

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

**Consolidated statement of comprehensive income  
for the reporting period from July 1 to September 30, 2012, from January 1 to September 30,  
2012, from July 1 to September 30. 2011, from January 1 to September 30, 2011.**

	Q3 (current year), from 01.07.2012 to 30.09.2012	Q3 (current year), from 01.01.2012 to 30.09.2012	Q3 (previous year, from 01.07.2011 to 30.09.2011	Q3 (previous year) from 01.01.2011 to 30.09.2011
	000' PLN	000' PLN	000' PLN	000' PLN
Revenues from sales	6 822	20 358	5 979	18 604
Cost of sales	(3 740)	(12 018)	(3 361)	(10 172)
<b>Gross profit (loss)</b>	<b>3 082</b>	<b>8 340</b>	<b>2 618</b>	<b>8 432</b>
Distribution expenses	(1 279)	(3 982)	(1 142)	(3 959)
Administration expenses	(1 159)	(3 804)	(1 160)	(3 414)
<b>Gross profit (loss) from sales</b>	<b>644</b>	<b>554</b>	<b>316</b>	<b>1 059</b>
Other operating revenues	160	428	144	415
Other operating costs	(22)	(45)	6	(35)
<b>Operating profit (loss)</b>	<b>782</b>	<b>937</b>	<b>466</b>	<b>1 439</b>
Finance income	52	76	44	56
Finance cost	(75)	(225)	(85)	(232)
<b>Profit (loss) before tax</b>	<b>759</b>	<b>788</b>	<b>425</b>	<b>1 263</b>
Income tax	(11)	(85)	(65)	(208)
Deferred income tax	0	0	(23)	(113)
<b>Net profit (loss) for the fiscal year</b>	<b>748</b>	<b>703</b>	<b>337</b>	<b>942</b>
<b>Attributable to:</b>				
Shareholders of the parent entity	737	707	353	906
NCI	11	(4)	(16)	36
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>748</b>	<b>703</b>	<b>337</b>	<b>942</b>
<b>Attributable to:</b>				
Shareholders of the parent entity	737	707	353	906
NCI	11	(4)	(16)	36
<b>Earnings (loss) per share</b>				
Basic	0,17	0,16	0,18	0,45
Diluted	0,17	0,16	0,18	0,45

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### Consolidated statement on Financial Condition as at September 30, 2012, June 30, 2012, December 31, 2012, September 30, 2011

	30.09.2012 000' PLN	30.06.2012 000' PLN	31.12.2011 000' PLN	30.09.2011 000' PLN
<b>Non-current assets</b>				
Intangible assets	2 707	2 919	3 347	3 341
Property, plant and equipment	3 749	3 580	3 701	3 847
Goodwill	1 488	1 488	1 098	720
Long- term receivables	94	93	65	60
Investments in related entities	63	63	63	63
Long-term accrued and deferred assets	1 901	1 719	1 372	88
	<u>10 002</u>	<u>9 862</u>	<u>9 646</u>	<u>8 119</u>
<b>Current assets</b>				
Inventories	276	191	349	33
Trade and other receivables	9 962	10 152	9 988	7 324
Cash and equivalents and borrowings	1 859	3 368	1 236	1 137
Short-term accrued and deferred assets	393	294	171	1 171
	<u>12 490</u>	<u>14 005</u>	<u>11 744</u>	<u>9 665</u>
<b>Total assets</b>	<u>22 492</u>	<u>23 867</u>	<u>21 390</u>	<u>17 784</u>
<b>Total equity</b>	<b>15 557</b>	<b>14 813</b>	<b>11 978</b>	<b>10 320</b>
Share capital	4 380	2 379	2 001	2 004
Share premium	1 548	1 552	0	0
Other reserve capitals	0	2 001	0	0
Own shares	0	0	0	(21)
Retained earnings	8 858	8 858	7 240	7 258
Profit/loss from the current period	707	(30)	2 618	906
<b>Equity attributable to shareholders of the parent entity</b>	<u>15 493</u>	<u>14 760</u>	<u>11 859</u>	<u>10 147</u>
Equity attributable to NCI	64	53	119	173
<b>Long-term liabilities and provisions</b>				
Provision due to the deferred income tax	10	6	7	7
Provision for retirement	49	49	49	37
Provision for unused leaves	201	201	201	204
Other provisions	6	111	545	143
Long-term borrowings	2 040	2 053	2 139	2 160
Financial lease liabilities	795	617	599	705
	<u>3 101</u>	<u>3 037</u>	<u>3 540</u>	<u>3 256</u>
<b>Current liabilities</b>				
Short-term borrowings	69	83	94	276
Financial lease liabilities	417	385	371	325
Trade and other liabilities	1 972	4 070	3 721	1 883
Receivables accruals	1 376	1 479	1 686	1 724
	<u>3 834</u>	<u>6017</u>	<u>5 872</u>	<u>4 208</u>
<b>Total liabilities</b>	<u>6 935</u>	<u>9 054</u>	<u>9 412</u>	<u>7 464</u>
<b>Total liabilities</b>	<u>22 492</u>	<u>23 867</u>	<u>21 390</u>	<u>17 784</u>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012****Consolidated statement of changes in equity**

for the reporting period from January 1 to September 30, 2012, from January 1 to December 31, 2011, from January 1 to September 30, 2011.

	Share capital	Own shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
<b>January 1, 2012</b>	<b>2 001</b>	<b>0</b>	<b>0</b>	<b>2 618</b>	<b>7 240</b>	<b>11 859</b>
Total comprehensive income	0	0	0	0	707	707
Shares redemption	0	0	0	0	0	0
Dividend	0	0	0	(1 000)	0	(1 000)
Profit distribution	0	0	0	(1 618)	1 618	0
Issuance of shares	2 379	0	1 548	0	0	3 927
<b>September 30, 2012</b>	<b>4 380</b>	<b>0</b>	<b>1 548</b>	<b>0</b>	<b>9 565</b>	<b>15 493</b>

<b>January 1, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>1 900</b>	<b>5 358</b>	<b>9 241</b>
Total comprehensive income	0	0	0	0	2 618	2 618
Shares redemption	(3)	21	0	0	(18)	0
Dividend	0	0	0	0	0	0
Profit distribution	0	0	0	(1 900)	1 900	0
<b>December 31, 2011</b>	<b>2 001</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9 858</b>	<b>11 859</b>

**January 1, 2011**

<b>January 1, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>7 258</b>	<b>9 241</b>
Total comprehensive income	0	0	0	0	906	906
Shares redemption	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
Profit distribution	0	0	0	0	0	0
<b>September 30, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>8 164</b>	<b>10 147</b>

**EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012****Consolidated statement of cash flows****for the reporting period from January 1 to September 30, 2012, from January 1 to September 30, 2011.**

	30.09.2012 PLN'000	30.09.2011 PLN'000
<b>Net profit (loss)</b>	<b>707</b>	<b>906</b>
Profits (losses) of NCI	(4)	36
Amortization	1 167	1 107
Interest paid	189	178
Gain (loss) on investment activity	8	(2)
Movements in provisions	(536)	(503)
Movement in inventories	73	20
Movement in receivables	162	174
Movement in short-term liabilities	(1 922)	(1 249)
Movements in accruals	(451)	(200)
<b>Net cash-flow from operating activities</b>	<b>(607)</b>	<b>467</b>
<b>Net cash flows from investing activities</b>		
Proceeds on sale of non-current assets	24	75
Investments proceeds	155	0
Payments to acquire non-current assets	(636)	(682)
Investments payments	(441)	(964)
<b>Net cash from investing activities</b>	<b>(898)</b>	<b>(1 571)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance	3 927	0
Received borrowings	0	149
Dividend payment	(989)	0
Repayment of borrowings	(125)	(157)
Payments for financial lease liabilities	(341)	(269)
Interest	(189)	(178)
<b>Net cash from financing activity</b>	<b>2 283</b>	<b>(455)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>778</b>	<b>(1 559)</b>
Cash and cash equivalents at the beginning of the period	1 031	2 491
<b>Cash and cash equivalents at the end of the period</b>	<b>1 809</b>	<b>932</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT****1. General information**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

The Capital Group SIMPLE is located at ul. Bronisława Czecha 49/51 04-555 Warszawa. The legal form of the parent company is 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 Department, under KRS number 0000065743.

The basic scope of the parent company'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. The Capital Group conducts its activity in the field of IT and rent of the real estate at its own account.

The fiscal year of the Group is the calendar year. This consolidated financial statement includes the period from July 1, 2012 to September 30, 2012. The comparable data were presented for the period from July 1, 2011 to September 30, 2011. It is the consolidated financial statement for Q3 of 2012 presented in thousands of Polish zlotys.

