



**SIMPLE**



# REPORT

of the Capital Group **SIMPLE**  
for Q3 2014

Warszawa, November 14, 2014



**SELECTED FINANCIAL DATA OF THE CAPITAL GROUP SIMPLE**  
**for 9-month period ended on September 30, 2014**

## SELECTED FINANCIAL DATA OF THE CAPITAL GROUP SIMPLE

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Revenues from sales	32 897	7 870	23 895	5 658
Profit from operating activities	2 653	635	2 399	568
Gross profit for the reporting period	2 680	641	2 244	531
Net profit for the reporting period	<b>2 611</b>	<b>625</b>	<b>1 516</b>	<b>359</b>

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Non-current assets	15 585	3 732	13 256	3 196
Current assets	15 648	3 748	20 381	4 914
Equity	14 899	3 568	14 759	3 559
Liabilities and provisions for liabilities	16 334	3 912	18 878	4 552

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Cash from operating activities	2 723	651	(822)	(195)
Cash from investing activities	(3 206)	(767)	(883)	(209)
Cash from financial activities	(1 078)	(258)	(2 206)	(522)
Cash at the end of the period	<b>1 191</b>	<b>285</b>	<b>881</b>	<b>209</b>

The selected financial data presented in the financial statement for 9-month period ended on September 30, 2014 and the comparable period, are translated into EUR in the following manner:

Items of assets and liabilities at the end of the reporting period and comparable period were translated using the average exchange rate published at the last day of the end of the period by the National Bank of Poland. This exchange rate was:

- Exchange rate applicable as at September 30, 2014 EUR 1= PLN 4.1755
- Exchange rate applicable as of December 31, 2013 EUR 1= PLN 4.1472

Items of the statement of comprehensive income and statement of cash flows were translated at the exchange rate constituting the arithmetic mean of the average exchange rates published by the National Bank of Poland at the end of each month. This exchange rate was:

- from January 1, 2014 to September 30, 2014 EUR 1= PLN 4.1803
- from January 1, 2013 to September 30, 2013 EUR 1= PLN 4.2231



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF THE  
CAPITAL GROUP SIMPLE  
FOR Q3 2014**

Warsaw, November 14, 2014

## TABLE OF CONTENTS

SELECTED FINANCIAL DATA OF THE CAPITAL GROUP SIMPLE .....	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	9
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	10
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH-FLOWS.....	11
ADDITIONAL INFORMATION AND EXPLANATION.....	12
I. GENERAL INFORMATION ON THE GROUP.....	12
II. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT COMPANY.....	13
III. MAJOR SHAREHOLDERS.....	13
IV. SHARES OF THE ISSUER HELD BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD.....	14
V. INFORMATION AND STRUCTURE OF THE CAPITAL GROUP .....	16
VI. CHANGES IN THE ORGANIZATIONAL CHART .....	18
VII. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS.....	19
1. Basis.....	19
2. DECLARATION OF CONFORMITY.....	19
3. Estimations .....	19
4. Professional judgment.....	19
5. Changes in the applied accounting principles.....	20
6. Error adjustments .....	20
VIII. ACCOUNTING PRINCIPLES .....	21
1. Property, Plant and Equipment.....	21
2. Intangible assets .....	22
3. Goodwill.....	23
4. Investments in subsidiaries, affiliates and jointly-controlled .....	23
5. Business combination under joint-control .....	23
6. Inventories.....	24
7. Trade and other receivables.....	24
8. Loans and other receivables.....	24
9. Accrued and deferred assets.....	25
10. Cash and cash equivalents.....	25
11. Bank credits and loans bearing interests .....	25
12. Liabilities.....	25

13.	Deferral accounts.....	25
14.	Revenues .....	26
15.	Operating costs .....	26
16.	Income tax.....	27
17.	Earnings per share.....	27
18.	Leases .....	27
IX.	SUMMARY OF THE RESULTS OF THE CAPITAL GROUP SIMPLE .....	28
X.	EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT .....	30
	Note 1. Geographical structure.....	30
	Note 2 Operating activities costs .....	31
	Note 3 Other comprehensive income .....	31
	Note 4. Income tax .....	31
	Note 5. Earnings per share .....	32
	Note 6. Intangible assets.....	33
	Note 7. Property, Plant and Equipment .....	33
	Note 8. Goodwill .....	33
	Note 9. Shares and stocks in subsidiaries and other entities .....	33
	Note 10. Long-term deferral accounts.....	35
	Note 11. Current receivables.....	36
	Note 12. Short-term investments .....	37
	Note 13. Assets available-for-sale.....	37
	Note 14. Share capital and elements of equity.....	37
	Note 15. Deferred tax: .....	38
	Note 16. Long-term provisions for liabilities.....	38
	Note 17. Long-term credits and loans .....	39
	Note 18. Short-term credits and loans .....	39
	Note 19. Trade and other liabilities.....	41
	Note 20. Short-term provisions for liabilities .....	41
	Note 21. Accrued and deferred income .....	42
	Note 22. Investment expenses.....	42
XI.	FACTORS AND EVENTS OF AN UNUSUAL NATURE SIGNIFICANTLY AFFECTING THE FINANCIAL RESULTS.....	42
XII.	EXPLANATIONS FOR SEASONALITY OR PERIODICITY OF THE ISSUER'S BUSINESS ACTIVITY IN THE PRESENTED PERIOD .....	43
XIII.	INFORMATION ON ISSUE, BUY-OUT AND PAYMENT OF NON-EQUITY SECURITIES AND CAPITAL SECURITIES .....	43
XIV.	INFORMATION ON PAID DIVIDEND, IN TOTAL AND PER SHARE .....	43
XV.	XV. EVENTS AFTER THE END OF THE PERIOD .....	44
XVI.	INFORMATION ON CHANGES IN THE CONTINGENT LIABILITIES.....	44
XVII.	MANAGEMENT BOARD'S OPINION ON POSSIBILITY TO PERFORM THE EARLIER PUBLISHED FORECASTS FOR THE RELEVANT YEAR.....	44
XVIII.	PROCEEDINGS IN PROGRESS BEFORE THE COURT, ENTITY COMPETENT FOR THE ARBITRAGE PROCEEDING OR PUBLIC ADMINISTRATION ENTITY .....	45

XIX.	TRANSACTIONS WITH RELATED ENTITIES.....	45
XX.	46	
XXI.	NFINFORMATION, WHICH IN THE MANAGEMENT BOARD'S OPINION, IS SIGNIFICANT FOR ASSESSMENT OF STAFF, PROPERTY OR FINANCIAL CONDITION .....	46
XXII.	SPECIFICATION OF THE FACTORS, WHICH IN THE ISSUER'S ASSESSMENT, WILL AFFECT THE ACHIEVED RESULTS IN THE PROSPECTION OF AT LEAST THE NEXT QUARTER.....	46
XXIII.	INFORMATION ON WRITE DOWNS .....	47
XXIV.	INFORMATION ON FAILURE TO PAY ANY CREDIT OR LOAN OR ON BREACHING OF THE CREDIT OR LOAN AGREEMENT .....	47
XXV.	SIGNIFICANT EVENTS FROM PREVIOUS YEARS .....	47
XXVI.	SIGNIFICANT EVENTS IN THE REPORTING PERIOD .....	47
	INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME .....	51
	INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION .....	52
	INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY.....	53
	INTERIM CONDENSED SEPARATE STATEMENT OF CASH-FLOWS .....	54

## **INTERIM CONSOLIDATED FINANCIAL STATEMENT OF THE CAPITAL GROUP SIMPLE FOR Q3 2014**

This interim condensed consolidated financial statement was accepted and approved to be published by the Management Board of Simple S.A. on November 14, 2014.

### **MANAGEMENT BOARD:**

Przemysław Gnitecki President of the Management Board

Michał Siedlecki-Vice-President of the Management Board,

Rafał Wnorowski Vice President of the Management Board



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3(current year), from 01.07.2014 to 30.09.2014	3Q (current year), from 01.01.2014 To 30.09.2014	3Q (previous year, from 01.07.2013 To 30.09.2013	3Q (previous year) from 01.01.2013 To 30.09.2013
	000' PLN	000' PLN	000' PLN	000' PLN
<b>Revenues from sales</b>	<b>9 147</b>	<b>32 897</b>	<b>7 598</b>	<b>23 895</b>
<b>Cost of sales</b>	<b>(5 798)</b>	<b>(19 071)</b>	<b>(4 788)</b>	<b>(14 977)</b>
<b>Gross profit (loss)</b>	<b>3 349</b>	<b>13 826</b>	<b>2 810</b>	<b>8 918</b>
Distribution expenses	(1 310)	(7 609)	(1 271)	(3 831)
Administration expenses	( 1 467)	(4 005)	(809)	(3 316)
<b>Gross profit (loss) from sales</b>	<b>572</b>	<b>2 212</b>	<b>730</b>	<b>1 771</b>
Other operating revenues	174	580	202	735
Other operating costs	(31)	(139)	(39)	(107)
<b>Operating profit (loss)</b>	<b>715</b>	<b>2 653</b>	<b>893</b>	<b>2 399</b>
Finance income	264	271	5	40
Financial costs	(94)	(244)	(68)	(195)
<b>Gross profit</b>	<b>885</b>	<b>2 680</b>	<b>830</b>	<b>2 244</b>
Income tax (current and deferred tax burdens)	(62)	(69)	(89)	(728)
<b>Net profit (loss) for the reporting period</b>	<b>823</b>	<b>2 611</b>	<b>741</b>	<b>1 516</b>
<b>Attributable to:</b>				
Shareholders of the parent entity	823	2 611	741	1 516
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>823</b>	<b>2 611</b>	<b>741</b>	<b>1 516</b>
<b>Attributable to:</b>				
Shareholders of the parent entity	823	2 611	741	1 516
<b>Earnings per share</b>				
Basic	0.19	0 .60	0.17	0.35
Diluted	0.19	0 .60	0.17	0.35

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**30.09.2014**    **30.06.2014**    **31.12.2013**    **30.09.2013**  
**000' PLN**    **000' PLN**    **000' PLN**    **000' PLN**

