



INTERIM CONDENSED HALF-YEAR REPORT for the first HALF of 2017

Prepared in accordance with International Financial Reporting Standards
in the form approved by the European Union

Wrocław, 14 September 2017

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SELECTED CONSOLIDATED FINANCIAL DATA

SPECIFICATION	01.01.- 30.06.2017	01.01.- 30.06.2016	01.01.- 30.06.2017	01.01.- 30.06.2016
Work Service Capital Group	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	1 205 165	1 087 051	283 742	248 156
EBITDA (operating profit + depreciation)	34 099	25 140	8 028	5 739
Profit from the sale	31 023	18 501	7 304	4 224
Profit on operating activities (EBIT)	27 259	18 563	6 418	4 238
Gross profit (loss)	6 646	4 579	1 565	1 045
Net profit (loss) from continued and discontinued operations	-70 668	8 012	-16 638	1 829
Net cash flows from operating activities	-4 172	38 191	-982	8 718
Net cash flows from investing activities	54 030	-17 174	12 721	-3 921
Net cash flows from financing activities	-49 588	-27 668	-11 675	-6 316
Total net cash flow	271	-6 651	64	-1 518
Number of ordinary shares of the Company for the purposes of calculating earnings per share in pieces	65 094 823	65 094 823	65 094 823	65 094 823
Earnings per share	-1.19	0.05	-0.28	0.01
Number of shares diluted for the purpose of calculating diluted earnings per share in pieces	65 836 829	65 914 429	65 836 829	65 914 429
Diluted earnings per share	-1.18	0.05	-0.28	0.01
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Assets	1 151 771	1 300 887	272 512	294 052
Liabilities and liability reserves	885 934	943 590	209 614	213 289
Long-term liabilities	328 685	342 551	77 768	77 430
Short-term liabilities	557 249	601 039	131 847	135 859
Equity (Fund)	265 837	357 297	62 898	80 763
Share capital (Fund)	6 509	6 509	1 540	1 471
Supplementary capital (Fund)	326 759	330 652	77 312	74 741

SEPARATE CONSOLIDATED FINANCIAL DATA

SPECIFICATION	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016
Work Service SA	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	286 314	273 958	67 409	62 540
EBITDA (operating profit + depreciation)	-2 655	20	-625	5
Profit from the sale	-5 709	-3 979	-1 344	-908
Profit on operating activities (EBIT)	-5 185	-2 655	-1 221	-606
Gross profit (loss)	-41 842	8 774	-9 851	2 003
Net profit (loss)	-41 842	7 845	-9 851	1 791
Net cash flows from operating activities	-16 900	35 904	-3 979	8 196
Net cash flows from investing activities	333 397	-88 416	78 494	-20 184
Net cash flows from financing activities	-262 879	51 746	-61 892	11 813
Total net cash flow	53 618	-766	12 624	-175
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Assets	807 270	855 124	191 002	193 292
Liabilities and liability reserves	557 380	563 848	131 877	127 452
Long-term liabilities	208 815	217 447	49 406	49 152
Short-term liabilities	344 002	342 493	81 392	77 417
Equity (Fund)	249 890	291 276	59 125	65 840
Share capital (Fund)	6 509	6 509	1 540	1 471
Supplementary capital (Fund)	285 222	287 459	67 484	64 977

CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of financial position of the Capital Group

as at 30 June 2017

	as on 30.06.2017	as on 31.12.2016
FIXED ASSETS	532 085 932.66	669 785 900.39
Intangible assets	48 192 413.77	61 125 772.37
Goodwill	399 967 998.42	549 644 468.78
Tangible fixed assets	23 924 644.27	31 206 729.05
Investment real estates	5 763 123.63	1 614 844.06
Other long-term assets	4 234 660.01	4 309 062.91
Other long-term financial assets	29 542 562.90	2 892 510.29
Deferred income tax assets	19 876 751.66	18 156 629.28
Accruals	583 778.00	810 883.65
CURRENT ASSETS	619 685 153.24	631 100 874.41
Inventory	21 059 657.07	28 342 462.32
Trade and other receivables	443 281 028.53	432 902 983.22
Other financial assets	26 366 921.82	29 236 323.28
Other short-term assets	6 855 283.79	9 351 436.26
Cash and cash equivalents	104 885 431.80	104 614 790.71
Prepayments	17 236 830.23	26 652 878.62
TOTAL ASSETS	1 151 771 085.90	1 300 886 774.80
EQUITY	265 837 106.01	357 297 068.85
Share capital	6 509 482.30	6 509 482.30
Supplementary capital (Fund)	326 759 291.43	330 652 018.76
Capital from option valuation	-53 773 718.65	- 53 773 718.65
Net profit (loss)	-77 547 023.18	2 417 610.83
Foreign exchange differences	-9 769 310.61	-5 277 227.57
Equity attributable to non-controlling shareholders	73 658 384.72	76 768 903.18
LIABILITIES	885 933 979.89	943 589 705.95
Long-term liabilities	328 684 665.84	342 550 843.29
Long-term loans and credits	195 338 523.60	125 543 041.61
Deferred income tax liabilities	4 522 826.83	3 033 436.01
Liabilities for pension benefits	0.00	0.00
Provisions for other liabilities and charges	1 374 734.90	1 762 321.65
Other liabilities	127 448 580.51	212 212 044.02
Short-term liabilities	557 249 314.05	601 038 862.66
Trade and other liabilities	441 037 942.44	472 498 015.89
Short-term loans and credits	84 950 806.59	96 183 204.57
Provisions for other liabilities and charges	31 260 565.02	32 357 642.20
TOTAL LIABILITIES	1 151 771 085.90	1 300 886 774.80

Consolidated Statement of comprehensive income of the Capital Group
for the period of 6 months ended 30 June 2017

CONTINUED OPERATIONS	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016
Revenues	1 205 164 813.18	1 087 050 909.47
Net revenues from sales of products	1 205 141 307.60	1 086 531 867.21
Variation in stocks of products	23 505.57	506 120.97
Manufacturing cost of products for entity's own purposes	0.00	0.00
Net income on sale of goods and materials	0.00	12 921.28
Operating costs	1 174 142 302.21	1 068 549 498.99
Depreciation	6 840 492.24	6 577 208.19
Consumption of materials and energy	8 588 133.11	5 050 316.77
Outside services	128 265 750.62	90 753 283.18
Taxes and charges	1 770 293.14	2 908 540.83
Remuneration	808 556 647.33	755 614 600.63
Social insurance and other benefits	191 631 626.01	183 534 786.63
Other generic expenses	28 489 359.75	24 110 762.76
Value of goods and materials sold	0.00	0.00
Profit (loss) on sales	31 022 510.96	18 501 410.48
Other operating incomes	9 256 359.63	10 359 954.11
Other operating costs	13 019 866.25	10 298 189.57
Profit (loss) on operating activities	27 259 004.34	18 563 175.01
Financial incomes	3 328 398.39	3 311 091.50
Financial costs	23 941 594.03	17 295 461.75
Gross profit (loss)	6 645 808.71	4 578 804.76
Income tax	6 700 761.36	7 552 936.29
Net profit (loss) from continued operations	-54 952.66	-2 974 131.52
DISCONTINUED OPERATIONS		
Net profit (loss) from discontinued operations	-70 612 661.09	10 986 263.83
Net profit (loss)	-70 667 613.74	8 012 132.31
Measurement of shares by the equity method	0.00	0.00
Minority shareholders profit (loss)	6 879 409.44	4 959 544.31
Net profit attributable to		
- Shareholders of the parent company	-77 547 023.18	3 052 588.01
- Non-controlling interests	6 879 409.44	4 959 544.31

Net profit	-70 667 613.74	8 012 132.33
Exchange differences on conversion of foreign entities	-4 492 083.05	10 218 721.61
Total revenue for the period	-75 159 696.79	18 230 853.94
- Including attributable to minority capital	4 098 790.74	11 284 976.86
- including attributable to shareholders of parent company	-79 258 487.53	6 945 877.08
Net profit	-70 667 613.74	8 012 132.33
Other comprehensive income		
Items not to be reclassified to the income statement in future periods:		
- none		
Items that may be reclassified to the income statement in future periods:		
- Foreign exchange differences from translation of foreign operation	-4 492 083.05	10 218 721.61
Other comprehensive income in total	-4 492 083.05	10 218 721.61
Comprehensive income for the period	-75 159 696.79	18 230 853.94
- of which attributable to minority interest in equity	4 098 790.74	11 284 976.86
- of which attributable to shareholders of the parent entity	-79 258 487.53	6 945 877.08
Profit per share from continuing and discontinued operations attributable to shareholders of the parent entity during the year (in PLN)		
From continuing operations:		
- basic	-0.11	-0.12
- diluted	-0.11	-0.12
From discontinued operations		
- basic	-1.08	0.17
- diluted	-1.07	0.17

Consolidated Statement of cash flows of the Capital Group

for the period of 6 months ended 30 June 2017

	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016
Net profit (loss)	-77 547 023.18	3 052 588.02
Total adjustment	73 375 440.79	35 138 013.32
Depreciation	8 512 624.42	7 907 745.59
(Profit) loss on foreign exchange differences	0.00	0.00
Interest and participation in profits (dividends)	9 742 795.92	9 864 600.95
(Profit) loss on investing activities	-132 072.75	-319 032.69
Change in reserves	1 852 350.00	3 548 918.69
Change in inventory	4 189 741.72	-3 295 177.37
Change of receivables with the exception of receivables from income tax	-144 293 738.89	8 842 128.07
Change in short-term liabilities excluding credits and loans and income tax from legal persons	126 202 327.56	4 042 251.53
Change in accruals	-6 447 827.81	-7 036 312.09
Other adjustments	68 462 961.78	6 446 521.94
Income tax on profit before tax	8 686 657.20	9 589 887.08
Income tax paid	-3 400 378.36	-4 453 518.38
Net cash flows from operating activities	-4 171 582.39	38 190 601.34
Cash flow on investment activity		
Incomes	129 399 401.48	753 122.36
Disposal of intangible and tangible fixed assets	186 634.60	107 080.34
Sale of investment property and intangible assets	0.00	0.00
From financial assets, including:	1 098 527.05	646 042.02
a) in related entities	0.00	0.00
Interest	0.00	0.00
b) in other entities	1 098 527.05	646 042.02
Interest	1 098 527.05	646 042.02
acquisition of financial assets	0.00	0.00
Other investment income	128 114 239.83	0.00
Expenditures	75 369 164.61	17 926 975.58
Purchase of intangible and tangible fixed assets	530 460.82	4 544 846.29
Investments in real estate and intangible assets	0.00	0.00
For financial assets, including:	72 233 106.73	6 312 195.20
a) in related entities	68 275 910.73	6 312 195.20
acquisition of financial assets	68 275 910.73	6 312 195.20
b) in other entities	3 957 196.00	0.00
acquisition of financial assets	3 957 196.00	0.00
Other investment expenses	2 605 597.06	7 069 934.08
Cash flow on investment activity	54 030 236.86	-17 173 853.22

Cash flow on financial activity		
Incomes	61 332 978.57	7 200 000.00
Credits and loans	60 112 860.11	0.00
Issuance of debt securities	0.00	0.00
Net income from issuance of shares	0.00	0.00
Other financial income	1 220 118.46	7 200 000.00
Expenditures	110 920 991.97	34 867 567.63
Dividends and other expenses for owners	0.00	0.00
Other than payments for owners. expenses related to profit distribution	0.00	0.00
Credits and loans repayments	0.00	22 664 833.79
Redemption of debt securities	100 000 000.00	0.00
Due to other financial liabilities	0.00	0.00
Payment of liabilities on account of financial leasing contracts	254 726.62	1 484 810.35
Interest	10 841 322.97	10 510 643.01
Other financial expenses	-175 057.62	207 280.48
Net cash flows from financing activities	-49 588 013.40	-27 667 567.63
Total net cash flow	270 641.09	-6 650 819.50
Balance sheet change in cash and cash equivalent, including:	270 641.09	-6 650 819.50
change of cash resources due to exchange rate differences	0.00	0.00
Cash resources at the beginning of period	104 614 790.71	57 904 049.27
Cash and cash equivalents at end of period	104 885 431.80	51 253 229.77
Position 'other adjustments' includes		
change of differences from conversions	7 977 548.11	5 978 590.87
change in real estate kept for investment purposes	-4 148 279.57	0.00
other changes in capitals	-1 206 460.10	44 580.72
managerial programme	456 401.64	1 058 872.60
change of item other assets	2 570 555.38	-1 164 916.46
changes in shares attributable to non-controlling shareholders	4 427 983.22	0.00
goodwill measurement	0.00	529 394.21
profit/loss from the sale of ITK Group	-79 337 186.06	0.00
loss on revaluation to fair value of the Proservice Group	137 722 399.16	0.00
	68 462 961.78	6 446 521.94