### **2. Approval of the financial statement**

This financial statement was accepted and approved to be published by the Management Board on November 9, 2012.

### **3. Description of applied accounting principles**

Below there are presented the accounting principles applied to prepare this consolidated financial statement. These principles were applied in all presented periods.

#### **Accounting principles**

This consolidated financial statement contains information 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 consolidated financial statement was prepared pursuant to the International Financial Reporting Standards (IFRS) and the interpretations related to them announced in a form of the regulations of the European Commission. The financial statement was prepared at the concern going principle by the Group SIMPLE S.A. in foreseeable future.

The capital group was established in March 2006 by the establishment of the new Company on March 24, 2006.

#### **Consolidation**

The consolidated financial statement includes the statements of the subsidiaries controlled by SIMPLE S.A. The basic information on the entities covered by the consolidation is contained in the Note 4.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

The subsidiaries are the entities controlled by SIMPLE S.A. The control is executed, if SIMPLE S.A. holds directly or indirectly more than half of votes in the company, unless it can be proved that this shareholding does not constitute the control. The control may also mean the possibility to have an influence on the financial and operating policy of the company in order to achieve the benefits from its activity. The subsidiaries are consolidated from the date of taking up the control by the GROUP and are not consolidated when this control is lost.

The balances of the internal settlements between the Group's entities and all transactions concluded within the Group are excluded at preparing the consolidated financial statement. All balances and transactions between these entities for consolidation purposes were eliminated. The consolidated financial statement was prepared basing on the unified accounting principles.

The financial statement of the Group was prepared basing on the records made in the accounting books of the Group, keep in compliance with the basic accounting principles:

- reliability
- correctness
- continuity
- completeness
- comparability
- proportionality of revenues and costs
- constancy of accounting principles

### **Property, plant and equipment**

Other P,P&E including machinery, equipment, means of transport and other non-current assets are measured at the purchase prices or manufacturing costs, less the made accumulative amortization or depreciation write-offs and the impairment losses.

The non-current assets are depreciated by straight line method, starting on the first day when the non-current asset is ready to use using the depreciation rates following the estimated economic life of the relevant non-current asset. The final value and the economic life of the non-current assets are verified at the end of each fiscal year. The non-current assets are amortized within 3-10 years.

The non-current assets available-for-sale are measured at lower of two values: carrying amount or fair value, less the sale-related costs.

The non-current assets are classified as held-for-sale if their carrying amount will be recovered rather as a result of transaction than their further use. This condition is deemed as to be met only when the sale transaction is very likely and the assets are available to be sold in its current condition. The classification of the assets held-for-sale assumes the intention of the Management Board to finish sale transaction within a year from the classification change.

Profit and losses arisen as a result of sale, liquidation or discontinuance of use the non-current assets are determined as the difference between the revenues from sale and net value of these non-current assets and are recognized in the statement of comprehensive income.

The intangible assets are measured at cost less the amortization or depreciation write-offs and impairment allowances. The intangible assets are amortized by the straight-line method for the economic life period.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

The research and development works manufactured at its own in a form of the computer programs/software within the period of incurring expenses, unless the criteria of the intangible assets specified in IAS 38 are met, are recognized as the accrued and deferred income and after completion as the intangible assets which are tested at least as of the end of period. The depreciation period of the R&D works is set basing on expected cash flows related to the sale of manufactured products.

### **Investments**

The Group includes its investments to the following categories:

- interests in the subsidiaries;
- financial assets available-for-sale;
- other financial assets.

The interests in the subsidiaries include the shares in the companies covered by the consolidation. The interest in the subsidiaries is measured at the purchase price adjusted by the impairment. The impairment allowances due to the interest in the subsidiaries are presented in the statement of comprehensive income as the revaluation of the financial assets.

### **Recoverable amounts of non-current assets**

The PP&E, intangible assets and financial assets are verified regarding the impairment in case of events and changes which may cause this impairment.

The recoverable amounts are charged into the other operating costs within the period when this impairment occurred.

### **Inventories**

The inventories include the goods, which are measured as at the end of period at the cost keeping the prudence principle after reduction by the recoverable amount. The allowances are made basing on the inventories turnover rate.

### **Trade and other receivables**

The trade receivables are recognized at the payable amount less the recoverable amounts for the doubt receivables. Estimation of these amounts is made basing on collecting results, when achievement of full receivable amount is unlikely.

### **Cash and cash equivalents**

The cash in the statement includes cash at hand and on bank accounts.

### **Provision for retirement and similar benefits**

The Group establishes provisions for the employee benefits. The provisions are measured not less than as of the end of period at the reliable justified estimated value. Provisions for employee benefits include the retirement severance pays and leaves. As at the end of period the Group establishes the provisions for the current value of

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

the retirement severance pays attributable to the employees as at this date, with the division into short-term and long-term using the actuarial method. This provision burdens the costs from operating activity. The provisions are released at the end of each reporting period by the value of performed pay-rolls corresponding to the obligations.

### **Provisions**

The Group establishes the provisions in case when as a result of economic events there are some future obligations or of highly probability to be, which amount may be reliable estimated.

### **Liabilities**

The liabilities are measured at payable amount. The long-term financial liabilities are measured at fair value of payments including discount.

### **Accrued and deferred liabilities**

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.

The Group maintains the accrued assets – they are costs for the reporting period and expenses to the R&D works. The Group maintains deferred liabilities- they are the amount of obligations for the relevant period resulting from the allowances made in favour of the entity.

The accrued and deferred assets and liabilities include in particular the equivalents of invoiced allowances, which will performed in the next periods.

### **Revenues from sale of products, goods, materials and services**

The net revenues from sale include the economic benefits arisen in the period as a result of the business activity of the entity, at the reliable value, resulting in increase of equity by increase of the assets or decrease of the liabilities in a manner other than shareholder's contribution. In particular, they are the revenues from sale of products, including services and the sale of goods and materials.

The revenues also include the due amounts for sold products and basic and auxiliary activity services and for sold materials and goods set basing on net price after adjustments by granted discounts and rebates.

The adjustments of the revenues from sale are included to the period when they were made.

### **Other revenues**

The other revenues are the income related to the operating activity of the entity. They include:

- Gain on non-current assets and intangible assets
- Gain on liquidation of non-current assets
- Received compensations
- Release of provisions, which charged the operating costs at establishment
- Written-off, pass due and depreciated liabilities



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

### **Finance income**

The income due to the interests charged to contractors, recognized at the date when the contractors pays.

The income from the interests to cash on bank accounts recognized at the date when the bank accepts the account.

### **Activity expenses**

The all costs of sale, marketing, administration and management incurred in the reporting period. The value of sold goods and materials at the purchase price in the reporting period.

### **Other costs**

The other operating expenses are the expenses related to the operating activity of the entity.

They include:

- loss on non-current assets and intangible assets
- Paid penalties and compensations
- Established provisions
- Court proceeding costs

### **Finance cost**

The costs due to paid interests are charged directly to the statement of comprehensive income in the period when they were incurred.

### **Income tax**

The obligatory burdening of the result consists of:

- Corporate Income Tax (CIT)
- Deferred tax

The current tax burdening is calculated under the base of the financial results (the base of tax) of the relevant fiscal year. The tax profit (loss) differs from book profit (loss) because of excluding the revenues and costs which will never be a subject of taxation. The tax burdens of result are calculated basing on the basic tax rates binding in the relevant fiscal year.

### **Deferred income tax**

The Group establishes the provisions and assets due to deferred income tax because of the temporary differences between the assets and liabilities value presented in the books and their tax value. The assets due to deferred income tax are recognized if it is likely that the income to be taxed will be achieved which will enable to use the temporary differences. The assets due to deferred income tax are recognized also for the tax losses to be deducted in the next years, but only when it is likely that the income to be taxed will be achieved in future which will

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

enable it use these tax losses. The Group does not establish the assets due to the deferred income tax, if the practicability of using them in the future is doubtful.

The liability due to deferred income tax is recognized by the liability method, due to temporary differences between the tax value of such assets and liabilities and their carrying amount presented in the financial statement. Both the amount of reserve and the assets due to deferred income tax were determined considering the tax rate applicable in the period when the provision/asset is established.

### **Earnings per share**

The earnings per share for the each period are calculated by dividing the earnings for the relevant period by the number of shares in the relevant reporting period.

### **Transactions in foreign currencies**

The economic transactions expressed in foreign currencies causing the liabilities and receivables are recognized in the books at the average exchange rate published for the relevant currency by the National Bank of Poland.

The payment transactions expressed in the foreign currencies, as at the date of being made, are recognized at the purchase or sale exchange rate used by the bank which serves the Group.

As of the end of the period the receivables and liabilities are recognized pursuant to the average exchange rate published for the relevant currency by the National Bank of Poland.