<b>Non-current assets</b>	<b>15 585</b>	<b>15 681</b>	<b>13 256</b>	<b>12 391</b>
Intangible assets	1 060	1 253	1 664	1 867
Property, Plant and Equipment	4 332	4 528	4 087	4 080
Goodwill	1 859	1 859	1 859	1 859
Long-term receivables	229	346	365	145
Investments in related entities	1 844	1 844	63	63
Long-term deferral accounts	6 261	5 851	5 218	4 377
<b>Current assets</b>	<b>15 648</b>	<b>19 305</b>	<b>20 381</b>	<b>14 331</b>
Inventories	340	234	127	358
Trade receivables	13 152	18 242	16 851	12 628
Other receivables	474	174	413	199
Short-term investments	1 191	214	2 752	881
Short-term deferrals accounts	491	441	238	265
<b>TOTAL ASSETS</b>	<b>31 233</b>	<b>34 986</b>	<b>33 637</b>	<b>26 722</b>
<b>Equity</b>	<b>14 899</b>	<b>14 076</b>	<b>14 759</b>	<b>11 774</b>
Share capital	4 380	4 380	4 380	4 380
Share premium	1 548	1 548	1 548	1 548
Retained earnings	6 360	6 360	4 330	4 330
Profit/loss from the current period	2 611	1 788	4 501	1 516
<b>Long-term liabilities and provisions</b>	<b>4 211</b>	<b>4 467</b>	<b>4 708</b>	<b>3 816</b>
Deferred income tax provisions	912	986	1 439	521
Provision for retirement	69	69	69	54
Provision for unused leaves	232	232	232	205
Long-term borrowings	1 881	1 901	1 939	1 961
Financial lease liabilities	1 117	1 279	1 029	1 075
<b>Short-term liabilities and provisions</b>	<b>12 123</b>	<b>16 443</b>	<b>14 170</b>	<b>11 132</b>
Short-term bank credits	968	1 507	76	596
Financial lease liabilities	647	644	496	483
Trade liabilities	1 552	3 272	1 515	1 753
Budget liabilities	1 278	1 224	2 916	1 177
Other liabilities	1 379	2 494	236	31
Provisions for liabilities	0	310	310	0
Deferred revenue	6 299	6 992	8 621	7 092
<b>SUM OF LIABILITIES</b>	<b>16 334</b>	<b>20 910</b>	<b>18 878</b>	<b>14 948</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31 233</b>	<b>34 986</b>	<b>33 637</b>	<b>26 722</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserve and supplementary capitals	Profit/loss from the previous years and current year	Total	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
<b>Balance as of 01.01.2014</b>	<b>4 380</b>	<b>1 548</b>	<b>10 119</b>	<b>(1 288)</b>	<b>14 759</b>	<b>14 759</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 611</b>	<b>2 611</b>	<b>2 611</b>
Profit/loss for the fiscal year	0	0	0	2 611	2 611	2 611
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>(3 856)</b>	<b>1 385</b>	<b>(2 471)</b>	<b>(2 471)</b>
Dividends	0	0	0	(2 471)	(2 471)	(2 471)
Loss coverage from previous years	0	0	(5 842)	5 842	0	0
Designation of the profit to the supplementary capital	0	0	1 986	(1 986)	0	0
<b>Balance as of 30.09.2014</b>	<b>4 380</b>	<b>1 548</b>	<b>6 263</b>	<b>2 708</b>	<b>14 899</b>	<b>14 899</b>
<b>Balance as of 01.01.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>8 851</b>	<b>(2 462)</b>	<b>12 317</b>	<b>12 317</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 501</b>	<b>4 501</b>	<b>4 501</b>
Profit/loss for the fiscal year	0	0	0	4 501	4 501	4 501
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>1 268</b>	<b>(3 327)</b>	<b>(2 059)</b>	<b>(2 059)</b>
Dividends	0	0	0	(2 059)	(2 059)	(2 059)
Designation of the profit to the supplementary capital	0	0	1 268	(1 268)	0	0
<b>Balance as of 31.12.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>10 119</b>	<b>(1 288)</b>	<b>14 759</b>	<b>14 759</b>
<b>Balance as of 01.01.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>8 851</b>	<b>(2 462)</b>	<b>12 317</b>	<b>12 317</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 516</b>	<b>1 516</b>	<b>1 516</b>
Profit/loss for the fiscal year	0	0	0	1 516	1 516	1 516
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>1 268</b>	<b>(3 327)</b>	<b>(2 059)</b>	<b>(2 059)</b>
Dividends	0	0	0	(2 059)	(2 059)	(2 059)
Designation of the profit to the supplementary capital	0	0	1 268	(1 268)	0	0
<b>Balance as of 30.09.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>10 119</b>	<b>(4 273)</b>	<b>11 774</b>	<b>11 774</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH-FLOWS

	<b>30.09.2014</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>PLN '000</b>
<b>Net profit (loss)</b>	<b>2 611</b>	<b>1 516</b>
Amortization and depreciation	1 310	1 100
Interest paid	226	154
Gain (loss) on investment activity	(94)	(80)
Movements in provisions	(836)	(1 057)
Movement in inventories	(213)	(87)
Movement in receivables	3 684	236
Movement in short-term liabilities	(1 853)	(2 541)
Movements in accruals	(2 112)	(63)
<b>Net cash-flow from operating activities</b>	<b>2 723</b>	<b>(822)</b>
<b>Net cash-flows from investing activities</b>		
Proceeds on sale of non-current assets	246	193
Payments to acquire non-current assets	(1 670)	(1 076)
Investments payments	(1 782)	0
<b>Net cash from investing activities</b>	<b>(3 206)</b>	<b>(883)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Received borrowings	891	525
Dividend payment	(987)	(2 059)
Repayment of borrowings	(55)	(56)
Payments for financial lease liabilities	(701)	(462)
Interest	(226)	(154)
<b>Net cash from financing activity</b>	<b>(1 078)</b>	<b>(2 206)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(1 561)</b>	<b>(3 911)</b>
Cash and cash equivalents at the beginning of the period	2 752	4 792
<b>Cash and cash equivalents at the end of the period</b>	<b>1 191</b>	<b>881</b>

## ADDITIONAL INFORMATION AND EXPLANATION

### I. GENERAL INFORMATION ON THE GROUP

The Capital Group Simple (Simple Group) is a capital group, in which the parent entity is SIMPLE S.A. ("Parent Entity", "Company", "Issuer") with the registered office in Warsaw, at the address: ul. Bronisława Czecha 49/51. The Group acts as Spółka Akcyjna, established as a result of transformation of the Company SIMPLE z ograniczoną odpowiedzialnością under the notary deed prepared by the Public Notary Anna Chłestowska on June 6, 1997 (Rep. A-3549/97). The Company was registered in the National Court Register by the District Court for the capital city Warsaw, 13th Commercial Division, under KRS number 0000065743. The Company received the statistical number REGON 012642634. The duration of the Group is unlimited. The basic scope of the Group's activity pursuant to the Classification of Polish Business Activity (PKD) is the activity in the field of software. The Company's activity belongs to IT.

SIMPLE is a recognized sign of wide family of IT solutions supporting the management of the following areas: finance, goods management, personnel, construction process, production, supply chain or relationships with clients. From more than 24 years we have been providing the specialized services of integration of IT solutions and business consulting.

SIMPLE S.A. is a WSE company specialized in design and implementation of IT solutions of ERP, BI class, CMR systems and BPM systems. The dynamic growth of the Company and continuously increasing number of Clients allowed SIMPLE to become one of leaders in the IT sector.

The Company proposes solutions, which were created on the basis of the knowledge of employed experts and which increase the rank of business processes and meets the specific requirements of the enterprises of the particular branches, assuring the possible success in the more and more competitive environment.

SIMPLE.ERP is the Integrated IT System providing the consistent and comprehensive service of economic process in the full scope of activity. It includes the processes taking place in:

- ❖ Enterprises with diversified profiles of activity (production, construction, services, trade);
- ❖ High schools;
- ❖ Medical units;
- ❖ Research institutes;
- ❖ Governmental units.

Making efforts to provide the innovative solution we have cooperated with the biggest companies in IT sector such as: IBM, Cisco or Microsoft; obtaining the high and highest partnership levels and preferences. The efficiency and innovativeness of the offered solutions are proved by the fact that our company placed in the top suppliers of the most stable and the longest investment protection period in Poland. We continuously improve our products and services. We create our offer thinking about the business needs and branch profiles of our Clients. Our rich portfolio of innovative IT systems, comprehensively supporting

management, arisen on the base of 24 years' experience and the number of more than 23 thousand users was enriched by the competences related to the optimum selection of IT infrastructure and services at the professional level.

The modern market has high requirements. Changing economic factors cause that only the high efficiency of all business processes and activities may ensure the possible functioning and development. The application of IT technologies, supporting the management processes, affects significantly the efficiency of the company and the implementation of the integrated IT management system brings the significant and measurable benefits contributing to achieve the market success.

## II. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT COMPANY

As of September 30, 2014 and the date of these financial statements i.e. November 14, 2014 the composition of the Management Board and Supervisory Board of the parent entity is as follows:

Supervisory Board	Executive Board
Adam Wojacki <sup>1)</sup>	Przemysław Gnitecki <sup>1)</sup>
Anna Hejka <sup>2)</sup>	Rafał Wnorowski <sup>2)</sup>
Zbigniew Strojnowski <sup>3)</sup>	Michał Siedlecki <sup>3)</sup>
Paweł Zdunek <sup>4)</sup>	
Tomasz Zdunek <sup>5)</sup>	
Marceli Malicki <sup>6)</sup>	
1)Chairman of the Supervisory Board	1)President of the Management Board
2)Deputy Chairman of the Supervisory Board	2)Vice-President of the Management Board
3)Secretary of the Supervisory Board	3)Vice-President of the Management Board
4) Member of the Supervisory Board	
5) Member of the Supervisory Board	
6) Member of the Supervisory Board	

On June 17, 2014 at the Ordinary General Meeting Mr Marceli Malicki was appointed as the Member of the Supervisory Board of Simple S.A.

From the end of the period to the date of this condensed consolidated financial statement there were not any changes in the composition of the Management Board of the Parent Entity.

## III. MAJOR SHAREHOLDERS

Pursuant to the best knowledge of the Management Board of Simple SA as of September 30, 2014, date of this report i.e. November 14, 2014, the structure of shareholders holding at least 5% of the general number of votes at the General Meeting was as follows:

### As at November 14, 2014

Shareholder	Number of held shares and votes at GMS	Share in the share capital and total number of votes at GMS
Cron Sp. z o.o.	1 445 498	33,00%
Bogusław Mitura	948 180	21,65%

### As of September 30, 2014

Shareholder	Number of held shares and votes at GMS	Share in the share capital and total number of votes at GMS
Cron Sp. z o.o.	1 445 498	33,00%
Bogusław Mitura	948 180	21,65%

On September 5, 2014 the Company was informed that Impera Capital S.A. and its subsidiaries Family Fund 2 reduced its engagement in the shares of Simple S.A. thus the interest in the total number of votes at the General Meeting of Shareholders was reduced. And jointly with the subsidiary, the company Impera held directly and indirectly in total 395 866 shares, representing 9.04% of the share capital, carrying rights to 395 866 votes at the General Meeting of SIMPLE. As a result of this transaction, Impera and its subsidiary, Family Fund, hold directly none shares of Simple.

### As of August 30, 2014

Shareholder	Number of held shares and votes at GMS	Share in the share capital and total number of votes at GMS
Cron Sp. z o.o.	1 445 498	33,00%
Bogusław Mitura	948 180	21,65%
Impera Capital S.A.	395 866	9,04%
Family Fund 2 Sp. z o.o. (subsidiary of Impera Capital S.A.)	275 811	6,30%

## IV. SHARES OF THE ISSUER HELD BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Specification of shares or rights to shares held by the members of the management board and supervisory board as of the date of this financial statement, including the indication of

the changes in shareholding in the period from the previous annual financial report, separately for each member.

#### Number of shares- as at

Members of MB	November 14, 2014	September 30, 2014	August 30, 2014
Przemysław Gnitecki	0	0	0
Rafał Wnorowski	0	0	0
Michał Siedlecki	160 000	160 000	160 000

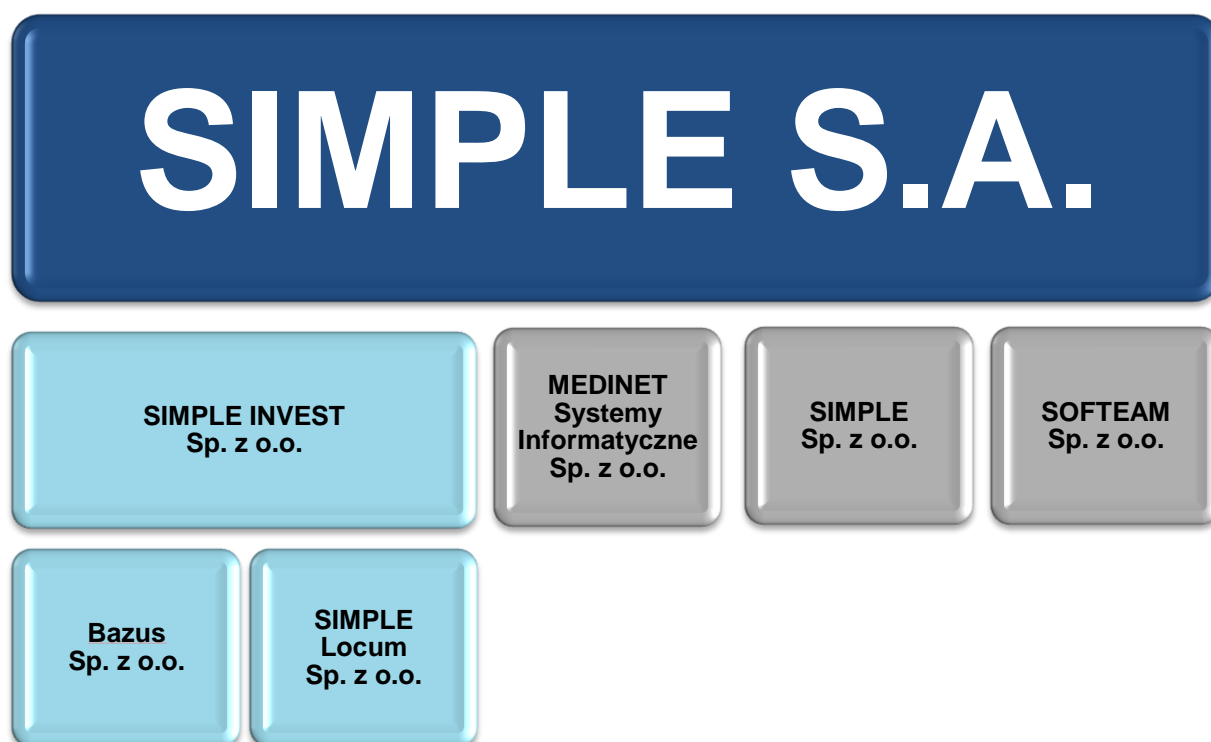
#### Number of shares- as at

Supervisory Board	November 14, 2014	September 30, 2014	August 30, 2014
Adam Wojacki	3 745	3 745	3 745
Anna Hejka	0	0	0
Zbigniew Strojnowski	163 000	163 000	163 000
Paweł Zdunek	0	0	0
Tomasz Zdunek	0	0	0
Marceli Malicki	68 800	68 800	68 800