Consolidated statement of changes in equity of Capital Group

01.01.2017-30.06.2017	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2016	6 509 482.30	330 652 018.76	-53 773 718.65	-5 277 227.57	2 417 610.83	280 528 165.67	76 768 903.19	357 297 068.85
The capital increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	-77 547 023.18	-77 547 023.18	0.00	-77 547 023.18
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	- 4 492 083.05	0.00	-4 492 083.05	0.00	-4 492 083.05
Distribution of profit for 2016:	0.00	2 417 610.83	0.00	0.00	-2 417 610.83	0.00	0.00	0.00
Purchasing of the companies from APT Group	0.00	0.00	0.00	0.00	0.00	0.00	746 711.37	746 711.37
Managers programme	0.00	456 401.64	0.00	0.00	0.00	456 401.64	0.00	456 401.64
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	6 879 409.44	6 879 409.44
Other	0.00	62 540.17	0.00	0.00	0.00	62 540.17	0.00	62 540.17
Operations pertaining to transactions with the ITK Group	0.00	-5 560 279.72	0.00	0.00	0.00	-5 560 279.72	-10 736 639.27	-16 296 918.99
Dividend payment by APT	0.00	-1 269 000.25	0.00	0.00	0.00	-1 269 000.25	0.00	-1 269 000.25
As on 30 June 2017	6 509 482.30	326 759 291.43	-53 773 718.65	-9 769 310.61	-77 547 023.18	192 178 721.28	73 658 384.73	265 837 106.00

Consolidated statement of changes in equity (comparative data)

01.01.2016-31.12.2016	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2015	6 509 482.30	312 423 026.32	-35 131 379.85	-25 785 799.10	27 616 454.29	285 631 783.95	43 526 215.57	329 157 999.52
The capital increase in Exact Systems SA	0.00	0.00	0.00	0.00	0.00	0.00	30 000 000.00	30 000 000.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	2 417 610.83	2 417 610.83	0.00	2 417 610.83
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	20 508 571.54	0.00	20 508 571.54	0.00	20 508 571.54
Exercise of Fiege option	0.00	0.00	16 490 239.50	0.00	0.00	16 490 239.50	0.00	16 490 239.50
Valuation of the issue of series B and C in Exact Systems SA	0.00	0.00	-35 132 578.30	0.00	0.00	0.00	0.00	0.00
Transfer of profit for 2015 to reserve capital	0.00	27 616 454.29	0.00	0.00	-27 616 454.29	0.00	0.00	0.00
Purchasing shares from minorities	0.00	-10 803 279.03	0.00	0.00	0.00	-10 803 279.03	-5 663 368.17	-16 466 647.20
Managers programme	0.00	1 599 897.24	0.00	0.00	0.00	1 599 897.24	0.00	1 599 897.24
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	13 083 705.88	13 083 705.88
Other	0.00	-184 080.06	0.00	0.00	0.00	-184 080.06		-184 080.06
Payment of dividends	0.00	0.00		0.00	0.00	0.00	-4 177 650.10	-4 177 650.10
As on 31 December 2016	6 509 482.30	330 652 018.76	-53 773 718.65	-5 277 227.57	2 417 610.83	280 528 165.67	76 768 903.19	357 297 068.85

01.01.2016-30.06.2016	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2015	6 509 482.30	312 423 026.32	-35 131 379.85	-25 785 799.10	27 616 454.29	285 631 783.96	43 526 215.57	329 157 999.52
The capital increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	3 052 588.02	3 052 588.02	0.00	3 052 588.02
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	10 218 721.61	0.00	10 218 721.61	0.00	10 218 721.61
Distribution of profit for 2015:	0.00	27 616 454.29	0.00	0.00	-27 616 454.29	0.00	0.00	0.00
Purchasing shares from minorities	0.00	811 371.12	0.00	0.00	0.00	811 371.12	-1 063 871.12	-252 500.00
Managers programme	0.00	1 058 872.60	0.00	0.00	0.00	1 058 872.60	0.00	1 058 872.60
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	4 959 544.31	4 959 544.31
Other	0.00	34 650.25	0.00	0.00	0.00	34 650.25	0.00	34 650.25
Capital from option valuation	0.00	0.00	0.00	0.00	0.00	0.00	-4 177 650.10	-4 177 650.10
As on 30 June 2016	6 509 482.30	341 944 374.58	-35 131 379.85	-15 567 077.49	3 052 588.02	300 807 987.55	43 244 238.65	344 052 226.21

ADDITIONAL NOTES TO THE CONDENSED REPORT OF THE CAPITAL GROUP FOR THE FIRST HALF OF 2017

1. Information on the Work Service Capital Group

1.1. The Parent Company

The Parent Company of the Work Service Capital Group is a company Work Service S.A. Parent Company's registered office is located in Wrocław, at Gwiaździsta 66. The company was established by notarial deed dated 12 December 2000 drawn up in a Notary Office in Oleśnica (Files no. A No. 7712/2000). The company is registered in the National Court Register, in Register of Entrepreneurs kept by the District Court for Wrocław - Fabryczna in Wrocław, 6th Commercial Division of the National Court Register under the number KRS 0000083941. The Company was entered into the register of Entrepreneurs of National Court Register on 28 January 2002. Work Service S.A is the successor of Work Service Sp. z o.o.

The core business of the Company according to the Polish Classification of Activities (PKD 7820Z) are activities related to recruitment and provision of personnel.

Work Service SA is an employment agency specialising in employment services, in modern human resource solutions, providing services in the area of recruitment, the provision of skilled workers to customers, consulting and human resource management.

Company name, address and communication numbers:

Company name	Work Service S.A.
Legal form	Joint stock company
Address	53-413 Wrocław, ul. Gwiaździsta 66
Phone	+48 (071) 37 10 900
Fax	+48 (071) 37 10 938
E-mail	work@workservice.pl
Website	www.workservice.pl

Work Service SA operates under Polish law. The bases of the Company's operations are: Commercial Companies Code and the regulations of the General Meeting, the Supervisory Board and Management Board.

1.2. Basic information on the Work Service Capital Group

Introduction to the consolidated financial statements for the first half of 2017 was drawn up on the basis of separate financial statements of the Capital Group and compiled in a manner that the Group constitutes a single entity.

The basis for preparation of the consolidated report is the report of Parent Company, prepared in accordance with International Financial Accounting Standards that have been approved by the European Union and restated financial statements of subsidiaries. The consolidated financial statements has been adjusted by the amounts of mutual revenues, expenses, unrealised margins and balances arising from transactions between Group companies. Individual financial statements, constituting the basis for preparation of the consolidated financial statements, have been prepared on assumption of continuation of activities of entities within the Capital Group in the foreseeable future, and the belief that there are no circumstances indicating a threat to the continuation of activities.

The core business of the companies comprising the Capital Group is:

- Temporary work – offering work for temporary employees,
- merchandising and promotions - professional service of the sales process,
- recruitment of employees, personal counselling,
- personnel and payroll services,
- outsourcing.

As of 30 June 2017 the Management Board of Work Service SA was composed of:

- Maciej Witucki - President
- Piotr Gajek - Vice President
- Robert Knights - Vice President
- Paul Andrew Christodoulou - Vice President
- Tomasz Ślęzak - Vice President
- Iwona Szmitkowska - Vice President
- Krzysztof Rewers - Vice President

On 20th April 2017 the Supervisory Board of the Issuer, acting pursuant to §17(2) of the Company's Articles of Association and § 14(2)(b) of the Bye-laws of the Supervisory Board, appointed Mr Krzysztof Rewers to perform the duties of Vice-President of the Management Board of Work Service S.A. as of 1 May 2017.

Supervisory Board of Work Service S.A. as at 30 June 2017 was composed of:

- Panagiotis Sofianos – Chairman of Supervisory Board
- Tomasz Misiak – Deputy Chairman of the Supervisory Board
- Krzysztof Kaczmarczyk – Member of the Supervisory Board
- Everett Kamin – Member of the Supervisory Board
- Pierre Mellinger – Member of the Supervisory Board
- Piotr Kamiński – Member of the Supervisory Board
- Robert Ługowski – Member of the Supervisory Board
- Tomasz Hanczarek – Member of the Supervisory Board
- John Leone – Member of the Supervisory Board

In the first half of 2017 there were no changes in the composition of the Supervisory Board of Work Service SA.

As on 30 June 2017 the Work Service Capital Group comprised of the following economic entities:

Companies with share capital of Work Service SA - direct					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share in the total number of votes at the General Meeting	Method of consolidation
Finance Care Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.12.2005	100.00%	100.00%	Full
Industry Personnel Services Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	30.11.2003	100.00%	100.00%	Full
Exact Systems S.A.	42-200 Częstochowa, ul. Focha 53	24.09.2007	69.09%	69.09%	Full
Antal Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	30.04.2007	100.00%	100.00%	Full
Work Service International Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	06.07.2006	100.00%	100.00%	Full
Proservice Worldwide (Cypr) Ltd.	Nicosia, Agiou Pavlou 15, Ledra House, Agios Andreas P.C.1105	04.04.2008	51.00%	51.00%	Full
Clean Staff Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	19.02.2010	100.00%	100.00%	Full
Sellpro Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	20.03.2009	100.00%	100.00%	Full
Virtual Cinema Studio Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	20.12.2002	50.00%	50.00%	Not Subject to consolidation
Krajowe Centrum Pracy Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	16.05.2011	75.00%	75.00%	Full
Prohuman 2004 Kft.	194 Budapest, Kiss János altábornagy utca 32.	21.12.2013	75.00%	75.00%	Full
Work Express Sp. z o.o.	40-265 Katowice, ul. Murckowska 14	02.01.2014	100.00%	100.00%	Full
Work Service SPV Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.01.2014	77.72%	77.72%	Full
Work Service Czech s.r.o.	Londýnská 730/59, Vinohrady, 120 00 Praha 2	30.01.2004	100.00%	100.00%	Full
Work Service East Lcc	Charków, ul. Sumska 50, rejon charkowski, województwo charkowskie, Ukraina	03.02.2017	100.00%	100.00%	Full
Stermedia Sp. z o.o.	ul. Nowa 6 50-082 Wrocław	25.07.2012	75,40%	75,40%	Full

Companies related by Proservice Worldwide (Cypr) Ltd.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
ZAO Work Service Russia	Moskwa, Biuro 45 Olkhovskaya ST, bld.1 105066	04.04.2008	99,00%	99,00%	Full
ProService Worldwide Limited, Brytyjskie Wyspy Dziewicze	Brytyjskie Wyspy Dziewicze, Office of Aleman, Cordero, Galindo & Lee Trust (BVI) Limited, skr.poczt.3175, Road Town Tortola	04.04.2008	100,00%	100,00%	Full
Janveer Limited (BVI)	Quijano Chambers, P.O. Box 3159, Road Town, Tortola, BVI	01.04.2015	100,00%	100,00%	Full

Companies related by ZAO Work Service Russia

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
EMG Management	191015, Petersburg, Kałużski pereulok, bud 3A	10.02.2015	100,00%	100,00%	Full
EMG Leasing	191015, Petersburg, Kałużski pereulok, bud 3	10.02.2015	100,00%	100,00%	Full
IT Kontrakt o.o.o.	4th floor, bld. 23, 38 A, 2nd Khutorskaya str., Moscow	12.02.2015	100,00%	100,00%	Full

Companies related by Work Service International Sp. z o. o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	04.09.2007	53,50%	53,50%	Full
Work Service SPV Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.01.2014	15,29%	15,29%	Full
ZAO Work Service Russia	Moskwa, Biuro 45 Olkhovskaya ST, bld.1 105066	20.02.2013	1,00%	1,00%	Full

Companies related by Work Service Czech s.r.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Antal International s.r.o.	Anglicka 140/20, Vinohrady, 120 00 Praha 2	19.09.2014	100,00%	100,00%	Full

