 (EUR 746 thousand, interest rate 2.5%).

Amount of Acquisition of other financial assets in the Statement of cash-flows in value of EUR 4,950 thousand relates to bills of exchange bought during year 2014.

Amount of Proceeds from sale of other financial assets in the Statement of cash-flows in value of EUR 2,945 thousand relates to bills of exchange due during year 2014 (EUR 3,330 thousand during year 2013).

18. Cash and short-term deposits

	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Cash in bank	8,614	9,452
Cash in hand	12	13
Short-term deposits	11,900	6,800
Cash equivalents	29	6
	20,555	16,271

The interest on cash in bank is calculated with variable interest rates which depend on the bank overnight deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2014 or at 31 December 2013.

19. Share capital and capital reserves

The Company has capital stock amounting to EUR 709,023.84 which consists of 21,360,000 shares.

Par value on shares

All issued shares have a par value of EUR 0,033194 per share and have been fully paid up. In 2014 and 2013 there were no changes in the Company's share capital and share premium account.

20. Non-current and current provisions for liabilities

	Provision for warranty repairs	Other provisions	Total
As at 1 January 2014	961	323	1,284
Provisions established during financial year	1,231	280	1,511
Provisions reversed (-)	-	(520)	(520)
Provisions utilized (-)	(1,523)		(1,523)
As at 31 December 2014 (audited)	669	83	752
Short-term as at 31 December 2014	669	83	752
Long-term as at 31 December 2014	-	-	-
As at 31 December 2013 (audited)	961	323	1,284
Short-term as at 31 December 2013	961	323	1,284
Long-term as at 31 December 2013	-	-	-

Provision for warranty repairs

The provision established for the costs of warranty repairs corresponds to the provision of own software guarantee services as well as to handling the guarantee maintenance services being provided by the producers of hardware that was delivered to the Company's customers.

Other provisions

Other provisions includes provisions for penalties and compensations created for contractual penalties, mostly related to delayed projects.

21. Current trade accounts payable and other liabilities

Current trade accounts payable	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Accounts payable to related companies	1,150	1,601
Accounts payable to other companies	5,836	2,670
Total	6,986	4,271

Trade accounts payable are not interest-bearing. The transactions with related companies are presented in Note 21 to these financial statements.

Corporate Income Tax Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Value added tax	1,152	935
Corporate income tax (CIT)	892	1,295
Personal income tax (PIT)	135	106
Social Insurance Institution	424	330
Total	2,603	2,666

The amount resulting from the difference between VAT payable and VAT recoverable is paid to the respective tax authorities on a monthly basis.

Other current liabilities	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
Liabilities to employees relating to salaries and wages	639	512
Liabilities relating to valuation of IT contracts	439	1,301
Liabilities due to non-invoiced deliveries	1,030	143
Liabilities from advance received from unrelated parties	544	93
Liabilities from advance received from parent company and subsidiaries	-	57
Other liabilities	14	17
Total	2,666	2,123

Liabilities due to non-invoiced deliveries increased as suppliers did not invoice their services for the projects delivered at the end of the year.

	31 Dec 2014	31 Dec 2013
Current accrued expenses	(audited)	(audited)
Accrual for unutilized vacation	544	481
Accrual for employee bonuses	1,362	1,787
Other accruals	95	14
Total	2,001	2,282

Accrued expenses mainly consist of the accrual for unutilized vacation, accruals for salaries and wages of the current period to be paid out in future periods, which result from the bonus schemes applied by the Company as well as other employee-related accruals.

In accrual for employee bonuses are included quarterly (for 4-th quarter) and yearly bonuses as at 31 December 2014.

	31 Dec 2014	31 Dec 2013
Current deferred income	(audited)	(audited)
Maintenance services	1,177	988
Total	1,177	988

The balance of deferred income mainly relates to prepayments for the provision of services such as maintenance and IT support.