## V. INFORMATION AND STRUCTURE OF THE CAPITAL GROUP

The diagram below presents the structure of the Capital Group Simple with the proportional share in the share capital and votes at the General Meetings of Shareholders/Partners as at September 30, 2014



*As of the date of this financial statement the composition of the Group is as follows:*

- ❖ Simple Invest Sp. z o.o. – 100%
- ❖ Simple Locum Sp. z o.o. – 100%
- ❖ Bazus Sp. z o.o. – 100%

1. SIMPLE Invest Sp. z o.o. seated in Warsaw, address ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on March 18, 2013 under the notary deed (Rep A No. 6611/2013) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new limited liability company with the name Simple Invest Sp. z o.o. Simple S.A. holds a full control over the Company by taking up shares in return for transferring shares held in the companies Simple Locum Sp. z o.o. z o.o. and Bazus Sp. z o.o. as in-kind

contribution. The amount of the acquired shares is PLN 4 994 k. It holds 100% of votes at the General Meeting.

2. Simple Locum Sp. z o.o. seated in Warsaw address: ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on March 24, 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new limited liability company with the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by acquisition of the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The amount of the acquired shares is PLN 2 669 k. It holds 100% of votes at the General Meeting. The basic type of business activity of Simple Locum Sp. z o.o. pursuant to the Classification of Polish Activity (PKD) is rental of real estate at its own account. Simple Locum Sp. z o.o. is the owner of the office building in Warsaw, ul. Bronisława Czecha 49/51. The total building is rented for the needs of SIMPLE Group.
3. Bazus Sp. z o.o., seated in Lublin address ul. Wolska 11. The private partnership named HIGHCOM Spółka cywilna acting under the Articles of Association concluded on April 9, 1996, changed by the annexes dated: March 12, 1997, August 30, 1997 and December 31, 2010 between Hubert Daniel Abramiuk and Michał Paweł Abramiuk, was transformed under Art. 551 of the Code of Commercial Companies into: Bazus Spółka z ograniczoną odpowiedzialnością. As at the end of the period, Simple S.A. holds 100% of shares in the company Bazus Sp. z o.o. The amount of the acquired shares pursuant to the purchase price is PLN 2 305 k.

The consolidation excludes the related entities:

- ❖ Softeam Sp. z o.o. – 25,18%
- ❖ Simple Sp. z o.o. – 19,51%
- ❖ Medinet Sp. z o.o. – 52.24%

1. Softeam Sp. z o.o. seated in Warsaw, address: ul. Łopuszańska 53, registered on June 5, 2001 in the District Court for the capital city of Warsaw in Warsaw, 20th Commercial Division of the National Court Register, under KRS number 0000013271. On 29.06.2005 the name of SIMPLE EXPERNET Sp. z o.o. has been changed into Softeam

Sp. z o.o. The value of taken up shares as of June 30, 2006 pursuant to the purchase price is PLN 53 k that constitutes 50.24% of the share capital and 25.18% of votes at the General Meeting of Shareholders.

2. Simple Sp. z o.o. seated in Dąbrowa Górnicza address: ul. Cieplaka 19, registered on December 24, 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Commercial Department of the National Court Register. The date of first registration was May 31, 1991 under the number RHB 6610. The value of taken up shares is PLN 9.7 k that constitutes 19.51% of the share capital and the same amount of votes at the General Meeting of Shareholders.

In these companies SIMPLE S.A. holds less than half of votes together with other investors, is not able to manage the financial and operating policy of these entities under the Articles of Association or agreement, is not entitled to appoint and recall the members of the management board and does not held the majority of votes and the Meetings of the Management Board or Supervisory Board.

3. Medinet Systemy Informatyczne Sp. z o.o. with the registered office in Opole, ul. Oleska 121, entered into the entrepreneurs register kept by the District Court in Opole, 8th Commercial Division of the National Court Register with KRS number 0000359965. On March 24, 2014 the shares sales agreement and preliminary shares sale agreement were concluded, under which Simple SA acquired 524 shares that constitutes 52.4% shares in the Company. The amount of the acquired shares is PLN 1.781.600 k.

## **VI. CHANGES IN THE ORGANIZATIONAL CHART**

On March 24, 2014 the shares sales agreement between Simple S.A. in Warsaw and Medinet Systemy Informatyczne Sp. z o.o. in Opole was concluded. Simple S.A. acquired 524 shares at PLN 1 787 600.

On May 26, 2014 Simple S.A transferred the acquired shares of Medinet Systemy Informatyczne Sp. z o.o. to its subsidiary Simple Invest Sp. z o.o. under the notarial deed Repertory A No. 2504/2014.

## **VII. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Basis**

Pursuant to the Ordinance of the Council of Ministers dated on February 19, 2009 on the current and periodic information provided by the issuers of securities and conditions of considering as equal the information required by the legal provisions of the non-member country (Dz. U. 2009 No. 33 item 259 as amended) the Management Board is obliged to cause the preparation of the annual financial statement reflecting the accurate and reliable property and financial standing of the SIMPLE S.A. Group for the period from January 1, 2014 to September 30, 2014 and the financial result for this period. It contains the real picture of the Group's development, achievements and the description of the basic risks and threats.

This financial statement was prepared with the going concern principle in the near future, covering the period no shorter than one year following the end of the period, in the scope, which would not be significantly diminished. As of the date of this report there are not any circumstances threatening the going concern principle.

This financial statement is presented in zlotys (PLN) and all amounts, unless it is stated otherwise, are given in k PLN.

### **2. Declaration of conformity**

This financial statement was prepared pursuant to the International Financial Reporting Standards (IFRS). IFRS include the standards and interpretations of the International Accounting Standards Board published in a form of the Regulations of the European Commission.

The Group has adopted IFRS for the first time to prepare the financial statement for years starting after January 1, 2005.

### **3. Estimations**

In the reporting period (9 months) ended on September 30, 2014 there were not any significant changes in the method of estimations.

### **4. Professional judgment**

The preparation of the financial statement according to IFRS requires to make estimations and assumptions, which affect the amounts presented in the financial statement. The accepted assumptions and estimations base on the best knowledge of the Group management about the current activity and events.

The Group performs the contracts for implementation of IT systems. The measurement of contracts requires to determine the future cash flows in order to determine the amount of revenues and costs and to measure the progress of works in the projects. The progress of works is determined as the relation of incurred costs to planned costs. The future cash flows are not always compliant with the agreements with the clients due to changes in the project performance schedules. As of September 30, 2014 the amount of receivables due to contract measurement amounted to PLN 4.751 k.

The amount of depreciation rates is set basing on the expected period of economic life of the assets of the property, plant and equipment as well as the intangible assets. In the period (9 months) ended on September 30, 2014 there were not any changes in the amortization rates applied by the Group.

**5. Changes in the applied accounting principles**

The accounting principles applied to this financial statement are compliant with these applied for the annual financial statement for the year ended on December 31, 2013.

**6. Error adjustments**

The Management Board of the Company under the business name Simple S.A. in Warsaw, adopted the resolution on changes of the principle for recognition of service and post-implementation care in the financial statement prepared pursuant to IFRS. To present the Company recognized these revenues at once ("previous principle") when the invoice was issued. The Company plans to change this principles recognition them progressively in the service period ("changed principle"). The agreement on service and post-implementation care are signed for period from 12 to 24 months and even longer. As the service care the Company undertakes to provide services related to repair of defects of the software sold and the software updates. The invoices for these services are issued for the total period in advance, upon signing the contract, but receivables are divided into installment through the contractual period.

The Company determines this change as the "error adjustment".

**Recognition of the revenue settlement principle- error adjustment**

Pursuant to IAS 8 sec. 42 the entity corrects prior period errors retrospectively in the first financial statements issued after their discovery:

- restating the comparative figures for the prior period or periods presented in which the error occurred; or
- if the error occurred before the earliest period presented in the financial statements, restating the opening balances of assets, liabilities and equity for the earliest period presented.

<b>Effect of changes on the financial statement</b>
---

Item of the financial statement	Beginning of the period January 1, 2013	01.01.2013-30.06.2013	30.06.2013
Total net revenues from sales		970 354.16	
Deferred tax assets	1 361 593.00	-184 368.00	1 177 225.00
Receivables accruals	7 166 277.95	-970 354.16	6 195 923.79
<b>Movement in the profit of the year</b>		<b>785 986.16</b>	<b>785 986.16</b>
Change of the balance sheet sum (Assets)	1 361 593.00	-184 368.00	1 177 225.00
Change of the balance sheet sum (Liabilities)	1 361 593.00	-184 368.00	1 177 225.00
<b>Cumulated retained profits</b>	<b>-5 804 684.95</b>	<b>785 986.16</b>	<b>-5 018 698.79</b>

## VIII. ACCOUNTING PRINCIPLES

### 1. Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less the depreciation and impairment allowances. The initial amount of the non-current assets includes its purchase price increased by all costs directly related to the purchase and to bring the asset to working condition. Costs incurred after the date of transferring the non-current assets to use are charged at the profit or loss as of being incurred.

Amortization is calculated using the straight line method with the amortization rates following the estimated economic life of the relevant asset as follows:

- ❖ Machinery and equipment in the economic life 2-10 years
- ❖ Transport means in the economic life 3-5 years
- ❖ Computers in the economic life 2-3 years

The relevant items of P,P&E are removed from the statement of comprehensive income after their disposal or in the event, when none of the economic benefits are expected during the further use. All losses and profits resulting from removal of such asset from the statement of comprehensive income are presented as the difference between potential net income from sales and the carrying amount of the given item and are recognized in the statement of comprehensive income of the period, in which such removal was made.

## 2. Intangible assets

Intangible assets purchased under the separate transaction are recognized at purchase price. Intangible assets purchased under the business entity acquisition transaction are recognized at fair value as of the date of acquisition.

The economic life of the intangible assets is estimated and recognized as limited or unspecified. The intangible assets with the limited economic life are amortized using the straight line method on the basis of their estimated economic life and the costs of amortization are recognized in the statement of comprehensive income pursuant to the place of origin. The intangible assets, which are not used, are a subject of annual verification regarding the possible impairment.

Profits or losses resulting from removal of the intangible assets from the statement of financial position are measured at the difference between the proceeds and the carrying amount of the given item and are recognized in the statement of comprehensive income as of its derecognition.