Companies related by Exact Systems SA

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Automotive Assembly Systems Sp. z o. o.	53-413 Wrocław, ul. Gwiaździsta 66	01.03.2007	100,00%	100,00%	Full
Exact Systems Czech Republik s.r.o.	Na Honech832/16 Hrabová, 720 00 Ostrava	29.01.2007	100,00%	100,00%	Full
Exact Systems Slovakia s.r.o.	010 01 Zilina, Jána Kalinčiaka 22	17.10.2006	100,00%	100,00%	Full
AO Exact Systems Russia	24 Surikova Street, 125080 Moscow	21.03.2011	100,00%	100,00%	Full
Exact Systems Kalite Kontrol Ltd. Sti.	Akdeniz Mah. Vali Kazim Dirik Cad. No: 32/32 Konak Izmir	03.04.2012	99,00%	99,00%	Full
Exact Systems s.r.l. Rumunia	Blv. Aviatorilor, No. 18, Floor 1, Apt. 3, Bucharest, Romania	24.09.2007	99,97%	99,97%	Full
Exact Systems Ltd.	Afroditis, 25 Clarion Business Centre 1060 Nicosia Cyprus	19.12.2012	100,00%	100,00%	Full
Exact Systems Ltd. (UK)	Unit 1, Cottesbrook Park, Heartlands Business Park, Daventry, NN118YL, England	15.11.2013	100,00%	100,00%	Full
Work Service SPV Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.01.2014	6,99%	6,99%	Full
Exact Systems Hungary LLC	Hungaria krt.140-144, 1146 Budapest	10.07.2015	100,00%	100,00%	Full
Control + Rework Service NV	Hoogstraat 69 3600 Genk Belgia	15.09.2015	100,00%	100,00%	Full
Control + Rework Service Polska Sp. z o.o.	44-100 Gliwice ul. Wiejska 52	15.09.2015	100,00%	100,00%	Full
Exact Systems China Ltd	3F Qianjiang Tower, 971 Dong Fang Rd. Pudong District, Shanghai PR China 200122	19.02.2016	100,00%	100,00%	Full

Companies related by Industry Personnel Services Sp. z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	05.05.2011	46,50%	46,50%	Full
Krajowe Centrum Pracy Sp. z o.o.	53-413 Wrocław, Gwiaździsta 66	28.03.2013	25,00%	25,00%	Full

Companies related by Work Service Slovakia s.r.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Outsourcing Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	05.09.2011	100,00%	100,00%	Full
Work Service SK s.r.o.	831 03 Bratislava, Škultétyho 1	01.06.2016	100,00%	100,00%	Full
Antal International s.r.o.	831 03 Bratislava, Škultétyho 1	01.04.2016	100,00%	100,00%	Full

Companies related by Automotive Assembly Systems Sp. z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Exact Systems Kalite Kontrol Ltd. Sti.	Akdeniz Mah. Vali Kazim Dirik Cad. No: 32/32 Konak Izmir	03.04.2012	1,00%	1,00%	Full
Exact Systems s.r.l. Rumunia	Blv. Aviatorilor, No. 18, Floor 1, Apt. 3, Bucharest, Romania	24.09.2007	0,03%	0,03%	Full

Companies related by Prohuman 2004 Kft					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Prohuman Outsourcing Kft.	1194 Budapest, Kiss János altábornagy utca 32.	21.12.2013	100,00%	100,00%	Full
Human Existence Kft.	3525 Miskole, Arany Janos ter.1. mfsz 18.	08.07.2014	100,00%	100,00%	Full
Enloyd Kft.	1194 Budapest, Kiss Janos altabornagy utca 32, Hungary	16.02.2015	100,00%	100,00%	Full
HR GLOBAL d.o.o.	Ljubljana, Cesta 24. Junija 25, 1231 Ljubljana-Crnuce	03.12.2015	100,00%	100,00%	Full
HR Rent Kft	7743 Romonya, Béke utca 51	10.12.2015	100,00%	100,00%	Full
Profield 2008 Kft	2724 Újlengyel, Ady Endre utca 41	17.12.2015	100,00%	100,00%	Full
APT Resources&Services s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80,00%	80,00%	Full
APT Human Resources s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80,00%	80,00%	Full
APT Broker s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80,00%	80,00%	Full
APT Finance Broker s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80,00%	80,00%	Full

Companies related by HR GLOBAL d.o.o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Naton Ljudski potencial d.o.o.	Zvonimirova 2/III, 100000 Zagreb, Croatia	03.12.2015	100,00%	100,00%	Full
Naton kadrovsko svetovanje d.o.o.	Ljubljana, Cesta 24. Junija 25, 1231 Ljubljana-Crnuce	03.12.2015	100,00%	100,00%	Full

Companies related by Work Express Sp. z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Outsourcing Solutions Partner Sp. z o.o.	ul. Murckowska 14, 40-265 Katowice	02.01.2014	100,00%	100,00%	Full
Clean24h Sp. z o.o.	ul. Bankowa 20, 42-320 Niegowa	02.01.2014	100,00%	100,00%	Full
LogistykaPL Sp. z o.o.	ul. Warszawska 1, 42-350 Koziegłowy	02.01.2014	100,00%	100,00%	Full
Workbus Sp. z o.o.	Batalionów Chłopskich 8, 42-425 Kroczyce	02.01.2014	100,00%	100,00%	Full

Companies related by Work Service GmbH & Co.KG

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Exact Systems GmbH	02826 Gorlitz, Emmerichstr.43	12.08.2009	100,00%	100,00%	Full
IT Kontrakt GmbH	An den Treptowers 1 D-12435 Berlin	05.04.2012	100,00%	100,00%	Full
Work Service 24 GmbH	An den Treptowers 1 D-12435 Berlin	23.08.2011	100,00%	100,00%	Full
Work Service Deutschland GmbH	Mainzer Strasse 178, 67547 Worms	26.06.2014	100,00%	100,00%	Full
Work Service Outsourcing Deutschland GmbH	Domhof 8, 48268 Greven	26.06.2014	100,00%	100,00%	Full
Work Service GP GmbH	Gauermannngasse 2 1010 Wiedeń	24.03.2014	100,00%	100,00%	Full
Enloyd GmbH	Berlin, An den Treptowers 1, 12435	21.11.2014	100,00%	100,00%	Full

Companies related by Work Service SPV Sp. z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Gmbh & Co.KG	c/o CMS Hasche Sigle, Breite Str. 3, 40213 Düsseldorf	26.06.2014	74,00%	74,00%	Full

Companies related by Work Service Deutschland GmbH

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Fahrschule Gmbh	Domhof 8, 48268 Greven	29.07.2015	100,00%	100,00%	Full

Companies related by Krajowe Centrum Pracy Sp. z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Kariera.pl Sp. z o.o.	53-413 Wrocław, ul. Gwiazdzista 66	03.11.2016	51,00%	51,00%	Full

Companies related by Profield 2008 Kft

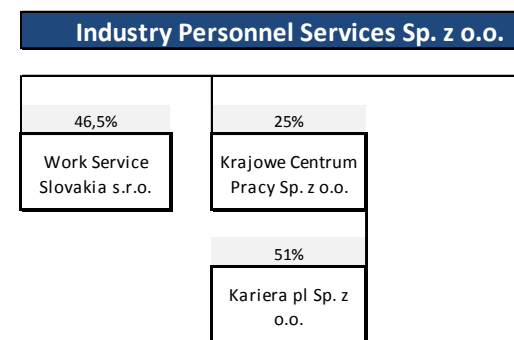
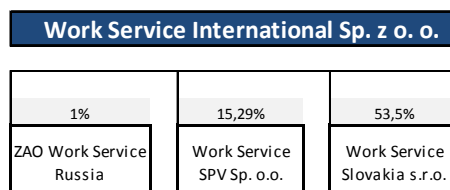
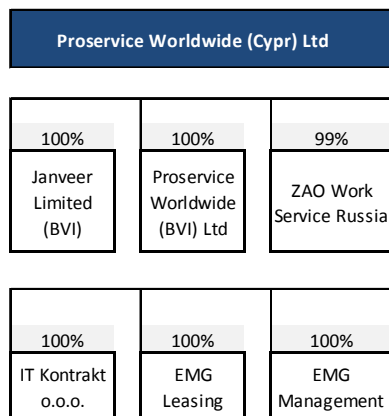
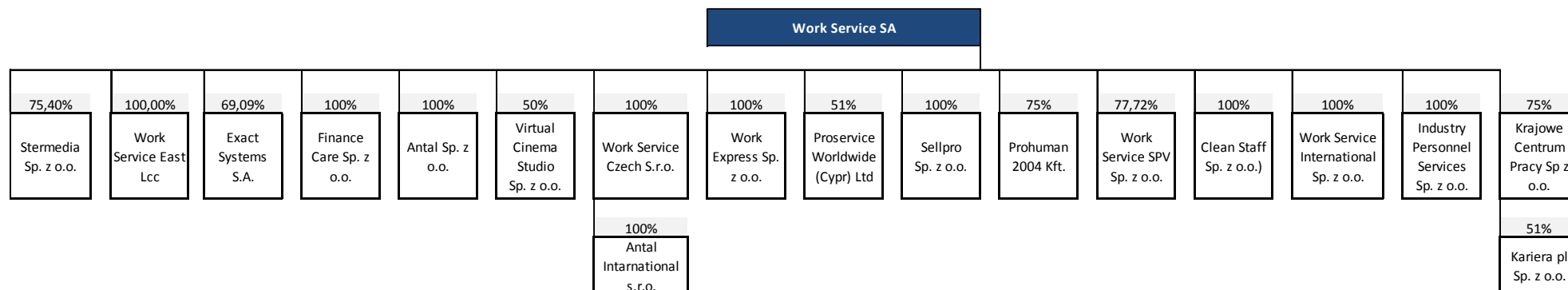
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Finance Care Hungary Pénzügyi Tanácsadó Kft	H-1146 Budapest, Hungária krt. 140-144, HU25790722	08.11.2016	100,00%	100,00%	Full

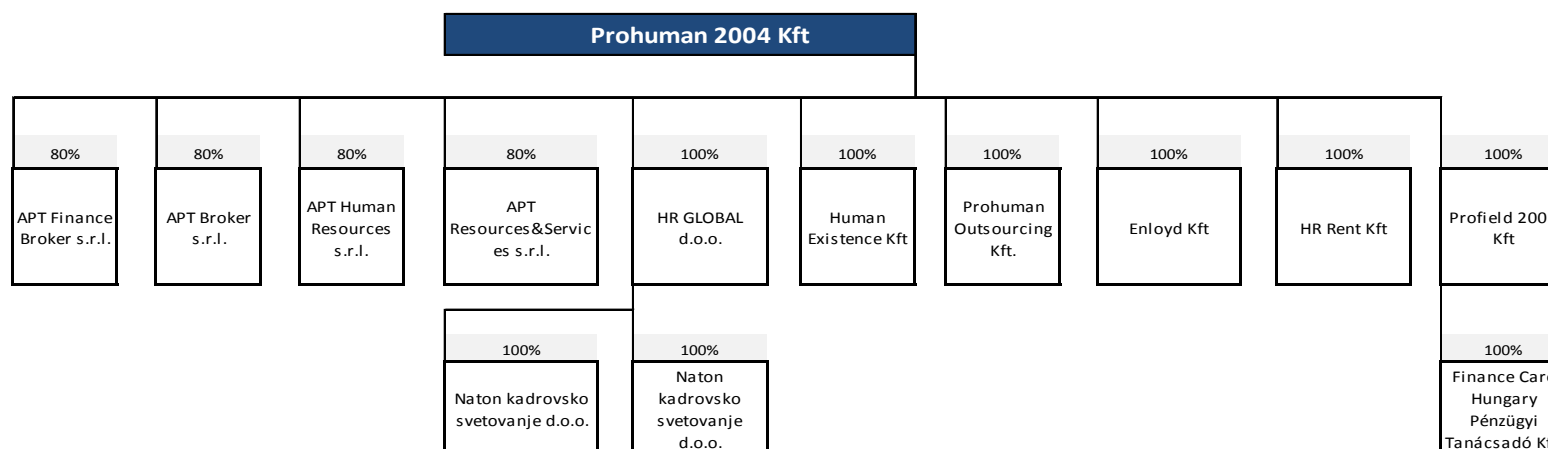
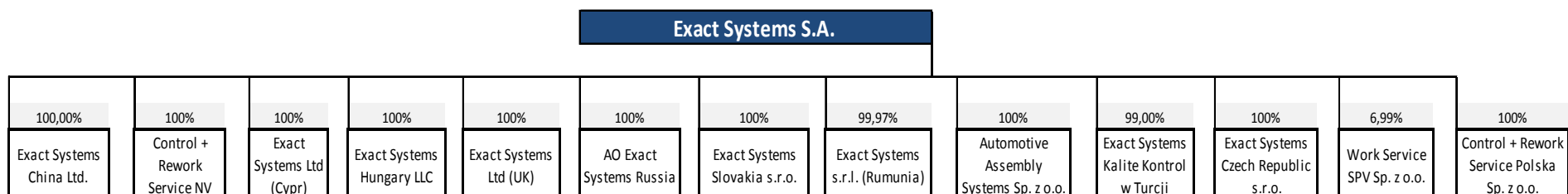
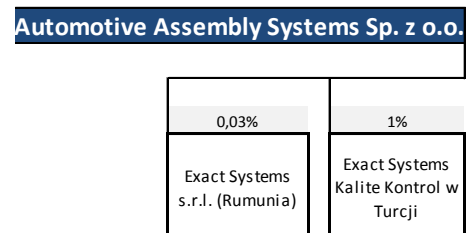
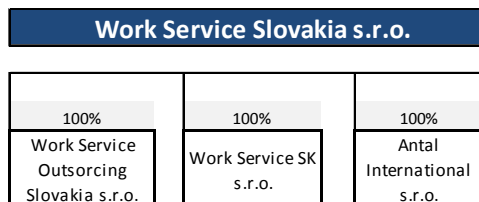
Related entities of the Parent Company are the entities included in the consolidated financial statements, i.e. all Capital Group companies except for the Company Virtual Cinema Studio sp. z o.o.