The exchange differences, concerning the settlements expressed in foreign currencies arisen as of the valuation date and during the payment date are classified to the financial costs or revenues.

### **Lease**

The P,P&E used in the financial lease agreements which transfer to the Group all benefits and risk related to possessing are recognized in the statement on comprehensive income of the Group pursuant to the current value of minimum future lease payments. The lease fees are divided into the reduction of unpaid liability balance and financial costs charged directly against the profit and loss.

## **4. COMPOSITION OF THE CAPITAL GROUP**

SIMPLE S.A. is the parent company of the Group. Except for SIMPLE S.A. the consolidation includes subsidiaries.

The data of the subsidiaries as at the end of period are as follows:

<b>Entity's name</b>	<b>Seat office</b>	<b>Method</b>	<b>Date</b>	<b>Amount of</b>	<b>% of shareholding</b>
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## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

		<b>of consolidation</b>	<b>of taking up control</b>	<b>shares acc. to purchase price</b>	<b>capital and votes at GMS</b>
SIMPLE LOCUM	Warsaw	Full	2006	2669	100%
SIMPLE CPS	Warsaw	Full	2006	30	100%
BAZUS	Lublin	Full	2011	964	87,5%

SIMPLE S.A. holds shares in the Company SOFTEAM Sp. z o.o. The value of the shares at the cost is 53 k PLN that constitutes 50.24% of the share capital of the Company and 25.18% of votes at the General Meeting of 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.

SIMPLE S.A. holds also shares in the Company SIMPLE Sp. z o.o. in Dąbrowa Górnicza. The value of the shares at the cost is 9.7 k PLN that constitutes 19.51% of the share capital of the Company and the same number of votes at the General Meeting of 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.

### **5. Selected financial data translated into Euro:**

The selected financial data contained in this report were translated into EURO pursuant to the following principles: The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published by the National Bank of Poland as of the end of the period:

- As at 30.09.2012- 34.1138
- as at 31.12.2011- 4.4168

The items of the profit and loss statement and cash-flow statement pursuant to the average exchange rate translated as the arithmetic average of the exchange rates published by the National Bank of Poland as of the last day in the month of the relevant year:

- As at 30.09.2012- 4.1948
- As at 30.09.2011- 4.0413

	<b>30.09.2012 000' PLN</b>	<b>30.09.2012 000' EUR</b>	<b>30.09.2011 000' PLN</b>	<b>30.09.2011 000' EUR</b>
<b>Statement of comprehensive income</b>				
Net revenues from sale of products, goods and materials	20 358	4 853	18 604	4 603
Gross profit (loss) from sales	8 340	1 988	8 432	2 086
Operating profit (loss)	937	223	1 439	356
Gross profit (loss)	788	188	1 263	313
Net profit (loss)	<u>703</u>	<u>168</u>	<u>942</u>	<u>233</u>

	<b>30.09.2012 000' PLN</b>	<b>30.09.2012 000' EUR</b>	<b>31.12.2011 000' PLN</b>	<b>31.12.2011 000' EUR</b>
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**Statement of financial condition**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

### **Assets**

Non-current assets	10 002	2 431	9 646	2 184
Current assets	12 490	3 036	11 744	2 660
Total assets	<u>22 492</u>	<u>5 467</u>	<u>21 390</u>	<u>4 844</u>

### **Liabilities**

Equity	15 557	3 782	11 978	2 713
Liabilities and provisions for liabilities	6 935	1 685	9 412	2 131
Total liabilities	<u>22 492</u>	<u>5 467</u>	<u>21 390</u>	<u>4 844</u>

30.09.2012 30.09.2012 30.09.2011 30.09.2011

000' PLN 000' EUR 000' PLN 000' EUR

### **Statement of cash flows**

Net cash-flow from operating activities	(607)	(145)	467	116
Net cash from investing activities	(898)	(214)	(1 571)	(389)
Net cash from financing activity	2 283	544	(455)	(113)
<b>Cash at end of the period</b>	<u>1 809</u>	<u>431</u>	<u>932</u>	<u>231</u>

## **6. Geographical structure**

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

The revenues from sale, costs and sale result pursuant to the geographical sectors are as follows:

	30.09.2012 000' PLN	30.09.2011 000' PLN
Revenues from sales		
▪ domestic	20 358	18 604
	<u>20 358</u>	<u>18 604</u>
Distribution expenses		
▪ domestic	(12 018)	(10 172)
	<u>(12 018)</u>	<u>(10 172)</u>
Profit on sale		
▪ domestic	8 340	8 432
	<u>8 340</u>	<u>8 432</u>

## **7. Revenues from sales**

The Group distinguishes the branch sectors in the divisions into the revenues from sale of services and products and goods. The revenues from sale, costs and sale result pursuant to the branch sectors are as follows:

The revenues from sale of Group are as follows:

	30.09.2012 000' PLN	30.09.2011 000' PLN
Revenues from sale of goods	2 640	2 346
Revenues from sale of services and products	17 718	16 258
	<u>20 358</u>	<u>18 604</u>

## **8. Costs by category**

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

	Q3 (current year), from 01.07.2012 to 30.09.2012	Q3 (current year), from 01.01.2012 to 30.09.2012	Q3 (previous year, from 01.07.2011 to 30.09.2011	Q3 (previous year) from 01.01.2011 to 30.09.2011
	000' PLN	000' PLN	000' PLN	000' PLN
Amortization	392	1 167	371	1 107
Materials and energy consumption	237	732	191	649
Third party services	1 749	5 595	1 305	4 463
Taxes and fees	64	167	55	158
Remunerations/payrolls	2 609	8 023	2 571	7 565
Social insurances and other benefits	451	1 515	404	1 306
Other costs	83	688	64	245
Value of goods and materials sold	593	1 917	702	2 052
<b>Total operating activity costs</b>	<b>6 178</b>	<b>19 804</b>	<b>5 663</b>	<b>17 545</b>
<b>including</b>				
Cost of sales	3 740	12 018	3 361	10 172
Distribution expenses	1 279	3 982	1 142	3 959
Administration expenses	1 159	3 804	1 160	3 414

### 9. Profit/loss per one share

The basic earnings per share is calculated as the quotient of the earning attributable to the owners of the Group and the average weighted number of ordinary shares during the year.

	30.09.2012 000'PLN	30.09.2011 000'PLN
Profit (loss) per shareholders of the Company	707	906
Average weighted number of ordinary shares (in k pcs)	4 380	2 004
<b>Basic earnings (loss) per share ( in PLN per one share)</b>	<b>0,16</b>	<b>0,45</b>

The Group Simple does not present diluted earnings (loss) per share.

### 10. Non-current assets held for sale

As at September 30, 2012 the Group does not have any non-current assets held for sale.

### 11. Deferred tax

As at September 30, 2012 the Group Simple established provision in the amount of PLN 10 k due to the temporary differences between the book and tax value of assets.

	30.09.2012 000' PLN	31.12.2011 000' PLN	30.09.2011 000' PLN
Deferred tax	10	7	7
	<b>10</b>	<b>7</b>	<b>7</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### 12. Information on movements in provisions

	30.09.2012	31.12.2011	30.09.2011
	000' PLN	000' PLN	000' PLN
Provision for leaves	201	201	204
Other provisions	6	545	143
Assets due to the deferred income tax	10	7	7
Provision for retirement	49	49	37
Inventories revaluation allowance	23	0	0
Receivables revaluation allowance	541	218	218
<b>Total</b>	<b>830</b>	<b>1 020</b>	<b>609</b>

### 13. Contingent liabilities and court proceedings

As at September 30, 2012 the Group does not present any contingent liabilities for the court proceeding against the Group Simple and initiated by the Group Simple.

There were not any changes in the above liabilities in 2012 in comparison to state as at December 31, 2011.

There is a proceeding brought by Simple against the company Technic Systems for the amount of PLN 302 k and the composition of creditors with the company Wars S.A. for the amount of PLN 20 k.

### 14. Short-term credits and loans

	30.09.2012	31.12.2011	30.09.2011
	000' PLN	000' PLN	000' PLN
Bank credits	52	94	149
Other credits	17	0	127
<b>Total credits</b>	<b>69</b>	<b>94</b>	<b>276</b>

On October 5, 2011 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/080/11/Z/VK for the amount PLN 400 k with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from October 7, 2011 to October 4, 2012. On August 29, 2012 the Annex No. 1 to the Credit Agreement No. 43/080/11/Z/VK was concluded amending the period of the agreement from October 7, 2011 to October 4, 2011 into October 7, 2011 to August 31, 2012. On August 31, 2012 the Overdraft Agreement No. 43/083/12/Z/VV was concluded for the amount of 1 million zlotys for the periods from August 31, 2012 to August 29, 2013. The collateral for this Agreement is a blank promissory note. As at the end of the period, the Company did not use the credit line.