### **Internally generated intangible assets**

The Group presents the products, which manufacturing process has not been already finished ("costs of unfinished research and development works") in the separate categories. The intangible assets compound manufactured at its own scope as a result of the development works is recognized then and only then, when the Group is able to prove:

- ❖ the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ❖ its intention to complete the intangible asset and use or sell it;
- ❖ its ability to use or sell the intangible asset;;
- ❖ how the intangible asset will generate probable future economic benefits;
- ❖ the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- ❖ its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset is a sum of expenditures incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Such costs include:

- ❖ costs of employee benefits arising from the generation of the intangible asset;
- ❖ all directly attributable costs necessary to create, produce, and prepare the asset such as legal title registration fees and amortization of patents and licences, which are used at the manufacture of this asset;
- ❖ costs of materials and services used or consumed in generating the intangible asset;
- ❖ Indirect costs, which can be clearly connected with the manufacturing process: amortization cost of the equipment used in the manufacturing process and costs of the office space occupied by the manufacturing team.

Until the development works are finished, the total costs directly related to these works are present as "Costs of unfinished research and development works". When the development works are finished, the effect of the manufacturing process is shifted to the category "Software and licenses generated internally" and from this moment the Company starts to amortize the internally generated software. The costs of development works meeting the aforementioned criteria are recognized at its cost less any accumulated amortisation and any accumulated impairment losses.

### **3. Goodwill**

Goodwill on acquisition of the entity is initially recognized at the cost being the excess of:

- ❖ Provided payment
- ❖ Amount of all NCI in the acquired entity
- ❖ In the event of business combination performed in stages, the fair value as of the date of acquisition of the share in the equity of the acquired entity, previously held by the acquiring entity.

The goodwill is presented at the cost of acquisition reduced by all cumulated impairment allowances. The impairment test is performed as of the end of the period. The goodwill is not amortised.

Impairment allowance is determined by estimation of the recoverable amount of the cash generating unit, to which the goodwill was allocated. If the recoverable amount of CGU is lower than the carrying amount, the impairment allowance is recognized, which is charged against the finance costs.

### **4. Investments in subsidiaries, affiliates and jointly-controlled**

The subsidiaries are such entities, in which the Company holds more than half of votes at the General Meeting of Shareholders or General Meeting of Partners or otherwise is able to manage the financial or operating policy of these entities. To assess the control of the Company over the other entities also the existence and influence of the possible votes, which can be executed at the general meetings of shareholders or general meeting of partners of these entities, are also considered.

Associates are entities, in which the Company holds 20-50% share in votes at the general meeting of shareholders or on which the Company does not have a significant influence and does not control them, so they are not subsidiaries or joint venture.

The assessment of the investment regarding the impairment in the related entities should be carried out at each end of the period. If such assumption occurs then the Company carries out the impairment test of the investment by comparing the book value of this investment with the higher of two values: market value or usable value.

### **5. Business combination under joint-control**

The business combination under joint control is a business combination, in which all combined entities are controlled by the same party both before and after the combination and this control is not of temporary nature.



In order to settle the effects of the business combination under joint control the Company uses the pooling of interest method. In particular, for the business combination of the Company and its subsidiary, the applied method assumes that assets and liabilities of the combined entities are measured at the carrying amounts from the consolidated financial statement of the parent company prepared at the date of control. The transaction costs related to this combination are charged against the profit or loss, the mutual balances of receivables and liabilities are eliminated. The statement of comprehensive income presents the results of the combined entities, from the moment of combination.

## **6. Inventories**

The Group has only one group of inventories goods and service parts (spare parts and hardware, which was purchased in order to perform the contracts for maintenance services). The Group draws up the age analysis of goods at each end of the period and makes the revaluation allowances on this basis. The inventories revaluation allowances are recognized in the operating costs.

## **7. Trade and other receivables**

The trade receivables are recognized and presented by the amounts initially invoiced, including the revaluation allowance. The receivables with the long-term payment terms are recognized at the amount of payables.

### **Receivables revaluation allowance**

Doubtful debts allowances are estimated when the collecting of the full receivables amount is not possible according to the initial conditions. The non-collectible receivables are charged against the operating costs as of their non-collectability is stated. The Group makes the write downs of entitlements under the general rules in the amounts not lower than:

- ❖ 100% in relation to the receivables lodged to the court, unless the Management Board is almost sure that the judgment will be favorable for the Company,
- ❖ 100% in relation to the overdue receivables over 12 months (starting from the payment term) including the repayments, agreements etc. occurred after the end of reporting period,

The revaluation of the receivables includes not only events to the end of the period, but also disclosed later, to the date of the financial statement, if these events concern the receivables recognized in the books as of the end of the period. The receivables write downs are charged into the operating costs. The write-offs of the receivables balance from the calculated interest are classified as the finance costs. If the reason of the write down ceases, the total or part of this write down increased the amount of the relevant asset and the proper items of costs are adjusted.

## **8. Loans and other receivables**

They are the financial assets, which are not the derivative instruments with set or settable payments, which are not listed on the active market. They are classified to the current assets, unless their maturity date does not exceed 12 months from the end of the period. The loans are classified to the non-current assets, when their maturity exceeds 12 months from the end of the period.

## 9. Accrued and deferred assets

The accrued and deferred assets include the expenses incurred to the end of the period, which concern the future periods (accrued and deferred costs) or are connected with the future benefits. In particular the accrued and deferred assets include:

- ❖ Paid third party services, to be rendered in the next periods,
- ❖ Paid rents,
- ❖ Paid insurances, subscriptions
- ❖ Costs incurred in connection with the performed contracts, which income will be generated in the future periods,
- ❖ Paid property insurances

## 10. Cash and cash equivalents

Cash and cash equivalents presented in the statement of financial position include the cash in bank and at hand, short-term deposits with the initial maturity period not exceeding three months. The balance of cash and cash equivalents recognized in the statement of cash flows is composed of the aforementioned cash and cash equivalents.

## 11. Bank credits and loans bearing interests

All the bank credits and loans are presented at the cost of acquisition corresponding to the fair value of received cash reduced by the costs related to obtain the credit of loan.

The difference between the funds received (less the credit or loan granting costs) and the amount to be paid is recognized in the statement of the comprehensive income for the period of credit or loan duration. Profits and losses are recognized in the statement of comprehensive income when the liability is removed from the statement of financial position or the impairment is stated. All service costs for borrowings are recognized through profit or loss in the periods, to which they refer.

## 12. Liabilities

Trade liabilities concerning the operating activity are recognized and presented at the amounts compliant with the received invoices and recognized in the reporting periods, to which they refer.

### Transactions and items in foreign currencies

Transactions expressed in the other currencies than Polish zloty are translated into the Polish zloty applying the exchange rate prevailing on the transaction day. As of the end of the period assets and liabilities expressed in the currencies other than Polish zloty are translated into the Polish zloty applying the average exchange rate prevailing for this reporting period i.e. average exchange rate published for this currency by the National Bank of Poland. The exchange differences arisen from the translation are presented correspondingly in the item of financial revenues or expenses.

## 13. Deferral accounts

In order to keep the proportionality of revenues and costs the Group makes the accrued and deferred assets and liabilities which refer to both costs and revenues. Prepaid expenses- are

costs deferred to the future reporting period, accrued income- is an amount of liabilities falling in the current reporting period following the benefits performed for the entity.

The accrued and deferred assets and liabilities include in particular the equivalents of invoiced allowances, which will be performed in the next periods and equivalents of recorded proceeds from union funding.

## **14. Revenues**

Revenue is recognised to the extent that it is probable that the economic benefits relating to the transaction will flow to the Group and the revenue can be reliably measured. The Group presents only the revenues from sales of products and services. This presentation reflects the profit of the Group providing the complex IT solutions based on its own solutions. The following criteria are applicable for the recognition of revenues:

### **Revenues from sales**

Revenues are recognized, if the significant risk and benefits following the agreements were transferred to the purchaser and when the amount of revenues can be reliably measured. Revenues from sale of own licenses provided under the implementation contracts are recognized pursuant to the progress of the total contract. Otherwise the revenues from the sales of own licenses are recognized at the moment of selling, if the license is granted for an unspecified period of time or recognized through the license agreement period for the licenses granted for the specified period of time.

Revenues from the sales of third party licenses are recognized commensurate to the cost of such license acquisition, so for the license granted for the specified period of time, the cost of acquisition and revenues from sales are recognized within the term of the license. For the licenses for an unspecified period of time, the cost and revenues are recognized once, at the moment of sale of license. If the third-party license is supplied as one of the implementation contract elements and the price for the third party license was not separated in the sales agreement, then the revenues from sale of third party licenses are an element of revenues from implementation contract and are recognized at the progress of the project.

### **Interest**

Revenues due to interest are recognized consecutively when they accrue, referring to the net carrying amount of the relevant asset. Revenues due to interest are interest from granted loans, bank deposits and other titles.

### **Dividends**

Dividends are recognized, when the rights of shareholders to receive them are established.

## **15. Operating costs**

The Group records the cost by categories and by amounts. The own cost of sales includes costs directly related to the acquisition of sold goods and production of the sold services. The sale costs include the commercial and marketing costs (including sponsoring). The distribution expenses include costs related to the management of the Company and administration costs.

## Interest

Costs due to interest are recognized consecutively when they accrue, referring to the net carrying amount of the relevant asset. Costs from interest are interest from granted loans, bank credits and other titles.

## 16. Income tax

The deferred income tax is calculated using the method of balance liabilities towards all temporary differences as of the end of period between the tax value of the assets and liabilities and their balance value indicated in the financial statement. The provision for the deferred income tax is created in relation to all taxable temporary differences.

The deferred tax assets are recognized with reference to all deductible temporary differences and unused deferred tax assets and tax losses forwarded to future periods, in such amount, in which it is possible that the taxable income will be achieved and that will allow using the mentioned differences, assets and losses.

The carrying amount of the deferred tax asset is verified as each end of the period and is a subject of reduction or increase correspondingly to the changes of estimations for taxable income sufficient to realize the deferred tax asset partially or as a whole.

The deferred income tax assets and provisions for deferred income tax are measured applying the tax rates, which are applicable in the period, when this asset is realized or provision is released taking as the ground the actual tax rates as of the end of the period.

Revenues and costs and assets are recognized in the amount less VAT, except for:

- ❖ VAT paid at the moment of purchase of goods is not recoverable, then the VAT is recognized as a part of asset acquisition costs or a part of cost item and
- ❖ Receivables and liabilities are presented including the VAT amount.

The net amount of VAT is recoverable or payable to the tax authorities is recognized in the statement of financial position as a part of receivables or liabilities.

## 17. Earnings per share

The basic net earnings per share for the each period are calculated by dividing the net earnings from continued activity for the relevant period by the average weighted number of shares in the relevant reporting period.

The diluted net earnings per share for the each period are calculated by dividing the net earnings from continued activity for the relevant period by the total average weighted number of shares in the relevant reporting period and all possible new issues.

## 18. Leases

The financial lease agreements, which transfer the all risks and benefits of the subject of lease into the Group, are recognized in the statement of financial position as of the date of starting the lease at the current amount of the minimum lease fees. The leasing fees are allocated to the financial costs and reduction of the balance of the liabilities in the manner enabling to achieve the constant interest rate form the liability to be paid. Finance cost is

recognized in the statement of comprehensive income. Assets used under financial lease are amortized during the leasing period.

## **IX. SUMMARY OF THE RESULTS OF THE CAPITAL GROUP SIMPLE**

In the three quarters of 2014, SIMPLE S.A. as the parent entity of the Group, continued the basic business activity in the field of production, sale, implementation, service of the systems supporting the management and the suppliers of the hardware, system software and services in this field. Simple continued also the development of dedicated systems and started the projects for new clients and will continue these works in the next quarters.

The business activity of the Company was managed by the Management Board composed of: Przemysław Gnitecki- President of the Management Board, Przemysław Wnorowski- Vice President of the Management Board, Michał Siedlecki- Vice President of the Management Board.

The sale and profit in Q3 2014 show the maintenance of the positive trends in the positive areas of the Groups business activity. However, as in the previous years, the fourth quarter should be the best for the Company.

In Q3 2014, the Group SIMPLE achieved the revenues from sales amounted to PLN 9 147 k in comparison to the amount of PLN 7 598 k in 2013. The revenues were higher by 20.4 % than in the comparable period of the previous year.