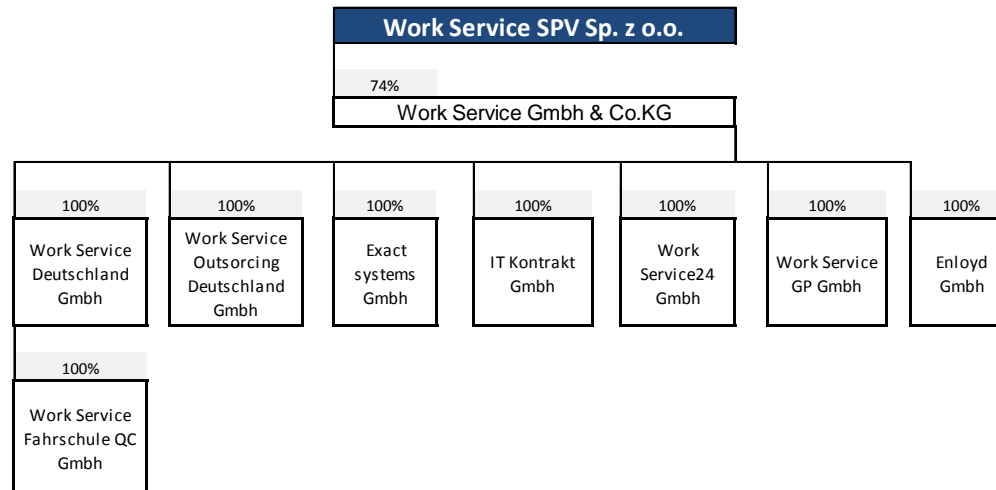
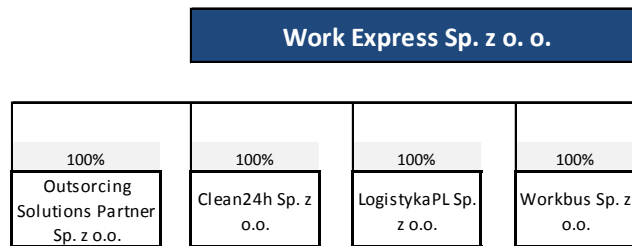
Due to the fact that the Work Service SA does not have the control over the company Virtual Cinema Studio sp. z o.o., understood in accordance with § 19 of IFRS 3, as "the ability to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities", it is not consolidated by method of acquisition. On the other hand, the application of the principle of materiality referred to § 31 of IAS 1, disables this company from consolidation under the equity method as a related entity.

The exclusion of the above mentioned company from consolidation does not affect the economic decisions taken by users on the basis of the financial statements.

The structure of Work Service SA Capital Group as at 30.06.2017







1.3 Scope of activities of Work Service Capital Group companies

The Work Service Capital Group provides services in the field of human resource management. It specialises in seeking and recruitment of skilled workers, personal consulting, outsourcing functions related to human resources management and auxiliary processes in enterprises and offering solutions based on the use of temporary employment contracts. Capital Group operates throughout the country through regional offices and representative offices as well as abroad, at the territory of Europe and Asia. The business of Work Service Capital Group is based on the ability to integrate the needs of businesses in terms of cost optimisation and structure of employment, with available resources of the labour market, which is the amount of economically active people, with their skills and labour cost.

Work Service SA – This is the Parent Company of the Work Service Group. The company's activity is based on the provision of services: temporary employment, HR consulting, recruitment, competency assessment, outplacement, providing personnel and payroll services.

Antal Sp. z o.o. - the main business of the company are paramedical services, ranging from services to support pregnant women (such as shopping expert, customising the interior to the needs and safety of young children), through the care of newborns, infants and young children. Offered care services are performed by midwives, nannies and governesses. The company's activity is also personal counselling, particularly in the areas of recruitment, selection and sourcing of employees for specific middle and senior management positions of various industries, in sales and marketing, logistics, IT / computer, production, public relations, legal, human resources, finance and accounting, and banking departments.

Finance Care Sp. z o.o. – in cooperation with insurance companies and banks, Care Finance company provides outsourcing services for listed companies.

Industry Personnel Services Sp. z o.o. - carries out tasks related to managing the management projects of separated parts or entire production plants.

Sellpro Sp. z o.o. - merchandising and promotions - professional service of sales process, also performs services related to recruitment and provision of personnel, business consultancy and management, activities related to databases, market research.

Clean Staff Sp. z o.o. - the Company's business are complex cleaning services of healthcare facilities, other functional buildings and private objects.

Work Service International Sp. z o.o. – provides services related to temporary work and recruiting workers on international markets.

Work Service Czech s.r.o. – provides services related to temporary work, outsourcing and recruitment of employees in Czech Republic.

Work Service Slovakia s.r.o. - indirect subsidiary of Work Service SA, through the company Industry Personnel Services Sp. z o o, which is the majority shareholder and Work Service International Sp. z o.o. (which holds the remaining shares in the Work Service Slovakia s.r.o). The company carries out the range of services analogous to those offered by the Parent Company in the domestic market, but in Slovakia.

Work Service Outsourcing Slovakia s.r.o. - share capital of the company in whole is covered by Work Service Slovakia s.r.o. Its core business is, among others, HR consultancy, development and sale of research and analysis of labour markets.

Work Service24 GmbH – indirect subsidiary of Work Service SA, which 100% owner is the Work Service GmbH & Co. KG. The registered office of the company is Hoppegarten near Berlin. Its core business is employment services in the labour market (including headhunting services, conducting recruitment), hiring employees (temporary work), the development and sale of research and analysis of labour markets.

Exact Systems S.A. - the company provides specialised services in the field of control, selection and repair of components and assemblies primarily in the automotive industry, but also ICT sector.

Exact Systems s.r.l. – indirect subsidiary of Work Service SA, through the companies Exact Systems S.A. (99.97%) and Automotive Assembly Systems Sp. z o.o. (0.03%). Company dedicated for handling of the Romanian market, providing services in the field of control, selection and repair of components and assemblies primarily in the automotive industry.

Automotive Assembly Systems Sp. z o.o. - the company provides services in the field of sub-assembly, which consists of combining two / three components into one unit constituting a module or ready component, which can then be further assembled in the finished product.

Exact Systems Slovakia s.r.o. - the company dedicated for handling of the Slovak market, providing services within control, selection and repair of components and assemblies primarily in the automotive industry.

Exact Systems Czech Republic s.r.o. - the company dedicated for handling of the Czech market, provides services in the field of control, selection and repair of components and assemblies primarily in the automotive industry.

Exact Systems GmbH - company dedicated for handling of the German market, provides services in the field of control, selection and repair of components and assemblies primarily in the automotive industry.

Exact Systems Kalite Kontrol Lti Sti. - 99% of the shares in the company were acquired by the company Exact Systems SA, and 1% of the shares were acquired by Automotive Assembly Systems Sp. z o.o. (100% subsidiary of company Exact Systems S.A.), the Company is dedicated to handle the Turkish market, provides services in the field of control, selection and repair of components and assemblies primarily in the automotive industry.

ZAO Exact Systems based in Moscow (Russia) – indirect subsidiary of Work Service SA, 100% owner of the company is a company Exact Systems S.A. The Company is a provider of solutions for the selection, repair, sorting parts and components and finished products for the automotive companies in the Russian Federation and Ukraine. The recipients of the services provided by the company are, in particular, suppliers and sub-suppliers to the automotive industry and car manufacturers, as well as plants of volume production profile of electronic and household appliances.

Exact Systems China Ltd. - the company dedicated for handling of the Chinese market, providing services within control, selection and repair of components and assemblies primarily in the automotive industry

Exact Systems Limited - A 100% subsidiary of Exact Systems S.A. The main business of the company is financing of Exact Systems Group companies in the form of loans concluded on market terms. Up to 30 December 2014 the scope of activity of the company also included provision of rights to use intellectual property rights

Exact Systems Ltd (UK) - 100% of the shares in the company were acquired by the company Exact Systems S.A. The company is dedicated to handling the market in the UK, providing services for the control, selection and repair of components and assemblies primarily in the automotive industry.

Proservice Worldwide (Cyprus) Limited – The statutory objects of the company covers a very wide range of economic activity possible to take within the limits of the requirements arising from the applicable provisions of law, including: commercial activities, management, consulting (including the provision of advisory services to companies belonging to the same group capital), providing support (including financial) to the companies belonging to the same group, business travel and hospitality, as well as conducting and engaging in any other activity and perform any activity deemed advisable by the Management Board for the purposes of the company and that may directly or indirectly increase the company's value or profitability of any business, property or rights of the company. The Company is currently not engaged in operating activities. The Company is currently not engaged in operating activities.

Proservice Worldwide Limited based in the British Virgin Islands – the task of the company is to handle outsourcing personnel - key customer of Proservice groups - outside the Russian Federation.

ZAO Work Service Russia - company engaged in the area of outsourcing in the Russian Federation, provides services in outsourcing of logistics, industrial merchandising and consulting services.

IT Kontrakt GmbH – indirect subsidiary of Work Service SA. The company dedicated to handle the German market in the range analogous to company IT Kontrakt Sp. z o.o.

IT Kontrakt o.o.o. - indirect subsidiary of Work Service SA, which is owned in 100% by ZAO Work Service Russia. The company dedicated to handle the Russian market in the range analogous to company IT Kontrakt Sp. z o.o.

Stermedia Sp. z o.o. - is a company being in 75.4% subsidiary of Work Service S.A. The main activity of the company is to provide professional assistance in creating dedicated web and mobile applications. The company offers: dedicated applications, IT systems, mobile applications and outsourcing, IT nearshoring.

Krajowe Centrum Pracy Sp. z o.o. with registered office in Wroclaw - the purpose of establishment of the company is to conduct the business offering to customers specialised solutions in the field of both permanent and temporary recruitment of specialists also in foreign markets, outsourcing of common functions for the raw materials and power generation industry.

Work Express Sp. z o.o. - A direct subsidiary of the Parent Company, in which Work Service SA holds 100% of shares. As a temporary work agency it offers comprehensive organisation of the process of temporary workers employment. The second activity of the company are job placement services and human resource consulting. The third area of business are services of process outsourcing. Using their knowledge and experience gained during servicing companies in the TSL industry in the field of temporary work, the company has created innovative solutions for customers in the following industries: IT, consumer electronics, clothing, food, heavy industry, online stores.

Outsourcing Solutions Partner Sp. z o.o. - Indirect subsidiaries of Work Service SA 100% owner of the company is a company Work Express Sp. z o.o (in 100% subsidiary of Work Service SA).

Clean24h Sp. z o.o. - Indirect subsidiaries of Work Service SA 100% owner of the company is a company Work Express Sp. z o.o (in 100% subsidiary of Work Service SA).

LogistykaPL Sp. z o.o. - Indirect subsidiaries of Work Service SA 100% owner of the company is a company Work Express Sp. z o.o (in 100% subsidiary of Work Service SA).

Workbus Sp. z o.o. - Indirect subsidiaries of Work Service SA 100% owner of the company is a company Work Express Sp. z o.o (in 100% subsidiary of Work Service SA).

Prohuman 2004 Kft - a direct subsidiary of the Parent Company, in which the Work Service SA holds 75% stake. The company is one of the largest recruitment agencies operating on the Hungarian market. Prohuman operates on the Hungarian market of personal services since 2004. The company is a part of the Prohuman Group Capital Group, covering a total of five companies operating in different areas (comprehensive HR services, merchandising, sales promotions, marketing events, telemarketing).

Prohuman Outsourcing Kft. - Indirect subsidiaries of Work Service SA 100% owner of the company is a company Prohuman 2004 Kft (75% subsidiary of Work Service SA).

Work Service SPV Sp. z o.o. - The company in 97.84% is a subsidiary of Work Service SA (directly WSSA has a 77.72% stake, and indirectly through shares of: Exact Systems SA-4.84%, Work Service International Sp. z o.o. – 15.29%. Its establishment is related to the implementation of the provisions of the agreement with Fiege Logistik Stiftung & Co. KG with its registered office in Greven, Germany.