22. Transactions with related companies

	Asseco Central Europe sales		Asseco Central Europe purchases		Asseco Central Europe receivables as at		Asseco Central Europe liabilities as at	
	to related companies in the period of		from related companies in the period of		31 Dec		31 Dec	
	12 months ended	12 months ended	12 months ended	12 months ended	2014	2013	2014	2013
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	(audited)	(audited)	(audited)	(audited)
Transactions with parent company	-	-	10	2	-	-	10	12
Asseco Poland SA	-	-	10	2	-	-	10	12
Transactions with subsidiaries	3,195	4,474	3,145	2,660	3,325	3,567	1,140	1,647
Slovanet, a.s.	84	166	50	218	-	60	-	60
Asseco Solutions a.s. SR	45	12	89	280	2	352	59	305
DanubePay, a.s.	894	2,584	120	30	3,323	2,381	120	31
Asseco Czech Republic a.s.	2,106	1,550	2,721	2,117	-	534	916	1,237
Asseco Solutions a.s. ČR	1	1	-	-	-	-	-	-
Asseco Berit A.G.	-	-	47	-	-	-	28	-
GlobeNet Zrt.	6	56	72	14	-	29	10	14
Asseco Hungary Zrt.	-	-	45	-	-	-	7	-
Statlogics Zrt.	53	87	-	-	-	208	-	-
Asseco South Eastern Europe d.o.o.	6	18	1	1	-	3	-	-
Transactions with other related parties	-	-	2,000	-	-	-	-	-
TOTAL	3,195	4,474	5,155	2,662	3,325	3,567	1,150	1,659

Decrease in sales to DanubePay, a. s. in 2014 was caused mainly by sale of StarCARD licence in amount of EUR 2,000 thousand in the prior year.

23. Information on transactions with other related entities

According to information available to Asseco Central Europe, a. s., as at 31 December 2014 liabilities due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel themselves were in EUR 23 thousand.

As at 31 December 2013, according to information available to Asseco Central Europe, a.s., liabilities due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel were in EUR 38 thousand.

As at 31 December 2014, according to information available to Asseco Central Europe, a. s., there were no outstanding receivables due to transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel.

Similarly, as at 31 December 2013 there were no outstanding receivables under transactions conducted with companies related through the Key Management Personnel (boards of directors and supervisory boards of the Group companies) or with the Key Management Personnel.

In the 12 months period ended 31 December 2014, according to the accounting books and best knowledge of the management of Asseco Central Europe, a. s. there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

24. Changes in working capital

The table below presents items comprising changes in working capital as disclosed in the statement of cash flows:

Changes in working capital	12 months ended 31 Dec 2014 (audited)	12 months ended 31 Dec 2013 (audited)
Change in inventories	71	(69)
Change in receivables	3,944	(11,657)
Change in liabilities	3,598	2,237
Change in deferred and accrued expenses	(206)	1,594
Change in provisions	(532)	322
TOTAL	6,875	(7,573)

25. Commitments and contingent liabilities concerning related companies

As at 31 December 2014, guarantees and sureties issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 2,639 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 June 2015);

As at 31 December 2014, guarantees and sureties issued by Asseco Central Europe a. s. were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 500 thousand to back up its liabilities towards Komerční banka under a framework crediting agreement;

As at 31 December 2013, guarantees and sureties issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 1,638 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 April 2014);

As at 31 December 2013, guarantees and sureties issued by Asseco Central Europe a. s. were as follows:

- Slovanet a. s. (subsidiary) was granted a guarantee of EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement.

26. Commitments and contingent liabilities in favour of other companies

Additionally, as at 31 December 2014 and 31 December 2013, the Company was a party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Liabilities under lease of space	31 Dec 2014	31 Dec 2013
	(audited)	(audited)
In the period up to 1 year	937	937
In the period from 1 to 5 years	1,875	2,812
Total	2,812	3,749

27. Employment

Average Company workforce in the reporting period	12 months ended 31 Dec 2014 (audited)	12 months ended 31 Dec 2013 (audited)
Management Board of the Group companies	2	3
Production departments	341	311
Direct sales departments	2	1
Indirect sales departments	3	5
Back-office departments	28	20
Total	376	340

Company workforce as at	31 Dec 2014 (audited)	31 Dec 2013 (audited)
Management Board of the Group companies	2	3
Production departments	359	319
Direct sales departments	3	1
Indirect sales departments	3	4
Back-office departments	29	20
Total	396	347

28. Objectives and principles of financial risk management

The Company is exposed to a number of risks arising from the macroeconomic situation of the countries in which the Company operates. The main external factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign currency exchange rates against the Euro, and (ii) changes in the market interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate. In addition, the internal factors with potential negative bearing on the Company's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of the project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Company's presentation currency is the Euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Company is exposed to potential losses resulting from fluctuations in foreign currency exchange rates versus the Euro in the period from concluding a contract to invoicing.