After three quarters of 2014 the revenues from sale of the Group increased and amounted to 32 897 k PLN in comparison to 23 895 k PLN after three quarters of 2013 (increase by more than 37.7%). The big increase of revenues is caused by the dynamic development of the Group, which signs and performs more and more contracts.

The profit from the operating activity for the Group in Q3 2014 amounted to PLN 715 k and the gross profit amounted to PLN 823 k. The profit from operating activity noted decrease by 20%. In the latter, there is an increase by 11% and in comparison to Q3 2013.

After three quarters of 2014 the significant increases were observed in: profit from the operating activity of the Group, which amounted to 2 611 k PLN and gross profit 2,611 k PLN. In both cases the increase occurred in comparison to the comparable period of 2013 accordingly by 10.6% and 72.2%.

The achieved results in Q3 2014 demonstrate the further dynamic development of the Group. The group intends to achieve its goals to the end of the year via significant increases,

which are expected in Q4. Both Simple and Bazus companies are in very good condition regarding the order portfolio, which allows them to plan the next quarters with an optimistic view. Only in the third quarter of 2014, the Capital Group SIMPLE concluded contracts, which total amount exceeds PLN 13M. It means that the Company has a good prospectus also for the next year. Regarding new contracts and profits, the fourth quarter is expected to be very good. The Company should achieve better results than year ago, both regarding the net profit and the revenues. The confirmation of the above fact is shown by the revenues of the Group, which upon three quarters increased by PLN 9 m (37.7%). The Management Board of SIMPLE expects that the revenues and profits dynamic will be better in Q4.

The most important goals of the Management for Q4 2014 will be the following issues:

- To maintain the high sales dynamics, SIMPLE has an opportunity to conclude contracts amounting to several million zlotys in 2014.
- To keep the contracts performance schedule, concluded by the Company, it will allow the Company to improve results in 2014 in comparison to 2013.
- Taking up the control and consolidation of Medinet, which 52.4% shares were acquired by Simple in the first half of 2014 and that will also positively affect the results of the Group in 2014.
- To continue works on technological and functional modernization of the SIMPLE.ERP system and also the other products in SIMPLE's offer, successive implementation of new products developed by the Company.
- Further improvement of the budgeting system and cost optimization.
- Further dynamic development in the field of winning contracts. SIMPLE Group undertakes the intensive actions to develop this area of business activity.

## X. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

### Note 1. Geographical structure

The Simple Group conducts its business activity in the field of software and sale of hardware and also renders related services. The only geographical sector is the sale within the country which includes 100% of revenues.

	Q3(current year), from 01.07.2014 to 30.09.2014	3Q (current year), from 01.01.2014 to 30.09.2014	3Q (previous year, from 01.07.2013 to 30.09.2013	3Q (previous year) from 01.01.2013 to 30.09.2013
	000' PLN	000' PLN	000' PLN	000' PLN
<b>Revenues from sales</b>				
Domestic	9 147	32 897	7 598	23 895
<b>Distribution expenses</b>				
Domestic	(5 798)	(19 071)	(4 788)	(14 977)
<b>Gross profit from sales</b>				
<b>Domestic</b>	<b>3 349</b>	<b>13 826</b>	<b>2 810</b>	<b>8 918</b>

The Group SIMPLE distinguishes the branch sectors broken into the revenues from sale of services and products and goods. The revenues from sale, costs and sales result pursuant to the operating segments are as follows:

	Q3(current year), from 01.07.2014 to 30.09.2014	3Q (current year), from 01.01.2014 to 30.09.2014	3Q (previous year, from 01.07.2013 to 30.09.2013	3Q (previous year) from 01.01.2013 to 30.09.2013
	000' PLN	000' PLN	000' PLN	000' PLN
<b>Revenues from sales</b>	<b>9 147</b>	<b>32 897</b>	<b>7 598</b>	<b>23 895</b>
Sale of services and products	8 228	29 031	6 858	21 739
Sale of goods	919	3 866	740	2 156
<b>Distribution expenses</b>	<b>(5 798)</b>	<b>(19 071)</b>	<b>(4 788)</b>	<b>(14 977)</b>
Distribution costs of products and services	(5 526)	(16 933)	(4 232)	(13 159)
Distribution costs of goods	(272)	(2 138)	(556)	(1 818)
<b>Gross profit from sales</b>	<b>3 349</b>	<b>13 826</b>	<b>2 810</b>	<b>8 918</b>
Gross profit on sale of services and products	2 702	12 098	2 626	8 580
Gross profit on sale of goods	647	1 728	184	338

## Note 2 Operating activities costs

The operating costs in the period from January 1, 2014 to September 30, 2014 and in the comparable period were as follows:

	Q3 (current year), from 01.07.2014 to 30.09.2014	3Q (current year), from 01.01.2014 to 30.09.2014	3Q (previous year, from 01.07.2013 to 30.09.2013	3Q (previous year) from 01.01.2013 to 30.09.2013
	000' PLN	000' PLN	000' PLN	000' PLN
Amortization and depreciation	(440)	(1 310)	(374)	(1 100)
Materials and energy consumption	(229)	(751)	(167)	(519)
Third party services	(3 478)	(14 409)	(2 538)	(8 027)
Taxes and fees	(29)	(143)	(45)	(88)
Remunerations/payrolls	(3 443)	(9 718)	(2 782)	(8 564)
Social insurances and other benefits	(582)	(1 876)	(496)	(1 796)
Other costs	(102)	(340)	90	(212)
Value of goods and materials sold	(272)	(2 138)	(556)	(1 818)
<b>Total operating activity costs including</b>	<b>(8 575)</b>	<b>(30 685)</b>	<b>(6 868)</b>	<b>(22 124)</b>
Cost of sales	(5 798)	(19 071)	(4 788)	(14 977)
Distribution expenses	(1 310)	(7 609)	(1 271)	(3 831)
Administration expenses	(1 467)	(4 005)	(809)	(3 316)

## Note 3 Other comprehensive income

In the period covered by this financial statement from January 1, 2014 to September 30, 2014 other comprehensive income was not recognized.

## Note 4. Income tax

Charges on the financial result due to the corporate income tax (current and deferred).

	30.09.2014 000'PLN	30.09.2013 000'PLN
Current income tax	(115)	(52)
Deferred income tax	46	(676)
<b>Tax burden presented in the Statement of Comprehensive Income</b>	<b>(69)</b>	<b>(728)</b>

The applicable regulations have inconsistencies causing the differences in tax regulations interpretation. Tax settlements are a subject of control within 5 years. The amounts specified in the financial statement can be changed in the further term, after the tax authorities determine the final amount.



### Note 5. Earnings per share

The basic earnings per one share is calculated by dividing the net profit for the reporting period by the average weighted number of issued shares in the fiscal year. The share capital of SIMPLE S.A. is composed of 4 380 298 shares and is divided into 4 380 298 shares with the nominal value PLN 1 each. The average weighted number of shares in the period from January 1, 2014 to September 30, 2014 amounted to 4 380 298 and in the comparable period was 4 380 298.

	<b>for the period 01.01.2014 30.09.2014 PLN '000</b>	<b>for the period 01.01.2013 30.09.2013 PLN '000</b>
Earnings per shareholders	2 611	1 516
Average number of ordinary shares (in k pcs)	4 380	4 380
<b>Earnings per share ( in PLN per one share)</b>	<b>0,60</b>	<b>0,35</b>

## Note 6. Intangible assets

Within 9-month period of time ended on September 30, 2014 the Group acquired intangible assets in the amount of PLN 33 k. Within 9 month period of time ended on September 30, 2013 the Group did not sell or dispose any intangible assets.

Within 12 month period of time ended on December 31, 2013 the Group acquired intangible assets in the amount of PLN 11 k. Within 12 month period of time ended on December 31, 2013 the Group did not sell or dispose any intangible assets.

Within 9-month period of time ended on September 30, 2013 the Group acquired intangible assets in the amount of PLN 3 k. In the same period of time the Group did not sell or dispose any intangible assets.

## Note 7. Property, Plant and Equipment

Within 9 month period of time ended on September 30, 2014 the Group purchased P,P&E amounting to PLN 1 071 k. Within 9-month period of time ended on September 30, 2014 the Group sold P,P&E amounting to PLN 716 k. The net revenues from sales of assets amounted to PLN 246 k.

Within 12 month period of time ended on December 31, 2013 the Group purchased P,P&E amounting to PLN 1 255 k. Within 12 month period of time ended on December 31, 2013 the Group sold P,P&E amounting to PLN 815 k. The net revenues from sales of assets in 2013 amounted to PLN 268 k.

Within 9 month period of time ended on September 30, 2013 the Group purchased P,P&E amounting to PLN 1 054 k (including PLN 929 k financed by lease). In the same period, the Group sold P,P&E with the book value PLN 474 k. Net amount of revenues from sale of these components amounted to PLN 193 k.

## Note 8. Goodwill

As of September 30, 2014 the goodwill from consolidation was presented in the statement on financial position. It includes the appraisal of Simple Locum Sp. z o.o. for the amount of PLN 19 k and Bazus Sp. z o.o. for the amount of PLN 1 840 k. The goodwill is not amortized; it will be a subject of the impairment test at the end of each year, on December 31.

## Note 9. Shares and stocks in subsidiaries and other entities

<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
<b>000'PLN</b>	<b>PLN '000</b>	<b>PLN '000</b>

<b>Subsidiaries:</b>	<b>4 994</b>	<b>4 994</b>	<b>4 974</b>
Simple Invest Sp. z o.o.	4 994	4 994	0
Simple Locum Sp z o.o (100%)	0	0	2 669
Bazus Sp. z o.o. (100%)	0	0	2 305
<b>Affiliates:</b>	<b>1 844</b>	<b>63</b>	<b>63</b>
Simple Sp. z o.o.	10	10	10
Softeam Sp. z o.o.	53	53	53
Medinet Sp. z o.o.	1 781	0	0
<b>Total investment</b>	<b>6 838</b>	<b>5 057</b>	<b>5 037</b>

SIMPLE S.A. is the parent company of the Simple Group. The capital group includes the following companies:

### Subsidiaries of Simple S.A.

1. SIMPLE Invest Sp. z o.o. seated in Warsaw, address ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on March 18, 2013 under the notary deed (Rep A No. 6611/2013) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new limited liability company with the name Simple Invest Sp. z o.o. Simple S.A. holds a full control over the Company by taking up shares in return for transferring shares held in the companies Simple Locum Sp. z o.o. and Bazus Sp. z o.o. in a form of the contribution in kind. The amount of the acquired shares is PLN 4 994 k. It holds 100% of votes at the General Meeting.

### Subsidiaries of Simple Invest Sp. z o.o.

1. Simple Locum Sp. z o.o. seated in Warsaw address: ul. Bronisława Czecha 49/51. SIMPLE S.A. Company on March 24, 2006 under the notary deed (Rep A No. 1726/06) in the presence of the Public Notary Urszula Statkiewicz-Wysocka established the new limited liability company with the name SIMPLE LOCUM. SIMPLE S.A. has a full control over this Company by taking up the shares in exchange for transfer of real estate as the contribution in a form of notary deed (Rep. A No. 1829/06) on 29.03.2006. The amount of the acquired shares is PLN 2 669 k. It holds 100% of votes at the General Meeting.

Bazus Sp. z o.o., seated in Lublin address ul. Wolska 11. The private partnership named HIGHCOM Spółka cywilna acting under the Articles of Association concluded on April 9, 1996, changed by the annexes dated: March 12, 1997, August 30, 1997 and December 31, 2010 between Hubert Daniel Abramiuk and Michał Paweł Abramiuk, was transformed under Art. 551 of the Code of Commercial Companies into Bazus Spółka z ograniczoną odpowiedzialnością. As at the end of the period, Simple S.A. holds 100% of shares in the company Bazus Sp. z o.o. The amount of the acquired shares pursuant to the purchase price is PLN 2 305 k.