On December 30, 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount PLN 300 k with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from December 30, 2010 to December 29, 2011. On December 29, 2011 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount PLN 300 k with the Bank Polska Kasa Opieki S.A. in Warsaw. The credit payment date is 29.12.2012. The collateral for this Agreement is a blank promissory note. As at the end of the period, the Company did not use the credit line.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

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 of 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 at the end of period, the amount of unpaid credit over 12 months is 52 k PLN.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As at the end of the period, the amount of credit within the term of payment to twelve months is PLN 17 k.

### **15. Long-term credits and loans**

	<b>30.09.2012</b>	<b>31.12.2011</b>	<b>30.09.2011</b>
	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>
Bank credits	2 040	2 130	2 143
Other credits	0	9	17
<b>Total credits</b>	<b>2 040</b>	<b>2 139</b>	<b>2 160</b>

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

- ordinary mortgage in the amount of PLN 2 350 000.00 securing the payment of the credit capital,
- Collateral 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),

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

- 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 is PLN 2 040 k.

### **16. Operating lease and rent agreements**

Under the rent agreement, the Company SIMPLE S.A. uses the copy machine. The Company bears the monthly charges for the operation and service. In case of making copies in the amount exceeding the fixed charge the Company shall bear the additional costs pursuant to the price list from agreement.

Simple S.A. used the building for the business purposes under the Rent Agreement concluded on March 29, 2012 with the subsidiary Simple Locum Sp. z o.o. The agreement is concluded for non-specified period of time. Monthly rent rate is 20 k PLN.

### **17. The adjustments in the financial statement and comparable data resulting from the reservations in the opinions for the previous years.**

Any adjustments, resulting from the reservations in the opinions of the bodies authorized to audit financial statements, were not made in the financial statements.

### **18. Comments to the results of Group Simple**

In the three quarters of 2012, 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.

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 2012 show the maintenance of the positive trends in the positive areas of the Groups business activity.

In Q3 2011, the Group SIMPLE achieved the revenues from sales amounted to PLN 6 822 k in comparison to the amount of PLN 5 979 k in 2011. The revenues were higher by 14.1% than in the comparable period of the previous year.



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After three quarters of 2012 the revenues from sale of the Group increased and amounted to PLN 20 358 k in comparison to PLN 18 604 k after three quarters of 2011 (increase by 9.43%).

The profit from the operating activity for the Group in Q3 2012 amounted to PLN 782 k and the gross profit amounted to PLN 759 k. In both cases there is an increase by 67.81% and 78.59% in comparison to Q3 2011.

After three quarters of 2012 the significant increase was observed in: profit from the operating activity of the Group, which amounted to PLN 937 k and gross profit PLN 788 k. In both cases the decrease occurred in comparison to the comparable period of 2011 accordingly by 34.89% and 37.61%.

Achieved results in Q3 2012 are effect of forwarding a part of invoicing to Q4. The Management Board expected more invoices related to the big contracts conducted by SIMPLE. The invoicing for the mentioned contracts should be made in Q4. The increase of sale was a result among others of higher sales of BAZUS company and organic development of Simple S.A. We noted increases in the field of CRM product.

The increase of the revenues from services will be kept for the longer period because SIMPLE S.A. performs the bigger (of several millions) projects lasting several months. Moreover, the big sales dynamic of the own software causes the increase of the revenues from the services in the next periods.

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

- Keeping the sales growth dynamics,
- Achieving the annual net profit maintaining the growth dynamics yoy of last years.
- Conducting the intensive talks in the field of investment in the companies strentheing the position of Simple in the key Simple verticals,
- Continuing Works on the technical and functional modernization of SIMPLE.ERP system,
- Further improvement of the budgeting system and cost optimization.

## **19. Information on seasonality or periodicity of the business activity of Group SIMPLE**

Comparing the result for the period from 01.01.2012 to 30.09.2012 with the result for the period from 1.01.2011 to 30.09.2011, the result of sale for three quarters of 2012 amounted to PLN 8 340 k and was lower than the result for three quarters of 2011 by PLN 92 k. The reason was the increase of the revenues from sales by the amount of PLN 1 754 k and at the same the increase of the cost of sales by the amount of PLN 1 846 k. The result of sale for Q3 2012 amounted to PLN 3 082 k and was better than the result for Q3 2011 by PLN 464 k. The result of the Group for the period from 01.01.2012 to 30.09.2012 indicates the profit in the amount of PLN 703 k in comparison to the profit in the amount of PLN 942 k for the comparable period in 2011. Comparing the result for three quarters

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

of 2012, it was weaker by the amount of PLN 239 k in comparison to the result for three quarters 2011 and this result for Q3 2012 was better by the amount of PLN 411 k.

### **20. Information on issue, buy-out and paying the debt securities and capital securities**

Under the decision of the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register issued on December 12, 2011 for the file No. WA.XIII Ns-Rej-KRS/42085/544 the conditional increase of the share capital of the Company with the nominal value 378 000.00 (three hundred seventy eight thousand) zlotys was registered. The proces of the mentioned conditional increase of the share capital of the Company was initiated under the Resolution No. 6 of the Extraordinary General Meeting of the company with the business name SIMPLE S.A. seated in Warsaw of November 25, 2012 on issuance of the subscription warrants entitling to take up K series bearer shares, conditional increase of the share capital by the issuance of new K series shares, excluding the pre-emptive rights for the subscription warrants and K series shares for the present shareholders and dematerialization of K series bearer shares and trading them into the regulated market.

It should be also indicated that the Extraordinary General Meeting of SIMPLE S.A. seated in Warsaw of November 25, 2011 adopted also: the Resolution No. 5 on increasing the share capital, under closed subscription, by issuing to 2 001 149 shares of J series with the pre-emptive right for the current shareholders, dematerialization of the shares of the new issue and introducing the rights to shares of new issue and new issue shares into trade in the regulated market and the Resolution No. 7 on dematerialization of 189 000 A1 series shares and trading them on the regulated market.

On February 22, 2012 the application for approval of the prospectus was submitted to the Polish Financial Supervision Authority. The application was drawn up in connection with applying for admission to trade series shares, pre-emptive rights of J series, and rights to J series shares and J series of Simple S.A. on the regulated market.

On May 25, 2012 the Management Board of the Company adopted Resolution No. VI/11/05/2012 on the allotment of new issue J series shares issued under Resolution No. 5 of the Extraordinary General Meeting of the Company of November 25, 2011.

Under this Resolution the Management Board allotted J series shares pursuant to the allotment conditions specified in the Resolution of the Management Board No. VI/04/04/2012 of April 17, 2012, published in Monitor Sądowy i Gospodarczy (No. 81 93946)/2012) and published in the Current Report No. 5/2012 i.e. pursuant to the Detailed Principles of National Deposit of Securities.

The service of the allotment was performed by the National Deposit of Securities.

The following ordinary bearer shares with the nominal value of PLN 1 each were permitted to be traded under the Resolution No. 546/2012 of the Board of the Warsaw Stock Exchange of June 12, 2012:

- a) 189 000 A1 series shares;

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

b) 378 000 K series shares.

On June 26, 2012 the resolution in a form of the notarial deed No. VI/14/06/2012 Rep. A No. 3380/2012 has been adopted, which confirms that:

1. All conditions for the share capital increase by the issue of 378 000 K series shares, specified in the Code of Commercial Companies, Articles of Association and the Resolution No. 6 of the Extraordinary General Meeting of SIMPLE S.A. having its registered office in Warsaw of November 25, 2012 on issue of subscription warrants authorizing to acquire K series bearer shares, conditional increase of the share capital by issue of the new K series shares, exclusion of the pre-emptive rights of the subscription warrants and K series shares for the present shareholders, dematerialization of K series shares and putting them into the regulated market, have been met.
2. All conditions for dematerialization of A1 series shares and putting them into the regulated market, specified in the Code of Commercial Companies and the Resolution No. 7 of the Extraordinary General Meeting of SIMPLE S.A. having its registered office in Warsaw of November 25, 2011 on dematerialization of A1 series shares and putting them into the regulated market, have been met.”