Enloyd GmbH – the company conducts the activity analogous to the activity of Antal Sp. z o.o. on the German market. The company's capital was fully covered by the company Work Service GmbH & Co. KG The Company was registered on 23.03.2015.

Enloyd Kft – the company conducts the activity analogous to the activity of Antal Sp. z o.o. on the Hungarian market. The share capital of the company was fully covered by Prohuman 2004 Kft, which is a 75% subsidiary of Work Service SA.

Antal International s.r.o. (Czech Republic) – the company conducts the activity analogous to the activity of Antal Sp. z o.o. on the Czech market. The share capital of the company was fully covered by Work Service Czech s.r.o, which is a 100% subsidiary of Work Service SA.

Antal International s.r.o. (Slovakia) – the company conducts the activity analogous to the activity of Antal Sp. z o.o. on the Slovakian market. The share capital of the company was fully covered by Work Service Slovakia s.r.o, which is a indirect subsidiary of Work Service SA.

EMG Leasing - the company based in Pittsburgh, 100 % subsidiary of ZAO Work Service Russia (100% subsidiary of Work Service SA). The company provides services of workers leasing in north-west Russia.

EMG Uprawlienije (EMG Management) - a company based in Pittsburgh, a 100% subsidiary of OAO Work Service Russia (100% subsidiary of Work Service). The company provides recruitment services of employees in north-west Russia.

Janveer Limited (BVI) - the company based in the British Virgin Islands, the 100% subsidiary of Proservice Worldwide Ltd (BVI) (100% subsidiary of Work service SA). The company provides services of employees outsourcing, selection of personnel, personal counselling and temporary work

Control + Rework Service Polska Sp. Z o.o. – the company operates in the outsourcing industry and specialises in quality control for the automotive industry on the Polish market

Control + Rework Service NV – the company operates in the outsourcing industry and specialises in quality control for the automotive industry on the Belgian market

Exact Systems Hungary LLC – the company dedicated to offer services on the Hungarian market, it provides services in terms of control, selection and repair of parts and components mostly in the automotive industry.

Work Service Fahrschule QC GmbH (the former name: Fortuncorona GmbH) – an indirect subsidiary of Work Service SA. Specialised training of workers in the logistics industry constitutes the main object of the company's operations. The company's operations are aimed at improving workers' qualifications by enabling them to obtain additional licences to operate machinery and devices used in the logistics industry. The company also offers category C+E driving courses to its own employees and external clients.

Human Existence Kft.- - Indirect subsidiaries of Work Service SA 100% of company shares is owned by company Prohuman 2004 Kft (75% subsidiary of Work Service SA). Company is engaged in leasing of temporary workers and outsourcing. It operates in the north-eastern Hungary.

Work Service Deutschland GmbH- Indirect subsidiaries of Work Service SA The company is involved in intermediation on the labour market, hiring employees (temporary work), mainly in the logistics industry. The company combines the logistics know-how with the knowledge of human resources and implements intelligent staffing solutions for the trade and logistics industry. The company operates in the German market.

Work Service Gmbh & Co. KG with the seat in Dusseldorf, Germany - a limited partnership under German law (Holding Company), in which the Work Service SPV Sp. z o.o and Fiege Logistik Stiftung & Co. KG with the seat in Greven, Germany is limited partners, and Work Service GP GmbH based based in Vienna, is the general partner. The share capital of the Holding Company (fixed capital) amounts to 100,000 euros. On the date of registration of the Holding Company (i.e. as at 4 September 2014) Fiege Logistik Stiftung & Co. KG with the seat in Greven, Germany held a participating interest of 77.000 euro i.e. 77% of the capital of Holding Company, and Work Service SPV Sp. z o.o. held a share of 23,000 euros, i.e. 23% of the capital of Holding Company. The company Work Service SPV Sp. z o.o has an equity participation of 74,000 euros, i.e. 74% of capital of Holding Company and the company Fiege Logistik Stiftung & Co. KG, based in Greven, Germany has an equity participation of 26,000 euros, i.e. 26% of the capital of the Holding Company. Work Service GP GmbH, based in Vienna, which is the general partner of Holding Company, has no equity participation in it. The purpose of the Holding Company is the management of shares in other companies.

Work Service Outsourcing Deutschland GmbH – Indirect subsidiaries of Work Service SA The company offers services related to the outsourcing of processes, with special adjustment for logistics. The company operates in the German market. The uniqueness of the company is based on training and providing staff development according to customer needs. These trainings are held in more than 100 locations of the company or in cooperation with its partners in Germany.

Work Service GP GmbH – a company established and operating under the laws of Austria. The company is the general partner of Work Service GmbH & Co. KG.

HR-Rent Kft. - This company provides temporary employment in Hungary Baranya country and abroad (Austria, Germany).

Profield 2008 Kft. - is engaged in the provision of full-scope intermediary services of various financial products, i.e. financial outsourcing services.

HR Global d.o.o. - a holding company for the subsidiaries.

Naton kadrovsko svetovanje d.o.o.- the oldest HR agency in Slovenia. It holds second to third place according to size and number of agency workers in Slovenia.

Naton ljudski potencijali d.o.o. (Croatia) - the company specializes and covers Croatia with special skills recruitment, mostly in Pharma sector.

Work Service SK s.r.o.- indirect subsidiary of Work Service SA, through the company Work Service Slovakia s.r.o. The company carries out the range of services analogous to those offered by the Parent Company in Slovakia.

Kariera.pl Sp. z o.o. – a 51% subsidiary of Krajowe Centrum Pracy Sp. z o.o. The Company is the administrator of “kariera.pl” service, dedicated to premium segment candidates (employees and job offers for middle and senior managers and professionals).

Finance Care Hungary Pénzügyi Tanácsadó Kft. - as part of cooperation with insurance companies and banks, the company provides outsourcing services for these entities in the Hungarian market.

APT Resources&Services s.r.l – The company was established in 1994. It primarily operates in the following sectors: IT, banking and finance, engineering, retail, medical and pharmaceutical. The company provides services related to temporary work, recruitment and selection of employees and HR outsourcing.

APT Human Resources s.r.l. - the core operations of the company include providing temporary work, mostly in the following industries: food production, energy, finance and banking, insurance

APT Broker s.r.l. - the company provides financial intermediation services for the banking sector.

APT Finance Broker s.r.l. - the company provides financial intermediation services for the banking sector.

Work Service East Lcc – the company intermediates in hiring employees abroad.

2. Statement of Management Board on the compliance of accounting policies

The Management Board of Work Service SA hereby declares that, to the best knowledge, this half-year consolidated financial statements and separate statements of Work Service SA and comparative information have been prepared in accordance with the applicable accounting principles, and that the report give a true and fair view of the financial position of the Work Service Capital Group. The Management Board jointly confirm that semi-annual report on Work Service Capital Group activities provides a true view of development and achievements and its situation, including the description of the main hazards and risks.

3. Management Board statement on the appointment of the entity to audit the financial statement

The Management Board of Work Service SA informs that by Resolution no. 2, dated 21 June 2017, the Supervisory Board has chosen the external auditor to review the separate financial statements of Work Service SA and the consolidated financial statements of the Work Service Capital Group for the first half of 2017 and to audit the financial report of Work Service SA for the year 2017 and the consolidated financial statements of the Work Service Capital Group for the year 2017.

The entity selected by the Supervisory Board to carry out the above activity is BDO Sp. z o.o is registered in the list of entities authorized to audit financial statements, kept by the National Chamber of Statutory Auditors under the number 3355

Work Service SA has already used the services of BDO Sp. z o.o which examined the individual and consolidated statements of the Company for the years 2008 - 2016, advised on the conversion of financial data on IAS for the years 2004-2006 for the purposes of the prospectus drawn up in 2008, examined the separate and consolidated financial statements for the years 2004-2006 for the purposes of the prospectus drawn up in 2008., advised on the preparation of a prospectus in 2008, assessed financial forecasts in 2007, 2008, and advised on the preparation of a prospectus in 2011/12, including evaluation of the financial forecasts 2012 auditing pro forma statement for 2011, advising within the scope of consolidation from 2009 to 2010 and accounting in 2010.

The Management Board of Work Service SA declares that the company BDO Sp. z o.o conducting the review of the separate and consolidated financial statements for the first half of 2017, was selected in accordance with the law and that BDO Sp. z o.o and auditors auditing, met the conditions for an unbiased and independent opinion on the consolidated financial statements in accordance with applicable regulations and professional standards.

4. Accounting principles applied

The basis of preparation of these interim condensed financial statements is the Minister of Finance Regulation of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws of 2014, pos. 133) and it was drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and, in the extent not covered by the above standards, in accordance with the requirements of the Act of 29 September 1994 on accounting (Journal of Laws 2016 pos.1047) and the implementing regulations issued thereunder.

Certain Group entities maintain their accounting books in accordance with the policies (rules) specified in the Act on accounting of 29 September 1994 (the "Act") as amended and the regulations issued thereunder ("Polish Accounting Standards"). The consolidated financial statements include adjustments not included in the books of accounts of the Group introduced to make their financial statements compliant with IFRS.

Consolidated financial statements, as on 30 June 2017, was drawn up on the basis of the financial statements of the companies included the Capital Group in accordance with the historical cost principle.

Both the condensed consolidated financial statements and separate financial statements contain data as at 30 June 2017 and for the period from 1 January 2017 to 30 June 2017. Comparative data are presented as at 31 December 2016 for the consolidated statement of financial position and separate statements of financial position and for the period from 1 January 2016 to 30 June 2016 for the consolidated statement of comprehensive income, consolidated statement of cash flows,

consolidated statement of changes in an equity and separate statements of comprehensive income, the separate cash flow statement, the separate statement of changes in equity.

Selected financial data in the initial part of the report are presented in EUR in accordance with § 85 of the Regulation of Finance of 19 February 2009 (Journal of Laws 2014 pos.133). The exchange rate as of the last day was used for balance sheet items and for items from the income statement and statement of cash flows, the average exchange rate during the period was used.

	Average EUR exchange rate in the period	EUR exchange rate on the last day of the period
01.01-30.06.2016	4.3805	4.4255
01.01-31.12.2016	4.3757	4.4240
01.01-30.06.2017	4.2474	4.2265

The effect of the application of new accounting standards and changes in accounting policy

The accounting principles adopted in these consolidated financial statements were applied on a continuous basis and are compliant with the accounting principles applied in the last audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union for the year ended 31 December 2016, apart from changes described below.

The change in the accounting policy regards the manner of presenting costs in the income statement.

The management board of Work Service SA decided that from 1 January 2017 costs will be presented using the nature of expense method. In the opinion of the management board, such information will be more useful and adequate to the shareholders.

The change in the accounting policy is voluntarily, it was intended to ensure that the information presented in the consolidated financial statements of the Work of service Capital Group is more useful and reliable.

Changes resulting from amendments to IFRS

No new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee have applied as of 1 January 2017. The following two cases have been identified where amendments to the standards issued by the IASB and effective as of 1 January 2017 have not yet been approved by the European Commission.

Amendments introduced by the Group on its own

The Group has adjusted a presentation of comparative data for the first six months of 2016. Further to the Management Board's decision on changing the presentation of costs, the costs for the first six months of 2016 have been presented in a comparative (one-step) variant

Standards which do not apply (New standards and interpretations)

In these financial statements, the Group has not decided on the application of the issued standards or interpretations before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but did not come into force on the balance sheet date:

IFRS 9 Financial Instruments

The new standard was issued on July 24th, 2014 and is effective for annual periods beginning on or after January 1st, 2018. The objective of the standard is to organize the classification of financial assets and to apply uniform rules regarding the approach to the assessment of impairment with respect to all financial instruments. The standard also introduces a new hedge accounting model aimed at the unification of rules for including risk management information in financial statements.

The Group will apply the new standard beginning from January 1st, 2018.

As of the day of drawing up these financial statements, it is not possible to reliably assess the impact of the application of the new standard. The Group has started the analysis of effects of application of the new standard.

IFRS 14 Regulatory Deferral Accounts

The new standard was issued on January 30th, 2014 and is effective for annual periods beginning on or after January 1st, 2016. The new standard is of transitional character due to IASB's work in progress regarding the regulation of the method of account balance in the rate regulation conditions. The standard implements the rules for the recognition of assets and liabilities arisen due to rate-regulated activities when an entity decides to adopt IFRS.

The Group will apply the new standard not earlier than on the day decided by the European Union to be the effective date of the standard. Due to the transitional character of the standard, the European Commission has decided not to start the formal procedure of approving the standard and wait for the final standard.