Identification: According to the Company's procedures pertaining to entering into commercial contracts, each agreement that is concluded or denominated in a foreign currency, different from the functional currency of the Company, is subject to detailed registration. Owing to this solution, any currency risk involved is detected automatically.

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on the one hand and, on the other, by the amount of

currency derivative instruments concluded in the financial market. All the changes in the value of exposure are closely monitored on a fortnightly basis. The procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

Objective: The purpose of countering the risk of fluctuations in foreign currency exchange rates is to mitigate their negative impact on the contract margins.

Measures: In order to hedge the contracts settled in foreign currencies, the Company concludes simple currency derivatives such as forward contracts and, in the case of embedded instruments under foreign currency-denominated contracts, non-deliverable forward contracts. In addition, forward contracts with delivery of cash are applied for foreign currency contracts.

Matching the measures to hedge against the foreign currency risk means selecting suitable financial instruments to offset the impact of changes in the risk-causing factor on the Company's financial performance (the changes in embedded instruments and concluded instruments are balanced out). Nevertheless, because the project implementation schedules and cash flows generated thereby are characterized by a high degree of changeability, the Company is prone to changes in their exposure to foreign exchange risk. Therefore, the Company dynamically transfers their existing hedging instruments or concludes new ones with the objective to ensure the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with reference to the parameters as at the contract signing date (spot rate and swap points), while transferring or conclusion of new instruments in the financial market may only be effected on the basis of the current rates available. Hence, it is possible that the value of financial instruments will not be matched and the Company's financial result will be potentially exposed to the foreign currency risk.

The overall impact of foreign currency risk, from a change in exchange rates on the financial statements, was insignificant as of 31 December 2014.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Company. The Company is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) change in the value of interest charged on credit facilities granted by external financial institutions, which are based on a variable interest rate, and (ii) change in valuation of the concluded and embedded derivative instruments, which are based on the forward interest rate curve. More information on factor (ii) may be found in the description of the currency risk management.

Identification: The interest rate risk arises and is recognized at the time of concluding a transaction or a financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Company, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Company measures exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate.

Objective: The purpose of reducing such a risk is to eliminate occurrence of higher expenses due to the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Company gathers and analyzes the current market information concerning its present exposure to the interest rate risk. For the time being, the Company does not hedge against changes of interest rates due to the high degree of unpredictability of their credit repayment schedules.

The Company bears no loans and credits, hence is not exposed to this risk.

Credit risk

The Company is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and goodwill of the contractors to whom the Company provides IT solutions, and secondly with the financial credibility of the contractors with whom supply agreements are concluded.

Identification: The risk is identified each time when concluding contracts with customers, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires the knowledge of any complaints or pending judicial proceedings against a client already in existence at the time of signing an agreement. Every two weeks the Company is obliged to control the settlement of payments under the concluded contracts, inclusive of the profit and loss analysis for individual projects.

Objective: The Company strives to minimize this risk in order to avoid financial losses resulting from the commencement and partial implementation of IT solutions, as well as to sustain the margins adopted for the executed projects.

Measures: As the Company operates primarily in the banking and financial sectors, its customers are concerned for their good reputation. Here the engagement risk control is usually limited solely to monitoring the timely execution of bank transfers and, if needed, to sending a reminder of outstanding payment. However, in the case of smaller clients, it is quite helpful to monitor their industry press as well as to analyze any earlier experiences of the Company itself and of its competitors. The Company concludes financial transactions with reputable brokerage houses and banks.

Matching: It is difficult to discuss this element of risk management in such cases.

Financial liquidity risk

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable, other financial assets) as well as the cash flows anticipated from operating activities.