Owing to meeting all conditions for the conditional increase of the share capital by the issue of 378 000 K series shares with the nominal value PLN 1.00 each, i.e. the amount of PLN 2 001 149 into the amount of PLN 2 379 149 and the change of the A1 series preference shares into the A1 series ordinary shares and putting them into the regulated market, the present share capital of the Issuer as at June 26, 2012 amounted to PLN 2 379 149 and was composed of 2 379 149 shares, including:

- a) 189 000 A1 ordinary shares (nominal value of share is PLN 1)
- b) 756 000 A2 bearer shares (nominal value of share is PLN 1)
- c) 225 000 B series bearer shares (nominal value of share is PLN 1)
- d) 102 690 C series bearer shares (nominal value of share is PLN 1)
- e) 360 000 D series bearer shares (nominal value of share is PLN 1)
- f) 180 000 E series bearer shares (nominal value of share is PLN 1)
- g) 73 350 F series ordinary shares (nominal value of share is PLN 1)
- h) 72 864 G series bearer shares (nominal value of share is PLN 1)
- i) 27 000 H series bearer shares (nominal value of share is PLN 1)
- j) 15 245 I series bearer shares (nominal value of share is PLN 1)
- k) 378 000 K series bearer shares (nominal value of share is PLN 1)

In connection with the registration of the conditional increase of the share capital by the amount of PLN 378 000.00 on December 12, 2011, File No. WA.XIII Ns-Rej-KRS/42082/544 , the registration of 378 000 K series bearer shares with the nominal value PLN 1 each is of declaration nature. The rights from the shares arisen as a result of the conditional increase of the share capital arise on the date of the appropriate entry on the account of these shares and that was happen on June 12, 2012.

At the same, on June 8, 2012 the Management Board of Simple S.A. provided the detailed information on the completed closed subscription of J series shares:

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1. The J series shares were issued under the Resolution No. 5 of the Extraordinary General Meeting dated November 25, 2011;
2. The J series shares subscription was held within May 10-16, 2012;
3. The allotment of the J series shares was made on May 25, 2012;
4. 2 001 149 J series shares were offered to be taken up;
5. Within the J series shares subscription, 230 basic subscriptions including 1 866 857 J series shares and 51 additional subscriptions including 4 947 242 J series shares were submitted.
6. 2 001 149 J series shares were allotted within this subscription.
7. The J series shares were acquired at the issue price PLN 2.00.
8. The Issuer did not enter into the sub-issue agreement.
9. The amount of subscription or sale, understood as the product of the number of J series shares covered by this offer and the issue price amounted to PLN 4 002 280.
10. The allocation of J series shares under this allotment resulted in the reduction of the number of shares covered by the additional subscriptions. 51 additional subscriptions included 4 947 242 J series shares, and 134 292 J series shares remained to be allotted under the additional subscription (after execution of the individual pre-emptive rights). The allocation rate amounted to approx. 0,027144821
11. The total costs of J series shares issue, borne by the Issuer, amounted to app. PLN 383 k, including:
  - a) preparation and carrying out the offering- notarial costs, legal service costs, costs of announcements in MSiG and the remuneration for National Depository of Securities, and administration fees as well- app. PLN 113 k;
  - b) remuneration of sub-issuers- not applicable;
  - c) drawing up the prospectus including the consultancy costs- app. PLN 270 k;
12. Average costs of the subscription per one J series share: PLN 0.1914.

On July 26, 2012 the Management Board of SIMPLE S.A. seated in Warsaw informed that on July 26, 2012 the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Department of the National Court Register registered 2 001 149 non-preference J series shares which arisen as a result of completed issue of J series shares.

Under the Resolution No. 833/2012 the Board of the Warsaw Stock Exchange in Warsaw of August 22, 2012 2 001 149 (two million one thousand one hundred forty nine) ordinary bearer shares of J series of SIMPLE S.A. with the nominal value PLN 1 (one zloty) each was permitted to be traded on the basic market.

On September 21, 2012 the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Department of the National Court Register registered 378.000 non-preference K series shares as a result of completed issue of K series shares.

As of the date of this statement the registered and fully paid share capital of the Issuer is composed of 4 380 298 shares with the nominal value of PLN 1 each (permitted to be trade on the basic market), including:

- 189 000 A1 bearer shares (nominal value of share is PLN 1)
- 756 000 A2 bearer shares (nominal value of share is PLN 1)
- 225 000 B series bearer shares (nominal value of share is PLN 1 )
- 102 690 C series bearer shares (nominal value of share is PLN 1 )

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360 000 D series bearer shares (nominal value of share is PLN 1 )

180 000 E series bearer shares (nominal value of share is PLN 1 )

73 350 F series bearer shares (nominal value of share is PLN 1 )

72 864 G series bearer shares (nominal value of share is PLN 1 )

27 000 H series bearer shares (nominal value of share is PLN 1 )

15 245 I series bearer shares (nominal value of share is PLN 1 )

2 001 149 J series bearer shares (nominal value of share is PLN 1)

378 000 K series bearer shares (nominal value of share is PLN 1).

### **21. Information on paid (or declared) dividend, total and in division per one share, with division into the ordinary and preference shares**

Pursuant to Art. 395 § 2 item 1 of the Code of Commercial Companies and § 6 sec. 5 item a of the Articles of Association, the Ordinary General Meeting of Shareholders of under the name SIMPLE S.A. by the Resolution No. 7 of the Ordinary General Meeting of the Company under the business name SIMPLE S.A. of June 28, 2012 approved the financial statement for 2011 of Simple S.A.

Pursuant to Art. 395 § 2 par. 2 of the Code of Commercial Companies and under § 6 sec. 5 item c) of the Articles of Association, the Ordinary General Meeting of Shareholders of under the name SIMPLE S.A. by the Resolution No. 8 of the Ordinary General Meeting of the Company under the business name SIMPLE S.A. of June 28, 2012 stated to forward the Company's profit for the current year from January 1, 2011 to the December 31, 2011 in the amount of PLN 2 614 801.26 to:

- Supplementary capital of the Company in the amount of PLN 1 614 801.26
- Dividend payment in the amount of 1 000 000.00

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 1 of the Code of Commercial Companies, the Ordinary General Meeting of Shareholders of SIMPLE LOCUM Sp. z o.o. by the Resolution No. 3 of the Ordinary General Meeting of Simple Locum Sp. z o.o. of June 26, 2012 approved the financial statement for 2011.

Pursuant to Art. 395 § 2 par. 2 of the Code of Commercial Companies, the Ordinary General Meeting of SIMPLE LOCUM Sp. z o.o. by the Resolution No. 5 of the Ordinary General Meeting of Shareholders of Simple Locum Sp. z o.o. of June 26, 2012 stated to cover the Company's loss for the current year from January 1, 2011 to December 31, 2011 in the amount of PLN 62 437.26 from the supplementary capital of the Company.

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Pursuant to Art. 393 item 1 and Art. 395 & 2 item 1 of the Code of Commercial Companies, the Ordinary General Meeting of Shareholders of SIMPLE CPS Sp. z o.o. by the Resolution No. 3 of the Ordinary General Meeting of Simple CPS Sp. z o.o. of June 26, 2012 approved the financial statement for 2011.

Pursuant to Art. 395 § 2 par. 2 of the Code of Commercial Companies, the Ordinary General Meeting of SIMPLE CPS Sp. z o.o. by the Resolution No. 5 of the Ordinary General Meeting of Shareholders of SIMPLE CPS Sp. z o.o. of June 26, 2012 decided to cover the Company's loss for the current year from January 1, 2011 to the December 31, 2011 in the amount of PLN 2 226.67 from the share capital of the Company.

### Resolution No. 1

The General Meeting of Bazus Sp. z o.o., seated in Lublin, decides to approve the Business Report of the company for 2011, the financial statement including the statement of financial position for 2011, which was closed with the balance sum PLN 761 243.06 (say: seven hundred sixty one thousand two hundred forty three zlotys 06/100), and the statement of profit and loss for 2011, which generated the profit in the amount of PLN 87 268.18 (say: eighty seven thousand two hundred sixty eight zlotys PLN 18/100).

### Resolution No. 2

The General Meeting of Bazus Sp. z o.o., seated In Lublin, decides to designate the profit in the amount of PLN 87 268.18 to keep in the Company and provide to the supplementary capital.

## **22. Events after end of the period affecting the future results of the Group Simple**

In the Management Board's opinion, there are not any other unexpected events which will affect the future results.

## **23. The Management position on previously published forecasts.**

The Management of SIMPLE S.A. has not published any forecasts on financial result of the Group.

## **24. The biggest Shareholders, structure and changes of shareholding**

The shareholders holding at least 5% of general number of votes at the General Meeting of SIMPLE S.A. As at the date of this report, pursuant to the information held by the Management Board.

### **The biggest Shareholders, structure and changes of shareholding**

Item	Name	Number of shares	Interest in the share capital (%)	Number of votes	Interest of votes at the General Meeting (%)
1	Bogusław Mitura	863.904	19.72	863.904	19,72
2	Cron Sp. z o.o.	1.256.988	28,66	1.256.988	28,66
3	DM IDMSA	241.681	5.51	241.681	5.51

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4	Supernova IDM Fund S.A.	228.560	5.22	228.560	5.22
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Specification of changes in shareholder structure and preferences (options) of the members of the Supervisory Board.