The application of the new standard will not have an effect on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

The new unified standard was issued on May 28th, 2014 and is effective for annual periods beginning on or after January 1st 2018 (originally 2017) and its earlier application is permitted. The standard defines unified frameworks for the recognition of revenue and includes rules which will replace most of detailed guidelines in the scope of the recognition of revenue currently present in IFRS, specifically in IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. On September 11th, 2015, International Accounting Standards Board issued draft amendments to the adopted standard which postponed the date of coming into force of the standard by a year.

As of the day of drawing up these financial statements, it is not possible to reliably assess the influence of the application of the new standard. The Group has started the analysis of effects of the application of the new standard.

IFRS 16 Leases

The new standard was issued on January 13th, 2016 and is effective for annual periods beginning on or after January 1st, 2019, with earlier application being permitted (provided that IFRS 15 is applied simultaneously). The standard supersedes previous lease regulations (e.g. IAS 17) and considerably changes the approach towards lease contracts of different nature, forcing the lessee to recognize assets and liabilities resulting from the concluded lease contracts in the balance sheet, regardless of their type.

As of the day of drawing up these financial statements, it is not possible to reliably assess the influence of the application of the new standard. The Group has started the analysis of effects of the application of the new standard.

IFRS 17 Insurance Contracts

The new standard was issued on 18 May 2017 and is effective for annual periods beginning on or after 1 January 2021, with earlier application being permitted (provided that IFRS 15 and IFRS 9 are applied simultaneously). The standard supersedes previous regulations on insurance contracts (IFRS 4).

The Group does not conclude insurance contracts, so the standard will not affect its financial statements. The Group has started the analysis of effects of the application of the new standard.

- Amendments to IFRS 10 and IAS 28: Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 were issued on December 18th, 2014 and are effective for annual periods beginning on or after January 1st, 2016. The objective is to clarify the requirements regarding investment entities accounting.

The Group will apply the amendments to the standards not earlier than on the day decided by the European Union to be the effective date of the standard.

The Group comes to a conclusion that the application of the amended standards will not have an influence on the Group's financial statements.

- Amendments to IFRS 10 and IAS 28: Sales or Contributions of Assets between the Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 were issued on September 11th, 2014 and are effective for annual periods beginning on or after January 1st, 2016 (the date of entering into force has been currently deferred without indicating the starting date). The amendments clarify the accounting of transactions in which a dominant entity loses control over its subsidiary which does not constitute a "business" according to the definition from IFRS 3 Business Combinations, by selling all or part of the shares in that subsidiary to an associate or a joint venture recognised under the equity method.

The Group will apply the amendments to the standards not earlier than on the day decided by the European Union to be the effective date of the standard. Currently, the European Commission has decided to postpone the formal procedure of approving the standard.

As of the day of drawing up these financial statements, it is not possible to reliably assess the influence of the application of the amended standard.

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments to IAS 12 were issued on January 19th, 2016 and are effective for annual periods beginning on or after January 1st, 2017. The aim is to clarify the requirements regarding the recognition of deferred tax assets regarding debt instruments measured at fair value.

The Group comes to a conclusion that the application of the amended standards will not have a significant influence on the Group's financial statements.

- Amendments to IAS 7: Disclosure Initiative

The amendments to IAS 7 were issued on January 29th, 2016 and are effective for annual periods beginning on or after January 1st, 2017. The objective of the amendments was to broaden the range of information conveyed to the recipients of financial statements regarding the entity's financial activity through additional disclosures of changes in carrying amount of liabilities related to the financing of the entity's activity.

The Group comes to a conclusion that the application of the amended standard will not have a significant influence on the Group's financial statements, apart from the change in the range of disclosures presented in the financial statements.

- Clarification of amendments to IFRS 15: Revenue from Contracts with Customers

The clarification of amendments to IFRS 15 was issued on April 12th, 2016 and is effective for annual periods beginning on or after January 1st, 2018 (in accordance with the commencement date of the validity of the entire standard). The aim of the amendments to the standard was to clarify doubts occurring during the pre-implementation analyses regarding: the identification of performance obligation, the standard application guidelines regarding the identification of a principal/agent and the revenue from licences regarding intellectual property, or transitional periods in the first application of the new standard.

The Group comes to a conclusion that the application of the amended standard will not have a significant influence on the Group's financial statements.

- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments to IFRS 2 were issued on June 20th, 2016 and are effective for annual periods beginning on or after January 1st, 2018.

The objective of the amendments to the standard was to clarify the method of recognition of certain types of share-based payment transactions.

The Group comes to a conclusion that the application of the amended standard will not have a significant influence on the Group's financial statements.

- Amendments to IFRS 4: *Application of IFRS 9 "Financial Instruments" in IFRS 4 "Insurance Contracts"* issued on 12 September 2016

They are effective for annual periods beginning on or after 1 January 2018.

The Group comes to a conclusion that the application of the amended standard will not have a significant influence on the Group's financial statements.

- Amendments to various standards stemming from the annual review of the International Financial Reporting Standards (*Annual Improvements 2014-2016*)

On 8 December 2016, as a result of the review of IFRS, minor amendments were made to the following 3 standards:

- IFRS 1 *Interim Financial Reporting*, to remove several exemptions provided for in this Standard, which are effective no more,

- IFRS 12 *Disclosure of Interests in Other Entities*, to clarify disclosure requirements for interests, whether or not they are classified as held for sale, transfer in the form dividend or discontinued operations ,

- IAS 28 *Investments in Associates and Joint Ventures*, regarding the moment where entities of investment nature (such as venture capital) may choose to determine the method of measurement of interests in associates or joint ventures at fair value, and not by the equity method.

They are generally effective for annual periods beginning on or after 1 January 2018 (some of them being effective to annual periods beginning already on or after 1 January 2017).

The Group comes to a conclusion that the application of the amended standards will not have a significant influence on the Group's financial statements.

- IFRIC 22 — *Foreign Currency Transactions and Advance Consideration*

The new interpretation was issued on 8 December 2016 and is effective for annual periods beginning on or after 1 January 2018. The objective of the interpretation is to point out how to establish the transaction date for the purpose of determining the relevant exchange rate (for translations) for the foreign currency transaction where an entity pays or receives a foreign currency advance.

The Group will apply the new interpretation as of 1 January 2018.

As of the financial statements day, the influence of the application on the new standard may not be reliably assessed. The Group has started the analysis of effects of the application of the new standard.

- Amendment to IAS 40 *Transfer of Investment Properties*

The amendment to IAS 40 was issued on 8 December 2016 and is effective for annual periods beginning on or after 1 January 2018. The objective of the amendment to the standard is to specify that the transfer of property from or to investment property can take place only if the conversion of the intended use of the property takes place.

The Group will apply the revised Standard as of 1 January 2018.

The Group comes to a conclusion that the application of the amended standard will not have a significant influence on the Group's financial statements.

- IFRIC 23 *Uncertainty over Income Tax Treatments*

The new interpretation was issued on 7 June 2017 and is effective for annual periods beginning on or after 1 January 2019. The objective of the interpretation is to point out how to recognise income tax in the financial statements in the events where the effective tax provisions may leave room for interpretation and disagreement between the entity and the tax authorities.

The Group will apply the new interpretation as of 1 January 2019.

As of the financial statements day, the influence of the application on the new standard may not be reliably assessed. The Group has started the analysis of effects of the application of the new standard.

IFRS in the shape approved by the European Union do not currently differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, interpretations and amendments to them, which on the day of approving these financial statements for publication were not yet adopted by the EU for application:

- IFRS 14 *Regulatory Deferral Accounts* issued on 30 January 2014 ,
- IFRS 16 *Leasing* issued on 13 January 2016 ,
- IFRS 17 *Insurance Contracts*, issued on 18 May 2017,
- Amendments to IFRS 10 and IAS 28: *'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* issued on 11 September 2014 ,
- Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses* issued on 19 January 2016 ,
- Amendments to IAS 7: *Disclosure Initiative* issued on 29 January 2016 ,
- Clarification of provisions in IFRS 15: *Revenue from Contracts with Customers* issued on 12 April 2016 ,
- Amendments to IFRS 2: *Share-based Payment* issued on 20 June 2016 ,
- Amendments to IFRS 4: *Application of IFRS 9 "Financial instruments" in IFRS 4 "Insurance Contracts"* issued on 12 September 2016 ,
- Amendments to various standards stemming from the annual review of International Financial Reporting Standards (*Annual Improvements 2014-2016*) issued on 8 December 2016 ,
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*, issued on 8 December 2016 ,
- Amendment to IAS 40 *Transfer of Investment Properties*, issued on 8 December 2016 ,
- IFRIC 23 *Uncertainty over Income Tax Treatments*, issued on 7 June 2017 .

5. Summary and explanation of differences between the data presented in these condensed consolidated financial statements and the data published in previous financial statements

In these condensed financial statements we did not make the adjustments of previously published data.

6. Approval of the financial statements for the previous year and information regarding dividends paid or declared during the period from the beginning of the year

Separate financial statements of Work Service SA for the previous financial year, i.e. year 2016, was approved by Resolution No. 4/2017 at the meeting of the Ordinary General Meeting of Work Service SA on 28 June 2017. A consolidated financial statement of Work Service SA for the previous financial year, i.e. year 2016, was approved by Resolution No. 7/2017 at the Ordinary General Meeting of Work Service SA on 28 June 2017.

Pursuant to Resolution No. 5/2017 of the Ordinary General Meeting, adopted on 28 June 2017 Work Service S.A. decides to cover a loss generated by the Company in the year 2016 in the amount of PLN 2,692,650.75 with the profits generated in subsequent years.

7. Changes in contingent liabilities or contingent assets that have occurred since the last annual reporting period

Contingent liabilities				
Title of contingent liability	Type of security	30.06.2017	31.12.2016	change
Loan security	transfer of title of subject of the credit	0.00	0.00	0.00
	assignment of receivables	0.00	0.00	0.00
	A promissory note along with the bill declaration	0.00	0.00	0.00
	surety	0.00	0.00	0.00
	bank enforcement title	216 000 000.00	216 000 000.00	0.00
	pledge on assets	949 668 186.03	1 057 924 769.25	-108 256 583.22
	pledge on receivables	0.00	0.00	0.00
Leasing security	A promissory note along with the bill declaration	3 713 429.05	4 144 375.13	430 946.08
	bill of exchange guarantee	0.00	0.00	0.00
Securing due performance of contracts	warranty	2 716 800.00	7 304 848.29	4 588 048

On 31 January 2017 the Management Board of Work Service S.A. (The "Issuer") informed about establishment of additional collateral required for the credit agreement concluded by the Issuer as the borrower with Bank BGŻ BNP Paribas S.A., Bank Millennium S.A., Bank Zachodni WBK S.A. and Raiffeisen Bank Polska S.A. as the lenders (The "Lenders") on 18 November 2015, the conclusion of which the Issuer informed by publishing a current report no. 43/2015 dated on 19 November 2015 ("Credit Agreement") in the form of:

- conclusion of the registered pledge agreement in favour of Bank BGŻ BNP Paribas S.A. and financial pledges in favour of Bank BGŻ BNP Paribas S.A., Bank Millennium S.A., Bank Zachodni WBK S.A., Raiffeisen Bank Polska S.A. on newly created shares of the Issuer in the subsidiary - Finance Care Sp. z o. o. with its registered office in Wrocław ("Finance Care") with a value of 395,563.60 PLN ;
- conclusion of the registered pledge agreement in favour of Bank BGŻ BNP Paribas S.A. and financial pledges in favour of Bank BGŻ BNP Paribas S.A., Bank Millennium S.A., Bank Zachodni WBK S.A., Raiffeisen Bank Polska S.A. on 100% shares of the Issuer in the subsidiary - Antal Sp. z o.o. with its registered office in Wrocław ("Antal") with a value of 21,461,964.29 PLN;
- conclusion of the registered and financial pledge agreements on the rights resulting from the bank accounts between the Lenders as pledgees and Antal as pledger;
- the agreement for the transfer of rights for the silent assignment between Antal as assignor and Bank BGŻ BNP Paribas S.A. and assignee.
- declaration submitted by Antal on the voluntary submission to the execution with respect to the guaranteed obligation, to the amount of 69,375,000.00 PLN;
- conclusion of the registered and financial pledge agreement on the rights resulting from the bank accounts (acquired by Finance Care from Work Service Finance Sp. z o.o. with its registered office in Wrocław, in relations to the merge of the Companies) between the Lenders as pledgees and Finance Care as pledger.
- conclusion of the registered pledge agreement on newly created shares of Exact Systems S.A. in order to collateralise repayment of receivables under the CD agreement to the maximum amount of collateral of PLN 277 500 000.00.