### Affiliates of Simple Invest Sp. z o.o.

1. Medinet Systemy Informatyczne Sp. z o.o. with the registered office in Opole, ul. Oleska 121, entered into the entrepreneurs register kept by the District Court in Opole, 8th Commercial Division of the National Court Register with KRS number 0000359965. On March 24, 2014 the shares sales agreement and preliminary shares sale agreement were concluded, under which Simple SA acquired 524 shares that constitutes 52.4% shares in the Company. The amount of the acquired shares is PLN 1.781.600 k.

On May 26, 2014 Simple S.A transferred the acquired shares of Medinet Systemy Informatyczne Sp. z o.o. to its subsidiary Simple Invest Sp. z o.o. under the notarial deed Repertory A No. 2504/2014.

### **Affiliates of Simple S.A.**

1. Softeam Sp. z o.o., seated in Warsaw, at ul. Bronisława Czecha 49/51, registered on June 5, 2001 in the District Court for the capital city of Warsaw in Warsaw, 20th Commercial Department of the National Court Register, with the KRS number 0000013271. The amount of the acquired shares pursuant to the purchase price is PLN 53 k that constitutes 50.24% of the share capital. The Company Simple S.A. does not have its representatives in the Management Board of Softeam and it has no influence on the management of the total activity of the Softeam, does not manage its assets and does not represent it in trading. The share capital of the Company amounts to PLN 105 500 and is divided into 211 shares with the nominal value PLN 500, where Simple S.A. holds 106 shares and the other shareholders 105 shares. At the General Meeting of Shareholders all resolutions are passed by the majority of votes, where Simple S.A. has only one vote more than other shareholders. This company is not a subject of consolidation, because SIMPLE S.A. does not have any control over this Company and any influence on the financial policy of this Company. It is not entitled to appoint and recall the members of the management board or managing authority.
2. Simple Sp. z o.o. seated in Dąbrowa Górnicza address: ul. Cieplaka 19, registered on December 24, 2002 in the National Court Register under KRS number 0000108452 in the District Court in Katowice, Commercial Department of the National Court Register. The amount of the acquired shares pursuant to the purchase price is PLN 9.7 k. It holds 19.51% of votes at the General Meeting.

### **Note 10. Long-term deferral accounts**

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
Assets due to deferred tax	1 303	1 784	1 301
R&D works expenses	4 854	3 348	2 997
Other settlements	104	86	80
<b>Total accrued expenses</b>	<b>6 261</b>	<b>5 218</b>	<b>4 337</b>

## Note 11. Current receivables

### Trade receivables

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
<b>Trade receivables</b>	13 468	17 199	12 873
Uncollectible receivables revaluation allowance	(316)	(348)	(245)
<b>Net receivables</b>	<b>13 152</b>	<b>16 851</b>	<b>12 628</b>

Trade receivables do not bear any interest.

### Other receivables

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>000'PLN</b>	<b>PLN '000</b>
Deposits paid	9	3	3
Bid bonds paid	0	29	20
Performance bond paid	156	80	149
Receivables due to taxes	26	248	0
Receivables due to subsidy	0	0	0
Other receivables	283	52	27
Loans	0	1	0
<b>Total</b>	<b>474</b>	<b>413</b>	<b>199</b>

## Note 12. Short-term investments

As of September 30, 2014 the Group does not present the granted loans.

### Cash and cash equivalents

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
Cash at hand and at bank account	1 191	2 752	881
	<b>1 191</b>	<b>2 752</b>	<b>881</b>

Cash at bank bears interest pursuant to the variable interest rates, which amount depends on the interest rate of one-day bank deposits. The short-term deposits are established for various periods from one day to two weeks depending on the current need of the Company for cash and bear the interest pursuant to the agreed interest rates for the deposits in the relevant day.

### Note 13. Assets available-for-sale

As for September 30, 2014 the Group does not have any non-current assets held for sale.

### Note 14. Share capital and elements of equity

As of September 30, 2014, the share capital amounted to PLN 4 380 298.00. The share capital includes 4 380 298 ordinary shares with the nominal value PLN 1 each.

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>000'PLN</b>	<b>PLN '000</b>	<b>PLN '000</b>
Share capital			
Number of shares	4 380 298	4 380 298	4 380 298
Wartość nominalna jednej akcji	0,001	0,001	0,001
<b>Nominal value of all shares</b>	<b>4 380</b>	<b>4 380</b>	<b>4 380</b>

The share capital (pursuant to the Code of Commercial Companies) was created from share premium, after reduction of the share issue costs and profits from the previous years, which were designated to the supplementary capital under the decision of the General Meeting of Shareholders.

	<b>for the period</b>	<b>for the period</b>	<b>for the period</b>
	<b>01.01.2014</b>	<b>01.01.2013</b>	<b>01.01.2013</b>
	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>

	PLN '000	PLN '000	PLN '000
Profit for the reporting period	2 611	4 501	1 516
<b>Profit for the reporting period</b>	<b>2 611</b>	<b>4 501</b>	<b>1 516</b>

#### Note 15. Deferred tax:

As of September 30, 2014 the Group has presented the provision in the amount of 912 k PLN because of the temporary differences between the book and tax value of assets.

	30.09.2014 PLN '000	31.12.2013 000'PLN	30.09.2013 PLN '000
Balance difference of non-current assets	9	12	28
Balance measurement of revenues	903	495	493
Contribution in kind of Simple Invest	0	932	0
	<b>912</b>	<b>1 439</b>	<b>521</b>

#### Note 16. Long-term provisions for liabilities

The provision for the post-employment benefits concerns all retirement benefits, which are to be potentially paid to the Group's employee at the time of retirement. The provisions for the post-employment benefits were recognized by the Group on the basis of calculations made by the actuary.

The provision for leave benefits was recognized by the Group on the basis of unused leaves as at December 31, 2013 and the comparable period. The estimations of the provision amounts are made by comparing the number of days of unused leaves for the particular employees and calculation of the cash equivalent due these leaves. As of September 30, 2014 the provision for holiday leave benefits was not updated.

The equivalent for unused holiday leave is calculated in the following manner:

- ❖ by dividing the sum of monthly agreed salaries by the equivalent coefficient and then
- ❖ we divide such equivalent for one day of leave by the number corresponding to the daily standard of work time applicable for the employee and then
- ❖ we multiply this equivalent for one hour of leave by the number of leave hours unused by the employee.

	30.09.2014 PLN '000	31.12.2013 000'PLN	30.09.2013 PLN '000
Post-employment benefits	69	69	54
Leave benefits	232	232	205

<b>301</b>	<b>301</b>	<b>259</b>
------------	------------	------------

### Note 17. Long-term credits and loans

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>000'PLN</b>	<b>PLN '000</b>
Mortgage loan of Simple Locum	1 881	1 939	1 961
<b>Total</b>	<b>1 881</b>	<b>1 939</b>	<b>1 961</b>

The credit agreement of April 7, 2006 concluded with BPH S.A. by SIMPLE LOCUM Sp. z o.o. under §7 of the Agreement collateralized by:

- ❖ ordinary mortgage in the amount of PLN 2 350 000.00 securing the payment of the credit capital,
- ❖ Cap mortgage to the amount PLN 1 750 000.00 securing the interests payment and other bank receivables following the Agreement,
- ❖ Assignment of receivables from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- ❖ The blank promissory note issued by the Borrower paid to the credit amount with the promissory note declaration (acc. to App. No. 3 to the agreement),
- ❖ Deposit in the amount of PLN 47 444 set under the principles specified in the deposit agreement (acc. to App. No. 4 to the agreement),
- ❖ Declaration of the Borrower to be a subject of execution regarding the obligations following the Agreement (acc. to App. No.5 to the agreement),
- ❖ Assignment of receivables from the current and future rent agreement of the areas located in the Real Estate (acc. to App. No. 6 to the agreement),
- ❖ Assignment of receivables from the bank account agreement kept on behalf of the Borrower (acc. to App. No. 7 to the agreement),
- ❖ Registered pledge (acc. to App. No. 8 to the agreement).

As of the end of period, the amount of unpaid credit over 12 months is 1 881 k.

### Note 18. Short-term credits and loans

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>000'PLN</b>	<b>PLN '000</b>
Mortgage loan of Simple Locum	77	76	71
Overdraft	891	0	525
<b>Total</b>	<b>968</b>	<b>76</b>	<b>596</b>



The credit agreement of April 7, 2006 concluded with BPH S.A. by SIMPLE LOCUM Sp. z o.o. under §7 of the Agreement collateralized by:

- ❖ ordinary mortgage in the amount of PLN 2 350 000.00 securing the payment of the credit capital,
- ❖ Cap mortgage to the amount PLN 1 750 000.00 securing the interests payment and other bank receivables following the Agreement,
- ❖ Assignment of receivables from the receivables insurance agreement (acc. to App. No. 2 to the agreement),
- ❖ The blank promissory note issued by the Borrower paid to the credit amount with the promissory note declaration (acc. to App. No. 3 to the agreement),
- ❖ Deposit in the amount of PLN 47 444 set under the principles specified in the deposit agreement (acc. to App. No. 4 to the agreement),
- ❖ Declaration of the Borrower to be a subject of execution regarding the obligations following the Agreement (acc. to App. No.5 to the agreement),
- ❖ Assignment of receivables from the current and future rent agreement of the areas located in the Real Estate (acc. to App. No. 6 to the agreement),
- ❖ Assignment of receivables from the bank account agreement kept on behalf of the Borrower (acc. to App. No. 7 to the agreement),
- ❖ Registered pledge (acc. to App. No. 8 to the agreement).

As of the end of period, the amount of unpaid credit over 12 months is PLN 77 k.

On August 31, 2012 Simple S.A. and the bank BRE S.A. seated in Warsaw concluded the Overdraft Agreement No. 43/083/12/Z/VV in the Polish currency for the amount of PLN 1 million, for the period from August 31, 2012 to August 29, 2013. On June 25, 2013 the Annex No. 1 to the Overdraft Agreement No. 43/083/12/Z/VV of 31.08.2012 was concluded extending the crediting period to September 24, 2013. On September 23, 2013 the Annex No. 2 to the Overdraft Agreement No. 43/083/12/Z/VV of 31.08.2012 was concluded extending the crediting period to September 18, 2014. On September 19, 2014 the Annex No. 3 to the Overdraft Agreement No. 43/083/12/Z/VV of 31.08.2012 was concluded extending the crediting period to September 23, 2015. The collateral for this Agreement is a blank promissory note. Bank interest rate is WIBOR O/N + MARGIN 1.6. As of the end of the period, the balance of used credit is PLN 11 k.

On March 22, 2013 Simple S.A. and the bank Deutsche Bank PBC S.A. seated in Warsaw concluded the Overdraft Agreement No. KRB\1307324 in the Polish currency for the amount of PLN 1 million, for the period from March 22, 2013 to March 26, 2014. Bank interest rate in a form of margin is WIBOR O/N + MARGIN 1.6. On March 24, 2014 by the Annex No. 2 to the credit agreement No. KRB\1307324 of March 22, 2013 the crediting period was extended to March 26, 2015. On March 24, 2014 by the Annex No. 3 to the credit agreement No. KRB\1307324 of March 22, 2013 the crediting period was extended to PLN 3 M. The legal

collateral of this Credit Agreement is the Guarantee granted at the borrower's request by BGK, within the portfolio guarantee line de minimis BGK, granted to the Bank by BGK under the agreement concluded between the Bank and BGK within the framework of the program "Supporting Private Enterprises Using Sureties and Guarantees of the Bank Gospodarstwa Krajowego". The guarantee is valid to 27.06.2015. The Guarantee amount is PLN 1 800 000.00 that constitutes 60% of the credit amount. As of the end of the period, the balance of used credit is PLN 880 k.

### Note 19. Trade and other liabilities

As at September 30, 2014 and in the comparable periods the liabilities of the Group Simple resulted from the following titles.