Item	Name	Number of shares as at 30.08.2012	Number of shares as at 09.11.2012
1	Józef Taran	0	0
2	Andrzej Bogucki	0	0
3	Adam Wojacki	0	0
4	Paweł Zdunek	0	To October 18, 2012
5	Arkadiusz Karasiński	0	0
6	Adam Leda	0	to August 30, 2012
7	Zbigniew Strojnowski	From 18.10.2012	0

Specification of changes in shareholder structure and preferences (options) of the members of the Management Board.

Item	Name	Number of shares as at 30.08.2012	Number of shares as at 09.11.2012
1	Przemysław Gnitecki	0	0
2	Rafał Wnorowski	0	0
3	Michał Siedlecki	160.000	160.000

The specification of changes in the shareholding structure of the parent company and rights to them (options) by the shareholders holding at least 5% of the general number of votes at the General Meeting of Simple S.A.

Item	Name	Number of shares as at 30.08.2012	Number of shares as at 09.11.2012
1	Cron	1.135.776	1.256.988
2	Bogusław Mitura	828.904	828.904
3	Supernova IDM Fund S.A.	228.560	228.560
4	DM IDMSA	173.492	241.681

## 25. Information on related entities and on the capital group

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

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 company under 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 value of acquired shares is PLN 2 669 k. It holds 100% of votes at the General Meeting.

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2. SIMPLE CPS SP. Z O.O. seated in Warsaw address ul. Bronisława Czecha 49/51. The business activity of the Company was began under the name Simple Invest Sp. z o.o., established on October 25, 1999 under the notary deed (Rep. A No. 5653/99) in the Public Notary's Office in Warsaw, in presence of the public notary Anna Chelstowska.

On August 1, 2002 the name of the company was changed unto Invest SL Sp. z o.o. under the notary deed (Rep A No. 6624/20025) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. On June 15, 2004 the name of the company was changed into Simple CPS Sp. z o.o. under the notary deed (Rep A No. 7373/2004) in the Public Notary's Office in Warsaw in the presence of the trainee notary Wojciech Szczypkowski, the deputy of the Public Notary Dorota Kałowska. The value of taken up shares is PLN 30 k. It holds 100% of votes at the General Meeting.

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. 571 and subseq. in relation to Art. 551 of the Code of Commercial Companies into the limited liability company under the firm: Bazus Spółka z ograniczoną odpowiedzialnością. The value of shares acquired by Simple S.A. pursuant to the purchase price is PLN 1 846 k. As of the end of the period, SIMPLE S.A. holds 87.5% of votes at the General Meeting.

-Related but not included to the consolidation:

1. Softeam Sp. z o.o. seated in Warsaw, address ul. Łopuszańska 53, registered on 5th June 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 the company was changed from SIMPLE EXPERNET SP. Z O.O. into the present SOFTEAM SP. The value of taken up shares pursuant to the purchase price is PLN 53 k, that constitutes 50,24% of the share capital.

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 on May 31, 1991 under the number RHB 6610. The value of taken up shares is PLN 9.7 k. It holds 19.51% of votes at the General Meeting.

## **26. Information on changes in the Supervisory Board and Management Board of SIMPLE S.A.**

In the period from January 1 to December 31, 2011 any changes have not been made in the composition of the Management Board of Simple S.A.

On June 27, 2011 the Ordinary General Meeting has made the changes in the composition of the Supervisory Board of Simple S.A.



## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

**As at December 31, 2011 the composition of the Supervisory Board and the Management Board of SIMPLE**

**S.A. is as follows:**

<b>Supervisory Board</b>	
Adam Wojacki	Chairman of the Supervisory Board
Józef Taran	- Deputy Chairman, Member of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Paweł Zdunek	Member of the Supervisory Board
Arkadiusz Karasiński	Member of the Supervisory Board
Adam Leda	Member of the Supervisory Board
<b>Management Board</b>	
Bogusław Mitura	President of the Management Board
Przemysław Gnitecki	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

On June 27, 2012 the Management Board of Simple S.A. composed of the Vice President of the Management Board Przemysław Gnitecki and Vice President of the Management Board Michał Siedlecki received the written information from the President of the Management Board, Mr Bogusław Mitura, about his resignation from the position of the President of the Management Board.

At the same on June 27, 2012 the President of the Management Board Mr Bogusław Mitura sent this resignation to the Supervisory Board of Simple S.A. using the e-mail.

The new composition of the Management Board was elected at the meeting of the Supervisory Board on June 28, 2012.

On August 30, 2012 the Management Board of SIMPLE S.A. received written information on resignation of the Member of the Supervisory Board Mr Adam Leda from the position of the Member of the Supervisory Board of SIMPLE S.A. as of August 30, 2012 and this position was given back to the Chairman of the Supervisory Board of SIMPLE S.A.

On October 18, 2012 the Management Board of Simple S.A. received written information on resignation of the Member of the Supervisory Board Mr Paweł Zdunek from the position of the Member of the Supervisory Board of SIMPLE S.A. as of October 18, 2012 and this position was given back to the Chairman of the Supervisory Board of SIMPLE S.A.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

By the Resolution No. 6 of the Extraordinary General Meeting of Simple S.A. of October 18, 2012 the Extraordinary General Meeting of Simple S.A. appointed Mr Marian Strojnowski as the member of the Supervisory Board.

**As at the date of report the composition of the Supervisory Board and the Management Board of SIMPLE S.A. is as follows:**

<b>Supervisory Board</b>	
Adam Wojacki	Chairman of the Supervisory Board
Józef Taran	Deputy Chairman of the Supervisory Board
Andrzej Bogucki	Secretary of the Supervisory Board
Arkadiusz Karasiński	Member of the Supervisory Board
Zbigniew Strojnowski	Member of the Supervisory Board
<b>Management Board</b>	
Przemysław Gnitecki	President of the Management Board
Rafał Wnorowski	Vice President of the Management Board
Michał Siedlecki	Vice President of the Management Board

**As at December 31, 2011 the Management Board of Bazus Sp. z o.o. was as follows:**

<b>Management Board</b>	
Hubert Abramiuk	President of the Management Board
Rafał Wnorowski	Vice President of the Management Board

As at the report date, the composition of the Management Board of Bazus Sp. z o.o. was as follows:

<b>Management Board</b>	
Hubert Abramiuk	President of the Management Board
Rafał Wnorowski	Vice President of the Management Board

**As at December 31, 2011 the Management Board of Simple Locum Sp. z o.o. was as follows:**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

<b>Management Board</b>	
Regina Kuliš	President of the Management Board

**As at the report date the composition of the Management Board of Simple Locum Sp. z o.o. was as follows:**

<b>Management Board</b>	
Regina Kuliš	President of the Management Board

**As at December 31, 2011 the composition of the Management Board of Simple CPS Sp. z o.o. was as follows:**

<b>Management Board</b>	
Regina Kuliš	President of the Management Board

**As at the report date, the composition of the Management Board of Simple CPS Sp. z o.o. was as follows:**

<b>Management Board</b>	
Regina Kuliš	President of the Management Board

### **27. Indication of the proceedings against the Group SIMPLE**

As at September 30, 2012 any proceedings concerning the receivables or liabilities of the company, which total amount would constitute at least 10% of the equity of the Group, are not initialled or carried out.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

### **28. Transactions with related entities**

In the period from January 1, 2012 to September 30, 2012 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.

The turnover with the subsidiaries was as follows:

- sale PLN 170 k
- Purchase PLN 644 k

The turnover with the related entities was as follows:

- sale PLN 1 989 k
- Purchase PLN 312 k
- 

### **29. Information on credit, loan or guarantees granted by the Group**

In the reporting period the Group did not grant any credit, loan or warranty's guarantee, which would constitute 10% of the Group's equity.

### **30. Specification of factors, which, in the issuer's assessment, will affect the achieved results in the prospection of at least the next quarter.**

In the Board's assessment the presented report include the basic information which is necessary and material for the assessment of the financial and economical situation of the Group. The Board states that now there are any threats for the performance of the liabilities.

### **31. Information on changes in contingent liabilities or contingent assets, which occurred from the end of the last fiscal year.**

The Group Simple does not present the changes of the contingent liabilities and the assets in the current period from January 1, 2012 to September 30, 2012 and did not present them at the end of 2011.

### **32. P, P&E and intangible assets**

#### **Property, plant and equipment**

Within 9 month period of time ended on September 30, 2012 the Group purchased P,P&E amounting to PLN 608 k and within 9 month period of time ended on September 30, 2011 the Group purchased P,P&E amounting to PLN 197 k.

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

Within 3 month period of time ended on September 30, 2012 the Group purchased P,P&E amounting to PLN 350 k and within 3 month period of time ended on September 30, 2011 the Group purchased P,P&E amounting to PLN 13 k.