On 30 March 2017, the Issuer signed Annex No 1 to the credit agreement dated 18 November 2015 (hereinafter: the Agreement) with Bank BGŻ BNP Paribas S.A., Raiffeisen Bank S.A., Bank Zachodni WBK S. A., Bank Millennium S.A. and PKO BP S.A. (banks hereinafter jointly referred to as: the Creditors)

The intention of the parties was to amend the Agreement, and in particular the accession of PKO BP S.A. to the Agreement as a creditor.

8. Information on granting by Company or its subsidiary the surety of credit or loans or guarantees – jointly to one entity or its subsidiary, if the total value of existing sureties or guarantees is equivalent to at least 10% of its equity.

No.	The surety on behalf of	Promissory note beneficiary	Surety subject	Date of agreement	Date of termination of the agreement	The amount covered by the surety (gross)
1.	Sellpro Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
2.	Finance Care Sp.z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
3.	Industry Personnel Services Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
4.	Work Service International	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
5.	Work Express	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex increasing the limit of 19.10.2015	Indefinite period	41 800 000.00
6.	Outsourcing Solutions Partner Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 7.11.2016	Indefinite period	41 800 000.00
7.	Industry Personnel Services Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 06.09.2016	30.09.2017	37 500 000.00
8.	Sellpro Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 06.09.2016	30.09.2017	37 500 000.00
9.	Finance Care Sp.z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 06.09.2016	30.09.2017	37 500 000.00
10.	Industry Personnel Services Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	41 800 000.00
11.	Sellpro Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex increasing the limit of 09.05.2017	31.12.2017	41 800 000.00
12.	Finance Care	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	41 800 000.00
13.	Exact Systems S.A.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	41 800 000.00
14.	Automotive Assembly Systems Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	41 800 000.00
15.	Logistyka	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	10 000 000.00
16.	Outsourcing Solutions Partner Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	41 800 000.00
17.	Work Express	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 09.05.2017	31.12.2017	10 000 000.00
18.	Work Express	Raiffeisen Bank Polska SA	Amount receivable under a factoring agreement	Annex increasing the limit of 04.02.2016	09.05.2019	37 000 000.00

9. Notes on the seasonality or cyclicity of Capital Group activity in the reporting period

The operations of the Work Service Capital Group are subject to certain seasonality. The historical analysis of revenues from core operations shows that revenue generated in first halves of previous years constituted 40–45% of annual totals.

10. Information about significant changes in estimates- including adjustments for provisions- provisions and assets for deferred income tax referred to in the Act on accounting and write-downs of assets.

In the first half of 2017 there were no significant changes in estimates, including significant adjustments in provisions, provisions and assets due to deferred income tax, referred to in the Act on Accounting and no significant write-downs of assets were made.

11. Information concerning the issuance, redemption and repayment of non-equity and equity securities

11.1 Issuance of non-equity securities

In the first half of 2017 the Company Work Service SA did not issue non-equity securities. Other Companies of Work Service Capital Group also did not make such an issuance.

On 30 March 2017, the Management Board of Work Service S.A., through Krajowy Depozyt Papierów Wartościowych S.A., redeemed bonds S series ISIN number - PLWRKSR0076 (the "Bonds") with a total nominal value of 20,000,000.00 zlotys, thereby the Krajowy Depozyt Papierów Wartościowych S.A. shall deregister bought securities from the accounts of the participants.

On 30 June 2017, through the National Depository for Securities in Poland S.A., it made a total early purchase in order to redeem U series bonds ISIN No. – PLWRKSR00084 in the total nominal value of PLN 80,000,000. According to the above, the National Depository for Securities in Poland S.A. has deregistered the purchased securities from the parties' accounts.

11.2 Issuance of equity securities

On 19 April 2017 the Extraordinary General Meeting of Work Service S.A. in the resolution no 3/2017 increased the share capital of the Company by the amount of PLN 189,618.70 through the issuance in a private placement of 1,896,187 common bearer shares of the X series, with the exclusion of pre-emptive rights of the current shareholders

The issuance of the X Series Shares shall be carried out by private subscription addressed to PROFÓLIÓ PROJEKT TANÁCSADÓ KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG, a company established under the Hungarian law with its registered seat in Budapest.

The total issue price of 1,896,187 Series X Shares has been determined as the amount of 20,538,720,54 Polish zlotys.

The subscription opening date has been set for 15 June 2017 and the closing date for subscription – for 30 June 2017.

The shares have failed to be taken up within the prescribed time-frame.

On 13 July 2017 the Extraordinary General Meeting of Work Service S.A. in the resolution no 3/2017 increased the share capital of the Company by the amount of PLN 189,618.70 through the issuance in a private placement of 1,896,187 common bearer shares of the X series, with the exclusion of pre-emptive rights of the current shareholders

The issuance of the X Series Shares shall be carried out by private subscription addressed to PROFÓLIÓ PROJEKT TANÁCSADÓ KORLÁTOLT FELELŐSSÉGŰ TÁRSASÁG, a company established under the Hungarian law with its registered seat in Budapest.

The total issue price of 1,896,187 Series X Shares has been determined as the amount of 20,538,720,54 Polish zlotys.

Once the shares have been taken up, the share capital of the Company will amount to PLN 6,699,101.00.

The agreement on taking up X Series Shares should be concluded no later than on 30 October 2017.

12. Revenues and results for individual segments of continuing operations in the period from the beginning of the year

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- b) which operating results are regularly reviewed by the main body responsible for operating decision in the unit and using the results to decide on the allocation of resources to the segment and when assessing the segment, as well as
- c) in the case of which separate financial information are available.

In accordance with the requirements of IFRS 8, operating segments should be identified on the basis of internal reports on components that are regularly reviewed by the persons deciding on the allocation of resources to the segment and assessing its financial performance.

The Capital Group assumes that the basic division into segments is the breakdown by economic activities. Economic activities of the Capital Group are carried out in separate subsidiaries. The vast majority of the Group's business relates to temporary work. In this report, the Capital Group has revealed information on the revenue broken down by industry segments - because in such an arrangement, it is analysed by the Management Board of the Parent Company.

The Management Board of Parent Company monitors the operating results of segments to make appropriate business decisions. The basis of assessment is the operating result, which is measured in the same manner as operating profit in the consolidated financial statements after taking into account the elimination of intersegment transactions (as outlined in the attached tables below). Transaction prices used in transactions between operating segments are determined on a commercial basis as transactions with unrelated parties.

The accounting policies used in the preparation of the financial data for the reportable segments are consistent with the Group's accounting policies described in clause 1.1.5 of the additional note to the consolidated financial statements for the year 2016 "Basic accounting policies".

Group financing (including finance costs and finance income), income taxes and share in the profit or loss of entities accounted for using the equity method are monitored at Group level and are not allocated to the segments.

Group does not use asymmetric allocation of costs and revenues for reportable segments.

Group presents the value of the profit or loss for each reportable segment, and does not represent the total assets and liabilities for each reportable segment, as these amounts are not regularly provided to main body responsible for taking operating decisions. The Group does not disclose the allocation of revenue from external customers for specific titles of products and services as the information on this topic are not available and the cost of its obtaining would be excessive.

The Group does not disclose the division of depreciation costs between segments because these data are not relevant to the business and are not submitted for review by the authorities responsible for making decisions.

The following tables present data on the revenues and costs of the Group's business segments for the first half ended: 30 June 2017 and comparative data for the first half ended 30 June 2016.

Continued activity 01.01.2017-30.06.2017

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	930 615 863	274 548 950		1 205 164 813		-
Internal sale	72 077 275	49 002 110		121 079 385	-121 079 384.55	-
Total segment revenue	1 002 693 138	323 551 059		1 326 244 198	-121 079 384.55	1 205 164 813
Costs						
The costs of external suppliers	849 615 838	178 323 871		1 027 939 709		
The costs form Group suppliers	64 477 580	29 214 775		93 692 355	-93 692 355.29	-
Total segment costs	914 093 418	207 538 646		1 121 632 065	-93 692 355.29	1 027 939 709
Result						
Segment profit (loss)	81 000 025	96 225 079		177 225 104		177 225 104
Unallocated costs			179 364 994	179 364 994	-33 162 401.29	146 202 593
Other Operating revenue						
Sales to external customers			9 256 360	9 256 360	0.00	
Internal sale			7 240 695	7 240 695	-7 240 695.18	-
Total segment revenue			16 497 055	16 497 055	-7 240 695.18	9 256 360
Other Operating costs						
The costs of external suppliers			13 019 866	13 019 866	0.00	
The costs form Group suppliers			4 287 712	4 287 712	-4 287 712.36	-
Total segment costs			17 307 579	17 307 579	-4 287 712.36	13 019 866
Result						
Profit (loss) from operating activities of the segment						27 259 004
Financial income						
Sales to external customers			3 328 398	3 328 398		-
Internal sale			99 411 164	99 411 164	-99 411 164.23	-
Total segment revenue			102 739 563	102 739 563	-99 411 164.23	3 328 398
Financial costs						
The costs of external suppliers			23 941 594	23 941 594		-
The costs form Group suppliers			112 068 447	112 068 447	-112 068 446.73	-
Total segment costs			136 010 041	136 010 041	-112 068 446.73	23 941 594
Result						
Profit (loss) on business activities						6 645 809
Result						
Gross profit (loss)						6 645 809
Tax			6 700 761	6 700 761		6 700 761
Result						
Net profit (loss) of the segment						-54 952.66

Continued activity 01.01.2016-30.06.2016

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	837 958 001	249 092 908		1 087 050 909		-
Internal sale	80 632 996	44 087 226		124 720 223	-124 720 222.52	-
Total segment revenue	918 590 997	293 180 135		1 211 771 132	-124 720 222.52	1 087 050 909
Costs						
The costs of external suppliers	761 504 084	163 064 856		924 568 940		
The costs form Group suppliers	76 289 363	20 259 308		96 548 671	-96 548 671.18	-
Total segment costs	837 793 447	183 324 164		1 021 117 612	-96 548 671.18	924 568 940
Result						
Segment profit (loss)	76 453 917	86 028 052		162 481 969		162 481 969
Unallocated costs			176 778 699	176 778 699	-32 798 140.76	143 980 559
Other Operating revenue						
Sales to external customers			10 359 954	10 359 954	0.00	
Internal sale			11 238 311	11 238 311	-11 238 310.65	-
Total segment revenue			21 598 265	21 598 265	-11 238 310.65	10 359 954
Other Operating costs						
The costs of external suppliers			10 298 190	10 298 190	0.00	
The costs form Group suppliers			38 499	38 499	-38 499.38	-
Total segment costs			10 336 689	10 336 689	-38 499.38	10 298 190
Result						
Profit (loss) from operating activities of the segment						18 563 175
Financial income						
Sales to external customers			3 311 092	3 311 092		-
Internal sale			37 625 125	37 625 125	-37 625 125.14	-
Total segment revenue			40 936 217	40 936 217	-37 625 125.14	3 311 092
Financial costs						
The costs of external suppliers			17 295 462	17 295 462		-
The costs form Group suppliers			5 682 362	5 682 362	-5 682 361.76	-
Total segment costs			22 977 824	22 977 824	-5 682 361.76	17 295 462
Result						
Profit (loss) on business activities						4 578 805
Result						
Gross profit (loss)						4 578 805
Tax			7 552 936	7 552 936		7 552 936
Result						
Net profit (loss) of the segment						-2 974 131.52

Revenue from external customers attributed to the country in which the entity is established (Poland) and assigned to all other countries jointly in which the entity derives its revenues, are presented in the table below:

NET REVENUES	2017	[%]	2016	[%]
	1st Half	share	1st Half	share
Poland	624 762 174.98	51.8%	567 767 570.70	52.2%
Abroad	580 402 638.20	48.2%	519 283 338.77	47.8%
Total	1 205 164 813.18	100.0%	1 087 050 909.47	100.0%

The Group does not identify the distribution of fixed assets located in the country in which the entity is established and located in all other countries jointly, in which the entity maintains its assets. From the Group's point view, such a division is not relevant to the business.

Structure of sale of services of the Work Service Capital Group together with comparative data in geographical foreign markets.

NET REVENUES	2017	[%]	2016	[%]
	1st Half	share	1st Half	share
Poland	624 762 174.98	51.8%	567 767 570.70	52.2%
Czech Republic	55 543 267.55	4.6%	42 982 814.92	4.0%
Slovakia	39 476 824.24	3.3%	39 529 607.31	3.6%
Germany	141 404 021.33	11.7%	149 448 503.47	13.7%
Russia	1 474 480.21	0.1%	742 521.80	0.1%
Romania	41 410 365.75	3.4%	5 088 602.98	0.5%
Turkey	9 274 289.96	0.8%	6 372 385.04	0.6%
Hungary	235 682 437.52	19.6%	225 375 420.70	20.7%
England	5 511 130.94	0.5%	4 132 788.52	0.4%
Belgium	11 375 772.85	0.9%	12 649 588.37	1.2%
Slovenia	38 394 686.61	3.2%	32 961 105.67	3.0%
China	441 411.57	0.0%	0.00	0.0%
Croatia	413 949.67	0.0%	0.00	0.0%
Total	1 205 164 813.18	100.0%	1 087 050 909.47	100.0%

Due to the fact that the activity of the Parent Company is homogeneous in terms of the type of services, significant clients and the legal environment, the Company determines its entire activities as temporary employment segment (70% of total services provided). Accordingly, the Company does not identify reportable segments.