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>
<b>Trade liabilities</b>	<b>1 552</b>	<b>1 515</b>	<b>1 753</b>
Due to deliveries and services	1 552	1 439	1 728
Liabilities due to not invoiced deliveries	0	76	25
<b>Budget liabilities</b>	<b>1 278</b>	<b>2 916</b>	<b>1 177</b>
Value-Added Tax	751	2 270	713
Corporate Income Tax	0	52	52
Personal Income Tax	144	158	104
Social Insurance Company	375	417	300
STATE FUND OF REHABILITATION OF HANDICAPPED PEOPLE	6	0	4
Withholding tax	2	19	4
<b>Other liabilities</b>	<b>1 379</b>	<b>236</b>	<b>31</b>
Liabilities due to pay roll	144	236	29
Liabilities due to dividend	1 234	0	0
Other liabilities	1	0	2
	<b>4 209</b>	<b>4 667</b>	<b>2 961</b>

### Note 20. Short-term provisions for liabilities

As at September 30, 2014 the Group does not present any short-term provisions for liabilities.

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>000'PLN</b>	<b>PLN '000</b>
Provision for remunerations	0	310	0
	<b>0</b>	<b>310</b>	<b>0</b>

### Note 21. Accrued and deferred income

The Company settles the subsidy received under the agreement signed on April 30, 2007 within the framework of the Project Funding Agreement No. WKP\_1/1.4.1/2006/100/100/655/2007/U named "IT system for SME to obtain the permanent economic position on the basis of supply chain participation" performed within the Sector Operating Programme Improvement of Competitiveness of Enterprises. The amount of funding was PLN 2 069 001.13 and the amount to be settled as of the end of the period is PLN 482 748.18.

The revenues of future periods are amounts of invoiced services due to the service care and post-implementation care falling to the periods after the end of the period, September 30, 2014.

	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>000'PLN</b>	<b>PLN '000</b>
Deferred revenue	5 816	7 828	6 196
Received subsidies	483	793	896
	<b>6 299</b>	<b>8 621</b>	<b>7 092</b>

### Note 22. Investment expenses

In the reporting period from January 1, 2014 to September 30, 2014 the Group incurred the investment expenses in the amount of PLN 1 505 k for the costs of unfinished development works.

In the reporting period from January 1, 2013 to September 31, 2013 the Group incurred the capital expenditures in the amount of PLN 1 300 k for the costs of unfinished development works.

In the reporting period from January 1, 2013 to September 30, 2013 the Group incurred the investment expenses in the amount of PLN 948 k for the costs of unfinished development works.

## XI. FACTORS AND EVENTS OF AN UNUSUAL NATURE SIGNIFICANTLY AFFECTING THE FINANCIAL RESULTS

In the 9-month period of time ended on September 30, 2014 there were not any unusual events, other than these specified in this financial statement, affecting the achieved financial results in this period.

## **XII. EXPLANATIONS FOR SEASONALITY OR PERIODICITY OF THE ISSUER'S BUSINESS ACTIVITY IN THE PRESENTED PERIOD**

The business activity of the Group is a subject of seasonality regarding the revenues from sales in the particular quarters of the year. A great part of revenues is generated by the contracts signed. The highest revenues are earned by the Group in the fourth quarter of the year. It is caused by the fact that business entities close annual budgets for the performance of IT projects and make investment purchase of hardware and licences.

## **XIII. INFORMATION ON ISSUE, BUY-OUT AND PAYMENT OF NON-EQUITY SECURITIES AND CAPITAL SECURITIES**

In the reporting period from January 1, 2014 to September 30, 2014 the Issuer did not issue, buy-out or pay non-equity and capital securities.

## **XIV. INFORMATION ON PAID DIVIDEND, IN TOTAL AND PER SHARE**

### **Year 2014 Simple S.A.**

Under the resolution No. 8 of the General Meeting of June 17, 2014 pursuant to Art.395 § 2 item 2 of the Code of Commercial Companies and under § 6 sec. 5 item c) of the Articles of Association, the Ordinary General Meeting of the Company, under the business name Simple S.A., decided to distribute the profit of the Company for the fiscal year from January 1, 2013 to December 31, 2013 in the amount of PLN 2 614 801.26 as follows:

- ❖ The amount of PLN 1 971 134.10 to pay the dividend
- ❖ The amount of PLN 1 792 081.42 to the supplementary capital

The amount of dividend per one share of the Company is PLN 0.45 (zero zlotys, forty five cents). The dividend includes all Company's shares in the number of 4 380 298 shares. The record date is July 2, 2014. The dividend payment date is determined as two installments:

- ❖ I instalment as of September 30, 2014 the amount of PLN 1 007 468.54 that is PLN 0.23 per share
- ❖ II instalment as of December 31, 2014 the amount of PLN 963 665.56 that is PLN 0.22 per share

### **Year 2013 Simple S.A.**

Under the resolution No. 8 of the General Meeting of June 19, 2013 pursuant to Art.395 § 2 item 2 of the Code of Commercial Companies and under § 6 sec. 5 item c) of the Articles of Association, the Ordinary General Meeting of the Company, under the business name Simple S.A., decided to distribute the profit of the Company for the fiscal year from January 1, 2012 to December 31, 2012 in the amount of PLN 2 614 801.26 as follows:

- ❖ The amount of PLN 2 058.740.06 to pay the dividend
- ❖ The amount of PLN 1 048 319.96 to the supplementary capital

The amount of dividend per one share of the Company is PLN 0.47. The dividend includes all Company's shares in the number of 4 380 298 shares. The record date is July 2, 2013. The dividend payment date is July 15, 2013.

#### **Year 2014 Bazus Sp. z o.o.**

Under the resolution No. 3 of the General Meeting of May 30, 2014, the Ordinary General Meeting of the Company, under the business name Bazus S.A., decided to distribute the profit of the Company for the fiscal year from January 1, 2013 to December 31, 2013 in the amount of PLN 694 212.55 to:

- ❖ The amount of PLN 500 000.00 to pay the dividend
- ❖ The amount of PLN 194 212.55 to the supplementary capital

The dividend payment date is determined as two instalments:

- ❖ I instalment as of September 23, 2014 the amount of PLN 250 000.00
- ❖ II instalment as of December 24, 2014 the amount of PLN 250 000.00

## **XV. XV. EVENTS AFTER THE END OF THE PERIOD**

Within the period from September 30, 2014 to the date of this interim condensed financial statement, i.e. to November 14, 2014 there were not any significant events, which were not, but which should be recognized in the accounting books and which disclosure may affect significantly the assessment of the property and financial standing of the Capital Group Simple.

## **XVI. INFORMATION ON CHANGES IN THE CONTINGENT LIABILITIES**

The Group Simple did not recognize any contingent liabilities as at December 31, 2013 and from the end of the fiscal year to the date of this interim consolidated financial statement, i.e. to November 14, 2014, there were not any changes in the contingent liabilities or assets.

## **XVII. MANAGEMENT BOARD'S OPINION ON POSSIBILITY TO PERFORM THE EARLIER PUBLISHED FORECASTS FOR THE RELEVANT YEAR**

The Management of the Group Simple has not published any forecasts of financial results for 2014.

### **XVIII. PROCEEDINGS IN PROGRESS BEFORE THE COURT, ENTITY COMPETENT FOR THE ARBITRAGE PROCEEDING OR PUBLIC ADMINISTRATION ENTITY**

In the presented reporting period, there were not any proceedings, before the court, entity competent for the arbitration proceeding or public administration entity, referred to the liabilities or receivables of SIMPLE S.A. or its subsidiaries, which total amount would constitute at least 10% of equity of the Company.

Simple S.A. lodged the complaint to the Provincial Administrative Court in Warsaw to annul the contested individual interpretation in connection with applying for the individual interpretation on corporate income tax to the extent to determine the revenues due to acquisition of shares in the joint stock company in exchange of the non-monetary contribution in a form other than enterprise or its organized part. Due to this fact, the Company received the return of the income tax for 2013 in the amount of PLN 932 k. As a result of this procedure, any loss of benefits from the assets held by the Company is not expected.

### **XIX. TRANSACTIONS WITH RELATED ENTITIES**

In the period from January 1, 2014 to September 30, 2014 SIMPLE S.A. has concluded with the Group's entities the following standard trade transactions. Sale of goods, services to the related entities is carried out under the basic price list. The purchases of goods were carried out basing on market prices less rebates due to volume. Within the reporting period, SIMPLE S.A. as the Parent Entity did not enter into any other transactions, which would differ from the typical transactions concluded between the Capital Group's entities under the market conditions. The transactions were carried out basing on market prices less rebates due to volume.

As of the end of period, the balances of settlements arisen as a result of sale and purchase of goods and services are as follows:

<b>Transactions with related entities</b>	<b>for the period 01.01.2014 30.09.2014</b>	<b>for the period 01.01.2013 31.12.2013</b>	<b>for the period 01.01.2013 30.09.2013</b>
<b>Revenues (goods and services) including:</b>	<b>1 438</b>	<b>2 689</b>	<b>1 574</b>
- to subsidiaries	24	3	3
- to related entities	1 414	2 686	1 571
<b>Purchases, including:</b>	<b>4 255</b>	<b>2 994</b>	<b>1 346</b>
-From subsidiaries	2 682	1 871	581
- from related entities	1 573	1 123	765
<b>Trade receivables, including:</b>	<b>703</b>	<b>1151</b>	<b>805</b>
-From subsidiaries	22	0	0
- from related entities	681	1 151	805
<b>Trade liabilities, including:</b>	<b>1 106</b>	<b>913</b>	<b>63</b>

-From subsidiaries	931	907	19
- from related entities	175	6	44
<b>Liabilities due to loans:</b>	<b>1 598</b>	<b>1 669</b>	<b>1 692</b>
-From subsidiaries	1 598	1 669	1 692

## **XX. INFORMATION ON GRANTING THE GUARANTY FOR THE CREDIT OR LOAN OR AWARDING THE WARRANTY BY THE ISSUER OR ITS SUBSIDIARY**

## **XXI. INFORMATION, WHICH IN THE MANAGEMENT BOARD'S OPINION, IS SIGNIFICANT FOR ASSESSMENT OF STAFF, PROPERTY OR FINANCIAL CONDITION**

There is not any other information known, except these specified in the financial statement, which disclosure would significantly affect the assessment of the staff, property and financial standing of the Group.

## **XXII. SPECIFICATION OF THE FACTORS, WHICH IN THE ISSUER'S ASSESSMENT, WILL AFFECT THE ACHIEVED RESULTS IN THE PROSPECTION OF AT LEAST THE NEXT QUARTER**

In the opinion of the Management Board of Simple S.A. the present financial standing of the Group and its production potential as well as the market position do not create any threats for the further activity and development in 2014. The most important external and internal factors, which directly or indirectly may affect the results in the next quarters may include:

### **External factors important for the Group's development**

- ❖ Development of situation on financial and economic markets
- ❖ Prospectus of market and product offer extension
- ❖ Access to the union funds
- ❖ Intensity of activities related to improved competition of IT companies
- ❖ Changes in the credit situation, financial liquidity
- ❖ Risk related to the quick technological changes and innovations on the market.

### **Internal factors important for the Group's development**

- ❖ Results of current commercial actions on domestic market
- ❖ Quality and timeliness of implementations
- ❖ Expenditures to the product and new market development
- ❖ Stability and experience of managing staff

- ❖ Experience in IT projects

### **XXIII. INFORMATION ON WRITE DOWNS**

In the reporting period the Group did not make any write downs of inventories to the achievable net amount and did not reverse any such write downs.

In the reporting period, the Group did not make any impairment losses of financial assets, P,P&E, intangible assets.

### **XXIV. INFORMATION ON FAILURE TO PAY ANY CREDIT OR LOAN OR ON BREACHING OF THE CREDIT OR LOAN AGREEMENT**

To September 30, 2014 there were not any unpaid credits, loans and any significant provisions of the credit or loan agreement were not breached by the Group.

### **XXV. SIGNIFICANT EVENTS FROM PREVIOUS YEARS**

To the date of this interim consolidated financial statement i.e. November 14, 2014, there were not any events concerning previous years, which were not, but should be, included to this financial statement.