Within 9 month period of time ended on September 30, 2012 the Group sold P,P&E amounting to PLN 24 k and within 9 month period of time ended on September 30, 2011 the Group sold P,P&E amounting to PLN 75 k.

Within 3 month period of time ended on September 30, 2012 the Group did not sell any P,P&E and within 3 month period ended on September 30, 2012 the Group sold P,P&E amounting to PLN 21 k.

### **Intangible assets**

Within 9 month period of time ended on September 30, 2012 the Group did not purchase any intangible assets and within 9 month period of time ended on September 30, 2011 the Group purchased intangible assets amounting to PLN 4 k.

Within 3 month period of time ended on September 30, 2012 the Group did not purchase any intangible assets and within 9 month period of time ended on September 30, 2011 the Group did not purchase any intangible assets as well.

Within 9 month period of time ended on September 30, 2012 the Group did not sell or liquidate any intangible assets and within 9 month period of time ended on September 30, 2011 the Group did not sell or liquidate any intangible assets as well.

Within 3 month period of time ended on September 30, 2012 the Group did not sell or liquidate any intangible assets and within 9 month period of time ended on September 30, 2011 the Group did not sell or liquidate any intangible assets as well.

The amount of liabilities due to purchase of P, P&E and intangible assets as at September 30, 2012 amounted to PLN 1 212 k And as at June 30, 2012, it was the amount of PLN 1 002 k, and as at December 31, 2011, it was the amount of PLN 970 k, and as at September 30, 2011, it was the amount of PLN 1 030 k.

### **33. Information on inventories revaluation allowances**

Within 9 month period of time ended on September 30, 2012 the Group made the inventories revaluation allowances for the amount of PLN 23 k and within 9 month period of time ended on September 30, 2011 the Group did not make any allowances.

### **34. Information on revaluation allowances for impairment of financial assets, impairment of non-current assets, impairment of intangible assets or other assets and any reversal of such allowances**

Within 9 month period of time ended on September 30, 2012 the Group did not made any revaluation allowances and in the 9 month period ended on September 30, 2011 also did not made any revaluation allowances.

### **35. Information on failure to pay any credit or loan or on breaching of the credit or loan agreement.**

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

Within 9 month period of time ended on September 30, 2012 the Group met all financial liabilities due to credits and loans and did not breach any provisions of these agreements.

### **36. Separate financial statement**

**Separate statement of comprehensive income  
for the reporting period from July 1 to September 30, 2012, from January 1 to September 30,  
2012, from July 1 to September 30. 2011, from January 1 to September 30, 2011.**

	<b>Q3 (current year), from 01.07.2012 to 30.09.2012</b>	<b>Q3 (current year), from 01.01.2012 to 30.09.2012</b>	<b>Q3 (previous year, from 01.07.2011 to 30.09.2011</b>	<b>Q3 (previous year) from 01.01.2011 to 30.09.2011</b>
	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>
Revenues from sales	6 375	19 501	5 865	18 415
Cost of sales	(3 591)	(11 534)	(3 218)	(9 911)
<b>Gross profit (loss)</b>	<b>2 784</b>	<b>7 967</b>	<b>2 647</b>	<b>8 504</b>
Distribution expenses	(1 239)	(4 166)	(1 261)	(4 365)
Administration expenses	(1 002)	(3 283)	(1 019)	(3 146)
<b>Gross profit (loss) from sales</b>	<b>543</b>	<b>518</b>	<b>367</b>	<b>993</b>
Other operating revenues	161	434	144	415
Other operating costs	(22)	(45)	5	(35)
<b>Operating profit (loss)</b>	<b>682</b>	<b>907</b>	<b>516</b>	<b>1 373</b>
Finance income	51	73	44	55
Finance cost	(72)	(234)	(78)	(213)
<b>Profit (loss) before tax</b>	<b>661</b>	<b>746</b>	<b>482</b>	<b>1 215</b>
Income tax	(11)	(86)	(72)	(190)
Deferred income tax	0	0	(23)	(113)
<b>Net profit (loss)</b>	<b>650</b>	<b>660</b>	<b>387</b>	<b>912</b>
Other comprehensive income	0	0	0	0
Total other comprehensive income	0	0	0	0
<b>Net profit (loss)</b>	<b>650</b>	<b>660</b>	<b>387</b>	<b>912</b>
<b>Earnings (loss) per share</b>				
Basic	0,15	0,15	0,19	0,46
Diluted	0,15	0,15	0,19	0,46

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### Separate statement of financial condition as at September 30, 2012, June 30, 2012, December 31, 2012, September 30, 2011

	30.09.2012 000' PLN	30.06.2012 000' PLN	31.12.2011 000' PLN	30.09.2011 000' PLN
<b>Non-current assets</b>				
Intangible assets	2 705	2 917	3 344	3 338
Property, plant and equipment	1 282	1 086	1 153	1 272
Long-term receivables	35	35	7	2
Investments in subsidiaries	4 515	4 514	4 090	3 649
Investments in related entities	63	63	63	63
Long-term accrued and deferred assets	1 901	1 717	1 372	88
	<u>10 501</u>	<u>10 332</u>	<u>10 029</u>	<u>8 412</u>
<b>Current assets</b>				
Inventories	273	190	347	33
Trade and other receivables	9 519	9 856	9 946	7 243
Cash and equivalents and borrowings	1 665	3 215	928	713
Short-term accrued and deferred assets	381	280	156	1 156
	<u>11 838</u>	<u>13 541</u>	<u>11 377</u>	<u>9 145</u>
<b>Total assets</b>	<u>22 339</u>	<u>23 873</u>	<u>21 406</u>	<u>17 557</u>
<b>Equity</b>				
Share capital	4 380	2 379	2 001	2 004
Share premium	1 548	1 552	0	0
Other reserve capitals	0	2 001	0	0
Own shares	0	0	0	(21)
Retained earnings	8 906	8 906	7291	7 309
Profit/loss from the current period	660	10	2 615	912
<b>Total equity</b>	<u>15 494</u>	<u>14 848</u>	<u>11 907</u>	<u>10 204</u>
<b>Long-term liabilities and provisions</b>				
Provision due to the deferred income tax	9	5	5	7
Provision for retirement	49	49	49	37
Provision for unused leaves	201	201	201	204
Other provisions	6	111	545	143
Long-term borrowings	1 692	1 716	1 772	1 803
Financial lease liabilities	735	547	511	608
	<u>2 692</u>	<u>2 629</u>	<u>3 083</u>	<u>2 802</u>
<b>Current liabilities</b>				
Loans from subsidiaries	409	405	601	294
Short-term bank credits	17	31	94	276
Financial lease liabilities	380	348	336	290
Trade and other liabilities	1 971	4 133	3 699	1 967
Receivables accruals	1 376	1 479	1 686	1 724
	<u>4 153</u>	<u>6 396</u>	<u>6 416</u>	<u>4 551</u>
<b>Total liabilities</b>	<u>6 845</u>	<u>9 025</u>	<u>9 499</u>	<u>7 353</u>
<b>Total liabilities</b>	<u>22 339</u>	<u>23 873</u>	<u>21 406</u>	<u>17 557</u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### Separate statement of changes in equity

for the reporting period from January 1 to September 30, 2012, from January 1 to December 31, 2011, from January 1 to September 30, 2011.

	Share capital	Own shares	Share premium	Profit distribution, dividend payment	Retained earnings	Total equity
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
<b>January 1, 2012</b>	<b>2 001</b>	<b>0</b>	<b>0</b>	<b>2 615</b>	<b>7 291</b>	<b>11 907</b>
Total comprehensive income	0	0	0	0	660	660
Shares redemption	0	0	0	0	0	0
Dividend	0	0	0	(1 000)	0	(1 000)
Profit distribution	0	0	0	(1 615)	1 615	0
Issuance of shares	2 379	0	1 548	0	0	3 927
<b>September 30, 2012</b>	<b>4 380</b>	<b>0</b>	<b>1 548</b>	<b>0</b>	<b>9 566</b>	<b>15 494</b>

<b>January 1, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>2 058</b>	<b>5 251</b>	<b>9 292</b>
Total comprehensive income	0	0	0	0	2 615	2 615
Shares redemption	(3)	21	0	0	(18)	0
Dividend	0	0	0	0	0	0
Profit distribution	0	0	0	(2 058)	2 058	0
<b>December 31, 2011</b>	<b>2 001</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9 906</b>	<b>11 907</b>

<b>January 1, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>7 309</b>	<b>9 292</b>
Total comprehensive income	0	0	0	0	912	912
Shares redemption	0	0	0	0	0	0
Dividend	0	0	0	0	0	0
Profit distribution	0	0	0	0	0	0
<b>September 30, 2011</b>	<b>2 004</b>	<b>(21)</b>	<b>0</b>	<b>0</b>	<b>8 221</b>	<b>10 204</b>



## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

**Separate statement of cash-flows**  
for the reporting period from January 1 to September 30, 2012, from January 1 to September 30, 2011.