The Company's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The following table shows the Company's trade accounts payable and other liabilities as at 31 December 2014 and 31 December 2013, by maturity period based on the contractual undiscounted payments.

	as at 31 December 2014 (audited)		as at 31 December 2013 (audited)	
	amount	structure	amount	Structure
Ageing structure of trade accounts payable and other liabilities				
Liabilities already due	3,902	40%	363	6%
Liabilities due within 3 months	5,750	60%	6,031	94%
Liabilities due within 3 to 12 months	-	0%	-	0%
Liabilities due after 1 year	-	0%	-	0%
	9,652	100%	6,394	100%

As at 31 December 2014 nor as at 31 December 2013 there were no other financial liabilities.

Financial guarantees provided are described in Note 25.

Foreign currency risk

The Company tries to conclude contracts with their clients in the functional currency to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates against their own functional currencies.

The analysis of sensitivity of trade accounts payable and receivable to fluctuations in the exchange rates of the CZK and other currencies against the functional currencies of the Company indicates that the exposure to foreign currency risk is not significant.

Trade accounts receivable and payable as at 31 December 2014 (audited)	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK :			
Trade accounts receivable	165	(17)	17
Trade accounts payable	1,025	103	(103)
USD :			
Trade accounts payable	10	1	(1)
HUF :			
Trade accounts receivable	553	(55)	55
Trade accounts payable	52	5	(5)
Balance	1,805	37	(37)

Trade accounts receivable and payable as at 31 December 2013 (audited)	Amount exposed to risk	Impact on financial results of the Company	
		-10%	10%
CZK :			
Trade accounts receivable	252	(25)	25
Trade accounts payable	136	14	(14)
Balance	388	(11)	11

Effects of reducing the interest rate risk

The analysis of sensitivity related to fluctuations in interest rates of loans granted indicates the following net impact on the financial results:

Loans granted based on variable interest rates as at 31 December 2014 (audited)	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on EURIBOR variable interest rate	1,461	-	-
Loans granted based on BUBOR variable interest rate	1,097	(3)	3

Loans granted based on variable interest rates as at 31 December 2013 (audited)	Amount exposed to risk	Impact on financial results	
		-15%	15%
Loans granted based on EURIBOR variable interest rate	2,067	-	-
Loans granted based on BUBOR variable interest rate	261	(1)	1

Other financial assets (bills of exchange of J&T Private Equity B.V) are based on fixed interests rates and are not included in sensitivity analysis.

Other types of risk

Other risks are not analysed for sensitivity due to their nature and impossibility of absolute classification.

Methods adopted for conducting the sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on our financial results, was conducted using the percentage deviations of +/-10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased.

Fair value

As at 31 December 2014, the fair values of the Company's assets and liabilities are not significantly different from the values recognized on the statement of financial position.

29. Remuneration due to certified auditors or the entity authorized to audit financial statements

The table below discloses the total amounts due to the entity authorized to audit financial statements, namely Ernst & Young Slovakia, spol. s r. o., paid or payable for the years ended 31 December 2014 and 31 December 2013, with breakdown by type of service:

Type of service	31 Dec 2014 (audited)	31 Dec 2013 (audited)
Obligatory audit of annual financial statements	40	34
Total	40	34

30. Equity management

The main objective of the Company's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Company's operating activities and increase value for our shareholders.

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2014, as well as in the year ended 31 December 2013, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

The Company consistently monitors the balance of its capital using the leverage ratio, which is calculated as a relation of net liabilities to total equity increased by net liabilities. It is the Company's principle to keep this ratio below 35%. Net liabilities include interest-bearing credits and loans, trade accounts payable and other liabilities, decreased by cash and cash equivalents. Equity comprises own equity attributable to shareholders of the Company, decreased by reserve capitals from unrealized net profits.

Equity management	31 Dec 2014 (audited)	31 Dec 2013 (audited)
Trade accounts payable and other liabilities	16,185	13,614
Minus cash and cash equivalents (-)	(20,555)	(16,271)
Net (assets) and liabilities	(4,370)	(2,657)
Shareholders' equity	112,160	103,564
Total equity	112,160	103,564
Equity plus net liabilities	107,790	100,907
Leverage ratio	-4.05%	-2.63%

31. Seasonal and cyclical nature of business

The Company's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because the bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. This phenomenon occurs for the reason that the above-mentioned entities close their annual budgets for implementation of IT projects and usually carry out investment purchases of hardware and licences in the last quarter.

32. Significant events after the balance sheet date

There were no significant events after the balance sheet date.