### **XXVI. SIGNIFICANT EVENTS IN THE REPORTING PERIOD**

In the third quarter 2014 Simple S.A. concluded the significant agreements:

1. August 21, 2014 agreement of August 14, 2014 with Szpital Specjalistyczny im. F. Ceynowy Sp. z o.o. in Wejherowo. Contract amount is PLN 1 011 060.00 gross (PLN 822 000.00 net).
2. August 29, 2014 agreement with Rzeszów University of Technology. Contract amount PLN 10 268 403.00- ten million two hundred sixty eight thousand four hundred three zlotys) plus VAT i.e. in total: 11 497 612.70 (say: eleven million four hundred ninety seven thousand six hundred and twelve 70/100). This price includes all costs related to the Agreement.
3. On September 16, 2014 Simple concluded the agreement with Institute of Genetics and Animal Breeding of the Polish Academy of Sciences in Jastrzębiec. Contract amount is PLN 1 279 200 gross (PLN 1 040 000 net).







**BASIC FINANCIAL DATA OF SIMPLE SPÓŁKA AKCYJNA for the period of 9-month ended on September 30, 2014**

Warsaw, November 14, 2014

## SELECTED FINANCIAL DATA OF SIMPLE S.A.

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Revenues from sales	32 200	7 703	23 008	5 448
Profit from operating activities	1 866	446	2 313	548
Gross profit for the reporting period	1 650	395	2 171	514
Net profit for the reporting period	<b>1 774</b>	<b>424</b>	<b>1 550</b>	<b>367</b>

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>31.12.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Non-current assets	16 081	3 851	13 842	3 338
Current assets	13 568	3 249	18 876	4 552
Equity	13 637	3 266	13 834	3 336
Liabilities and provisions for liabilities	16 012	3 835	18 884	4 553

	<b>30.09.2014</b>	<b>30.09.2014</b>	<b>30.09.2013</b>	<b>30.09.2013</b>
	<b>PLN '000</b>	<b>EUR '000</b>	<b>PLN '000</b>	<b>EUR '000</b>
Cash from operating activities	2 637	631	(217)	(51)
Cash from investing activities	(3 185)	(762)	(871)	(206)
Cash from financial activities	(981)	(235)	(2 477)	(587)
Cash at the end of the period	<b>375</b>	<b>90</b>	<b>193</b>	<b>46</b>

The selected financial data presented in the financial statement for 9-month period ended on September 30, 2014 and the comparable period, are translated into EUR in the following manner:

Items of assets and liabilities at the end of the reporting period and comparable period were translated using the average exchange rate published at the last day of the end of the period by the National Bank of Poland. This exchange rate was:

- Exchange rate applicable as at September 30, 2014 EUR 1= PLN 4.1755
- Exchange rate applicable as of December 31, 2013 EUR 1= PLN 4.1472

Items of the statement of comprehensive income and statement of cash flows were translated at the exchange rate constituting the arithmetic mean of the average exchange rates published by the National Bank of Poland at the end of each month. This exchange rate was:

- from January 1, 2014 to September 30, 2014 EUR 1= PLN 4.1803
- from January 1, 2013 to March 30, 2013 EUR 1= PLN 4.2231

# INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Q3(current year), from 01.07.2014 to 30.09.2014	3Q (current year), from 01.01.2014 to 30.09.2014	3Q (previous year, from 01.07.2013 to 30.09.2013	3Q (previous year) from 01.01.2013 to 30.09.2013
	000' PLN	000' PLN	000' PLN	000' PLN
<b>Revenues from sales</b>	<b>8 703</b>	<b>32 200</b>	<b>7 511</b>	<b>23 008</b>
<b>Cost of sales</b>	<b>(5 594)</b>	<b>(19 679)</b>	<b>(4 540)</b>	<b>(14 554)</b>
<b>Gross profit (loss)</b>	<b>3 109</b>	<b>12 521</b>	<b>2 971</b>	<b>8 454</b>
Distribution expenses	(1 348)	(7 666)	(1 256)	(3 788)
Administration expenses	(1 246)	(3 427)	(638)	(2 757)
<b>Gross profit (loss) from sales</b>	<b>515</b>	<b>1 428</b>	<b>1 077</b>	<b>1 909</b>
Other operating revenues	181	571	179	511
Other operating costs	(28)	(133)	(38)	(107)
<b>Operating profit (loss)</b>	<b>668</b>	<b>1 866</b>	<b>1 218</b>	<b>2 313</b>
Finance income	13	15	5	33
Financial costs	(94)	(231)	(65)	(175)
<b>Gross profit</b>	<b>587</b>	<b>1 650</b>	<b>1 158</b>	<b>2 171</b>
Income tax (current and deferred tax burdens)	(3)	124	(87)	(621)
<b>Net profit (loss) for the reporting period</b>	<b>584</b>	<b>1 774</b>	<b>1 071</b>	<b>1550</b>
Other comprehensive income	0	0	0	0
Results of measurement of financial assets available for sale	0	0	0	0
<b>Total comprehensive income</b>	<b>584</b>	<b>1 774</b>	<b>1 071</b>	<b>1550</b>
<b>Earnings per share</b>				
Basic	0.13	0.41	0.24	0.35
Diluted	0.13	0.41	0.24	0.35

## INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	30.09.2014 000' PLN	30.06.2014 000' PLN	31.12.2013 000' PLN	30.09.2013 000' PLN
<b>Non-current assets</b>	<b>16 081</b>	<b>16 165</b>	<b>13 842</b>	<b>12 942</b>
Intangible assets	1 031	1 242	1 662	1 865
Property, Plant and Equipment	1 780	1 946	1 597	1 576
Long- term receivables	170	287	308	87
Investments in subsidiaries	6 776	6 776	4 994	4 974
Investments in related entities	63	63	63	63
Long-term deferral accounts	6 261	5 851	5 218	4 377
<b>Current assets</b>	<b>13 568</b>	<b>18 418</b>	<b>18 876</b>	<b>12 948</b>
Inventories	340	234	127	358
Trade receivables	12 153	17 565	16 203	11 943
Other receivables	214	165	413	199
Short-term investments	375	19	1 904	193
Short-term deferrals accounts	486	435	229	255
<b>TOTAL ASSETS</b>	<b>29 649</b>	<b>34 583</b>	<b>32 718</b>	<b>25 890</b>
<b>Equity</b>	<b>13 637</b>	<b>13 053</b>	<b>13 834</b>	<b>11 621</b>
Share capital	4 380	4 380	4 380	4 380
Share premium	1 548	1 548	1 548	1 548
Retained earnings	5 935	5 935	4 143	4 143
Profit/loss from the current period	1 774	1 190	3 763	1 550
<b>Long-term liabilities and provisions</b>	<b>3 488</b>	<b>3 791</b>	<b>4 120</b>	<b>3 220</b>
Deferred income tax provisions	726	858	1 330	413
Provision for retirement	69	69	69	54
Provision for unused leaves	232	232	232	205
Long-term borrowings	1 504	1 528	1 575	1 598
Financial lease liabilities	957	1 104	914	950
<b>Short-term liabilities and provisions</b>	<b>12 524</b>	<b>17 739</b>	<b>14 764</b>	<b>11 049</b>
Loans from subsidiaries and affiliates	94	644	94	94
Short-term bank credits	891	1 431	0	525
Financial lease liabilities	592	590	456	443
Trade liabilities	2 418	5 117	2 417	1 745
Budget liabilities	1 102	662	2 630	1 121
Other liabilities	1 128	1 993	236	30
Provisions for liabilities	0	310	310	0
Deferred revenue	6 299	6 992	8 621	7 091
<b>SUM OF LIABILITIES</b>	<b>16 012</b>	<b>21 530</b>	<b>18 884</b>	<b>14 269</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>29 649</b>	<b>34 583</b>	<b>32 718</b>	<b>25 890</b>

## INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital 000' PLN	Share premium 000' PLN	Reserve and supplementary capitals 000' PLN	Profit/loss from the previous years and current year 000' PLN	Total 000' PLN	Total equity 000' PLN
<b>Balance as of 01.01.2014</b>	<b>4 380</b>	<b>1 548</b>	<b>9 947</b>	<b>(2 041)</b>	<b>13 834</b>	<b>13 834</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 774</b>	<b>1 774</b>	<b>1 774</b>
Profit/loss for the fiscal year	0	0	0	1 774	1 774	1 774
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>(4 012)</b>	<b>2041</b>	<b>(1 971)</b>	<b>(1 971)</b>
Dividends	0	0	0	(1 971)	(1 971)	(1 971)
Loss coverage from previous years	0	0	(5 804)	5 804	0	0
Designation of the profit to the supplementary capital	0	0	1 792	(1 792)	0	0
<b>Balance as of 30.09.2014</b>	<b>4 380</b>	<b>1 548</b>	<b>5 935</b>	<b>1 774</b>	<b>13 637</b>	<b>13 637</b>

<b>Balance as of 01.01.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>8 899</b>	<b>(2 698)</b>	<b>12 129</b>	<b>12 129</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 763</b>	<b>3 763</b>	<b>3 763</b>
Profit/loss for the fiscal year	0	0	0	3 763	3 763	3 763
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>1 048</b>	<b>(3 106)</b>	<b>(2 058)</b>	<b>(2 058)</b>
Dividends	0	0	0	(2 058)	(2 058)	(2 058)
Designation of the profit to the supplementary capital	0	0	1 048	(1 048)	0	0
<b>Balance as of 31.12.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>9 947</b>	<b>(2 041)</b>	<b>13 834</b>	<b>13 834</b>

<b>Balance as of 01.01.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>8 899</b>	<b>(2 698)</b>	<b>12 129</b>	<b>12 129</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 550</b>	<b>1 550</b>	<b>1 550</b>
Profit/loss for the fiscal year	0	0	0	1 550	1 550	1 550
<b>Other changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3 106)</b>	<b>(2 058)</b>	<b>(2 058)</b>
Dividends	0	0	0	(2 058)	(2 058)	(2 058)
Designation of the profit to the supplementary capital	0	0	1 048	(1 048)	0	0
<b>Balance as of 30.09.2013</b>	<b>4 380</b>	<b>1 548</b>	<b>9 947</b>	<b>(4 254)</b>	<b>11 621</b>	<b>11 621</b>

## INTERIM CONDENSED SEPARATE STATEMENT OF CASH-FLOWS

	Spółka dominująca		
	Spółki zależne		
	Spółki powiązane		
<b>30.09.2014</b>		<b>30.09.2013</b>	
<b>PLN '000</b>		<b>PLN '000</b>	

<b>Net profit (loss)</b>	<b>1 774</b>	<b>1 550</b>
Amortization and depreciation	1 201	1 018
Interest paid	213	134
Gain (loss) on investment activity	(74)	(58)
Movements in provisions	(915)	(1 164)
Movement in inventories	(213)	(87)
Movement in receivables	4 388	663
Movement in short-term liabilities	(1 619)	(2 208)
Movements in accruals	(2 118)	(65)
<b>Net cash-flow from operating activities</b>	<b>2 637</b>	<b>(217)</b>
 <b>Net cash-flows from investing activities</b>		
Proceeds on sale of non-current assets	179	169
Payments to acquire non-current assets	(1 582)	(1 040)
Investments payments	(1 782)	0
<b>Net cash from investing activities</b>	<b>(3 185)</b>	<b>(871)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Received borrowings	891	525
Dividend payment	(987)	(2 059)
Repayment of borrowings	(70)	(379)
Payments for financial lease liabilities	(602)	(430)
Interest	(213)	(134)
<b>Net cash from financing activity</b>	<b>(981)</b>	<b>(2 477)</b>
 <b>Net increase/ (decrease) in cash and cash equivalents</b>	 <b>(1 529)</b>	 <b>(3 565)</b>
Cash and cash equivalents at the beginning of the period	1 904	3 758
<b>Cash and cash equivalents at the end of the period</b>	<b>375</b>	<b>193</b>



SIMPLE S.A.  
ul. Bronisława Czecha 49/51  
04-555 Warszawa

tel.: (22) 812 58 98  
fax.: (22) 815 49 83  
[simple@simple.com.pl](mailto:simple@simple.com.pl)