	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>PLN'000</b>	<b>PLN'000</b>
<b>Net profit (loss)</b>	<b>660</b>	<b>912</b>
Amortization	1 085	1 034
Interest paid	182	160
Gain (loss) on investment activity	8	(2)
Movements in provisions	(535)	(503)
Movement in inventories	73	19
Movement in receivables	400	412
Movement in short-term liabilities	(1 738)	(1 120)
Movements in accruals	(453)	(189)
<b>Net cash-flow from operating activities</b>	<b>(318)</b>	<b>723</b>
<b>Net cash flows from investing activities</b>		
Proceeds on sale of non-current assets	24	75
Investments proceeds	155	0
Payments to acquire non-current assets	(636)	(668)
Investments payments	(441)	(964)
<b>Net cash from investing activities</b>	<b>(898)</b>	<b>(1 557)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance	3 927	0
Received borrowings	8	349
Paid dividends	(989)	0
Repayment of borrowings	(357)	(188)
Payments for financial lease liabilities	(315)	(230)
Interest	(166)	(160)
<b>Net cash from financing activity</b>	<b>2 108</b>	<b>(229)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>892</b>	<b>(1 063)</b>
Cash and cash equivalents at the beginning of the period	723	1 571
<b>Cash and cash equivalents at the end of the period</b>	<b>1 615</b>	<b>508</b>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### Selected financial data translated into Euro:

The selected financial data contained in this report were translated into EURO pursuant to the following principles:  
The items of assets and liabilities in the statement of financial position pursuant to the average exchange rate published by the National Bank of Poland as of the end of the period:

- As at 30.09.2012- 4.1138
- as at 31.12.2011- 4.4168

The items of the profit and loss statement and cash-flow statement pursuant to the average exchange rate translated as the arithmetic average of the exchange rates published by the National Bank of Poland as of the last day in the month of the relevant year:

- As at 30.09.2012- 4.1948
- As at 30.09.2011- 4.0413

	<b>30.09.2012</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2011</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of comprehensive income</b>				
Net revenues from sale of products, goods and materials	19 501	4 649	18 415	4 557
Gross profit (loss) from sales	7 967	1 899	8 504	2 104
Operating profit (loss)	907	216	1 373	340
Gross profit (loss)	746	178	1 215	301
Net profit (loss)	<u>660</u>	<u>157</u>	<u>912</u>	<u>226</u>
	<b>30.09.2012</b>	<b>30.09.2012</b>	<b>31.12.2011</b>	<b>31.12.2011</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of financial condition</b>				
<b>Statement of financial position</b>				
Non-current assets	10 501	2 553	10 029	2 271
Current assets	11 838	2 877	11 377	2 576
Total assets	<u>22 339</u>	<u>5 430</u>	<u>21 406</u>	<u>4 847</u>
<b>Liabilities</b>				
Equity	15 494	3 766	11 907	2 696
Liabilities and provisions for liabilities	6 845	1 664	9 499	2 151
Total liabilities	<u>22 339</u>	<u>5 430</u>	<u>21 406</u>	<u>4 847</u>
	<b>30.09.2012</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2011</b>
	<b>000' PLN</b>	<b>000' EUR</b>	<b>000' PLN</b>	<b>000' EUR</b>
<b>Statement of cash flows</b>				
Net cash-flow from operating activities	(318)	(76)	723	179
Net cash from investing activities	(898)	(214)	(1 557)	(385)
Net cash from financing activity	2 108	503	(229)	(57)
<b>Cash at end of the period</b>	<u><b>1 615</b></u>	<u><b>385</b></u>	<u><b>508</b></u>	<u><b>126</b></u>

## EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012

### Costs by category

	Q3 (current year), from 01.07.2012 to 30.09.2012	Q3 (current year), from 01.01.2012 to 30.09.2012	Q3 (current year), from 01.07.2011 to 30.09.2011	Q3 (current year), from 01.01.2011 to 30.09.2011
	000' PLN	000' PLN	000' PLN	000' PLN
Amortization	366	1 085	346	1 034
Materials and energy consumption	219	651	161	581
Third party services	1 748	5 903	1 513	5 047
Taxes and fees	51	119	43	128
Remunerations/payrolls	2 379	7 289	2 314	7 098
Social insurances and other benefits	417	1 396	365	1 238
Other costs	74	659	56	230
Value of goods and materials sold	578	1 881	700	2 066
<b>Total operating activity costs</b>	<b>5 832</b>	<b>18 983</b>	<b>5 498</b>	<b>17 422</b>
<b>including</b>				
Cost of sales	3 591	11 534	3 218	9 911
Distribution expenses	1 239	4 166	1 261	4 365
Administration expenses	1 002	3 283	1 019	3146

### Short-term credits and loans

	30.09.2012	31.12.2011	30.09.2011
	000' PLN	000' PLN	000' PLN
Bank credits	0	0	149
Other credits	17	94	127
Short-term loans	409	601	294
<b>Total credits and loans</b>	<b>426</b>	<b>695</b>	<b>570</b>

On October 5, 2011 SIMPLE S.A. concluded the Overdraft credit agreement No. 43/080/11/Z/VK for the amount PLN 400 k with BRE S.A. bank. It is a credit in Polish currency. This Agreement was concluded for the period from October 7, 2011 to October 4, 2012. On August 29, 2012 the Annex No. 1 to the Credit Agreement No. 43/080/11/Z/VK was concluded amending the period of the agreement from October 7, 2011 to October 4, 2011 into October 7, 2011 to August 31, 2012. On August 31, 2012 the Overdraft Agreement No. 43/083/12/Z/VV was concluded for the amount of 1 million zlotys for the period from August 31, 2012 to August 29, 2013. The collateral for this Agreement is a blank promissory note. As at the end of the period, the Company did not use the credit line.

On December 30, 2010 SIMPLE S.A. entered into the Overdraft Agreement No. 102/2010 for the amount PLN 300 k with the Bank Polska Kasa Opieki S.A. in Warsaw. It is a credit in Polish currency. This Agreement was concluded for the period from December 30, 2010 to December 29, 2011. On December 29, 2011

## **EXTENDED CONSOLIDATED FINANCIAL STATEMENT FOR Q3 2012**

SIMPLE S.A. entered into the Annex No. 1 to the Overdraft Agreement No. 102/2010 for the amount PLN 300 k with the Bank Polska Kasa Opieki S.A. in Warsaw. The credit payment date is 29.12.2012. The collateral for this Agreement is a blank promissory note. As at the end of the period, the Company did not use the credit line.

The Company took the credit towards Volkswagen Leasing Polska S.A., which was intended for purchase of non-current assets. As at the end of the period, the amount of credit within the term of payment to twelve months is PLN 17 k.

On November 28, 2011, SIMPLE Locum Sp. z o.o., seated in Warsaw and SIMPLE S.A. entered into the loan agreement. . The subject of matter of this agreement is to grant the money loan in the amount of PLN 300 k, which was paid on November 28, 2011. The repayment term is on November 27, 2012. The interest rate of the loan is 6% per annum and the interest payment day is designated as the loan repayment date. As at the end of the period the interest are calculated and accounted for. As at December 30, 2012 the amount of loan is PLN 315 k.

The statement includes the short-term loan from subsidiary SIMPLE LOCUM Sp. z o.o. in the amount of PLN 94 k. It is the amount payable within 12 months- four instalments in the amount of PLN 23 500 k.

### **Long-term credits and loans**

	<b>30.09.2012</b>	<b>31.12.2011</b>	<b>30.09.2011</b>
	<b>000' PLN</b>	<b>000' PLN</b>	<b>000' PLN</b>
Loans	1692	1 763	1 786
Credits	0	9	17
<b>Total credits and loans</b>	<b>1 692</b>	<b>1 772</b>	<b>1 803</b>

The statement on financial position includes the loan from subsidiary SIMPLE LOCUM Sp. z o.o. in the amount of PLN1 692 k. It is the amount payable within the period longer than one year. The Agreement was concluded on April 28, 2006 for the period of 300 months. On September 30, 2007 the annex to the loan agreement between SIMPLE S.A. and subsidiary SIMPLE LOCUM Sp. z o.o. of April 28 on the amended terms and condition of loan payment was concluded. The loan is paid in quarter intervals in instalments PLN 23 500 k each. The interest of the loan has changed and is the sum of WIBOR rate for 3-month periods and margin 2.20% per year. As at the end of period the interests from loan instalment were calculated and paid as well as from the remained unpaid loan.