The share of the top 10 customers in the total revenues of Work Service Capital Group.

NET REVENUES	2017 1st Half	[%] share
Automotive	88 070 119	7.3%
Call center	47 295 297	3.8%
Industry and other	41 940 350	1.7%
Electronics	21 081 634	1.5%
Other services	17 887 333	1.3%
Other services	15 251 987	1.2%
Financial and Insurance Services	15 225 050	1.1%
Other services	14 298 298	0.9%
Automotive	10 458 966	0.8%
Automotive	10 288 748	0.7%

13. Other information that the Company believes are relevant to the assessment of the personnel, assets, financial position and financial result

Dissolution of Work Service Acquisition

On 31 January 2017 the Management Board of Work Service S.A. (The "Issuer") informed about the dissolution on this day of the Issuer's subsidiary - Work Service Acquisitions Ltd. with its registered office in London, United Kingdom, registration number of entrepreneurs - 06419129 (the "Subsidiary").

The Issuer held 100% of the share capital of the Subsidiary.

Liquidation of the Subsidiary is associated with the implementation of the development strategy of the Issuer providing Consolidating and optimizing the use of existing resources within the Group. Due to the inactive nature of the Subsidiary Company, the Issuer has decided to terminate it.

Conclusion of a conditional purchase agreement by Exact Systems S.A.

On 1 February 2017 Exact Systems S.A. with its registered office in Częstochowa ("Exact Systems") concluded with two foreign companies ("the Seller") a conditional purchase agreement of 100 % of shares in a Portuguese limited liability company under the name QLS AUTOMOTIVE – SERVIÇOS DE CONTROLO DE QUALIDADE E LOGISTICA, LDA. ("The Portuguese Company") ("the Shares") ("the Agreement").

The purchase price for the Shares shall be EUR 9,200,000 and shall be adjusted by the net amount of debt according to the value as at 28 February 2017 ("the Price").

The conclusion of the share purchase agreement by Exact Systems depends on meeting the conditions precedent including: (i) reaching a determined EBITDA level, (ii) no breach of guarantee and warranties made by sellers in the Agreement, that would result in losses or damages of more than 20% of the Price, (iii) obtaining required corporate approvals, (iv) obtaining consents from bodies that finance the Portuguese Company.

The final agreement for the purchase of shares in QLS should be entered into on 30 October 2017.

Sellers' liability for any loss or damage resulting from infringements specified in the Agreement (including untrue guarantees and warranties) is differentiated in terms of time, depending on a breach and limited to the amount of EUR 1,200,000.

The Agreement provides a three-year non-compete clause limited in territory. In case of breach of that clause, Exact Systems is entitled to claim from the Sellers a contractual penalty. Exact Systems is entitled to claim a compensation exceeding a contractual penalty.

The Portuguese Company is the only shareholder of three entities that operate in Portugal and Spain.

The Agreement has been concluded under the Portuguese law.

Other provisions of the Agreement do not differ from commonly applied terms and conditions for this type of agreement. The transaction concerning the purchase of 100% of shares in the Portuguese company is an element of the acquisition strategy of Exact Systems S.A.

Signing of an annex to the term-sheet by Exact Systems S.A.

On 21 March 2017 the Management Board of the Issuer informed that it became aware that the Issuer's subsidiary, i.e. Exact Systems ("Subsidiary"), with its registered office in Częstochowa, concluded the annex to the "term sheet" document of 15 July 2016 on the activities for the acquisition transaction to be executed in the future.

The Parties agreed that the Subsidiary within the acquisition transaction will acquire 100% of existing shares of the French limited liability company ("French Company"), 100% of existing shares of the Romanian limited liability company ("Romanian Company"), 100% of existing shares of the Turkish limited liability company ("Turkish Company") and 100% of existing shares of two Moroccan limited liability companies ("Moroccan Companies") [operating] in the outsourcing industry and specialising in the quality control for the automotive industry ("Potential Transaction"), whereas the

The preliminary purchase agreements of shares of the French, Romanian and Turkish Company and Moroccan Companies shall be concluded until 31 May 2017.

The purchase agreements of shares of the French, Romanian and Turkish Company and Moroccan Companies shall be concluded not later than on 30 June 2017.

Whereas the term sheet has expired, negotiations are underway to renew its validity.

Purchase of four companies by Prohuman 2004 Kft

On 28 February 2017, Prohuman 2004 Kft purchased the control over four Hungarian companies:

APT Resources&Services s.r.l.,

APT Human Resources s.r.l.,

APT Broker r.s.l.,

APT Finance Broker s.r.l.

Prohuman 2004 Kft purchased 80% of shares in each of the companies. Due to the fact that Work Service SA holds 75% of shares in the share capital of Prohuman 2004 Kft., the consolidated data of the Work Service Group disclose goodwill calculated as the purchase of 60% of shares in the share capital is of those companies.

Figures converted to PLN are presented in the following table:

Provisional settlement of company purchases converted to PLN	Purchase price	Net asset value	Net fair value of acquired assets	Goodwill on acquisition
APT Human Resources s.r.l.	919.32	-139,358.25	-83,614.95	84,534.28
APT Broker s.r.l.	1,001,671.11	247,359.28	148,415.57	853,255.54
APT Finance Broker s.r.l.	919.32	-176,195.01	-105,717.00	106,636.33
APT Resources&Services s.r.l.	5,954,378.24	1,934,972.40	1,160,983.44	4,793,394.80
TOTAL	6,957,888.00	1,866,778.43	1,120,067.06	5,837,820.94

In 2017 Q2 the acquisitions of APT Group companies were finally accounted for. Figures in PLN are presented in the table below:

Final account for the acquisition of companies in PLN	Purchase price	Net asset value	Net fair value of acquired assets	Goodwill on acquisition
APT Human Resources s.r.l.	891.63	-139 358.25	-83 614.95	84 506.58
APT Broker s.r.l.	1 132 203.27	247 359.28	148 415.57	983 787.70
APT Finance Broker s.r.l.	891.63	-176 195.01	-105 717.00	106 608.64
APT Resources&Services s.r.l.	6 730 319.34	1 934 972.40	1 160 983.44	5 569 335.90
TOTAL	7 864 305.87	1 866 778.43	1 120 067.06	6 744 238.82

Conclusion of the agreement on the purchase of shares in Stermedia Sp. z o.o.

On 8 May 2017 Work Service SA acquired 101 shares in the share capital of Stermedia Sp. z o.o. of the nominal value of PLN 50 each, this representing 75.37% of the share capital for PLN 299,139. Previously, Work Service SA exercised control over this company indirectly through IT Kontrakt Sp. z o.o.

Conclusion of the agreement on the purchase of shares in Work Service SPV Sp. z o.o.

On 8 May 2017 work Service SA acquired 609 shares in the share capital of Work Service SPV Sp. z o.o of the nominal value of PLN 50 each, this representing 0.82% of the share capital for PLN 281,741.

Conclusion of the Heads of terms agreement on the disposal of IT Kontrakt Sp. z o.o.

On 10 February 2017, the Company and Cornerstone Partners sp. z o.o. executed a non-binding Head of terms specifying the terms of the intended Transaction _as defined below.

On 31 March 2017 the Company and SO SPV 118 sp. z o.o. with its registered office in Warsaw, a special purpose vehicle controlled by Cornerstone Partners sp. z o.o. acting jointly with Oaktree Capital Management UK LLP "Buyer" signed a preliminary conditional share purchase agreement related to the sale by the Company to the Buyer of 9,495 shares in IT Kontrakt sp. z o.o. with its registered office in Wrocław "ITK" "Shares" representing 94,95% of its share capital for the price of PLN 147,572,500 subject to a price adjustment, if any, under the following conditions preliminary: i obtaining bondholders' consent for early repayment of the U series bonds issued by the Company and ii obtaining the approval of the investment committee of Oaktree Capital Management UK LLP together with releasing appropriate letter from the Oaktree funds, iii the Company acquiring 1,077 shares in ITK and iv obtaining approvals of third parties, including the consent of the banks financing the Company and the consent of the President of the Office of Competition and Consumer Protection "Inside Information" "Transaction". The performance of the share purchase agreement has been secured with mutual contractual penalties up to the maximum amount of PLN 7,000,000.

On 8 June 2017 Work Service SA acquired 1,077 shares in the share capital of IT Kontrakt Sp. z o.o. of the nominal value of PLN 50 each and the total nominal value of PLN 53,850, this representing 10.77% of the share capital of IT Kontrakt sp. z o.o. The sale price was PLN 11,400,000.

On the 8 June 2017 of the last condition precedent set forth in the preliminary conditional share purchase agreement concerning the sale of 94.95% of shares in IT Kontrakt sp. z o.o. with its registered office in Wrocław ("ITK") concluded on 31 March 2017 between the Company and SO SPV 118 sp. z o.o. with its registered office in Warsaw, an SPV controlled by Oaktree Capital Management (UK) LLP acting jointly with Cornerstone Partners sp. z o.o.

On 30th June, 2017 the Agreement was fulfilled

The price paid by the Purchaser was of PLN 146.858.174,59. Transaction costs amounted to PLN 6,248,238.74

In the day of closing the transaction, the payment of the entire price for the Shares was paid and title to the Shares was transferred.

The profit/loss from the transaction is shown in the table below:

Sale price less sale costs	140 609 935.85
Net assets sold	-19 439 484.13
Undepreciated goodwill	-44 278 758.43
Minority interests	2 445 493.76
Profit from disposal of ITK Group	79 337 187.05

Transaction of sale of shares in ProService Worldwide (Cyprus) Ltd

On 30 June 2017 the Issuer and PROLOGICS (UK) LLP with the registered office in London, registered under number OC314997 ("Buyer") concluded an Agreement for sale of 100% shares ("Shares") in ProService Worldwide (Cyprus) Limited - established in accordance with the law of the Republic of Cyprus registered under the number HE 209802, based in Nicosia ("ProService") (Agreement).

The sale shall be made in two instalments:

- 1.The first instalment shall cover 3.430 shares representing 49% in share capital of ProService and shall take place at the date of conclusion of the Agreement, that is on 30 June 2017.
- 2.The second instalment will cover 3.570 shares representing 51% in share capital of ProService and shall take place on 30 July 2018.

The sales price for Shares shall consist of the amount of PLN 7.000.000 and the price referred to as "Guarantee Price", which is a guarantee of the debt held by ZAO "Work Service" (joint stock company) based in Moscow and ProService, to the amount of the PLN 20.500.000,00

The price for the sale of Shares shall be paid by 30 July 2018.

As a collateral of the Agreement, the Buyer undertakes to establish pledge on 2.250.000 of Issuer's shares ("Shares") held by them. The collateral pledged as security for the Agreement will be established by 30 July 2018 after the release of the pledge on Shares, established for the consortium of banks BANK BGŻ BNP PARIBAS S.A., BANK MILLENNIUM S.A., „BANK ZACHODNI WBK S.A.”, RAIFFEISEN BANK POLSKA S.A., POWSZECHNA KASA

OSZCZĘDNOŚCI BANK POLSKI S.A. under the pledge agreement of 18 November 2015, annexed on 13 April 2017, securing the loan, to which the Issuer is the beneficiary.

The provisions of the Agreement concerning the pledge on Shares are included provided that the General Meeting of Issuer's Shareholders consents to the pledge on Issuer's own shares.

Within 30 days from the date of entering into the Agreement, PROLOGICS (UK) LLP has pledged to grant to the Issuer a power of attorney to sign on behalf of PROLOGICS (UK) LLP a pledge agreement on Shares under which the Issuer will be able to sign the pledge agreement with or with the consent of Baker McKenzie Krzyżowski i wspólnicy sp. k. by July 30, 2018

A part of the transaction is also the release by the Issuer of ZAO "Work Service" based in Moscow and ProService in the total amount of 3.662.122 PLN, 595.114.159,60 Ruble Russian and 17.304,79 Euro from any debt. The release shall take place on the date of purchase of 100 % Shares by the Buyer in ProService.

As a result, the following loss from revaluation to fair value was recognised as at 30.06.2017.

Sales price	7 000 000.00
Surety for a debt by Prologics	20 500 000.00
Impairment losses on assets net	-17 083 665.47
Goodwill impairment	-97 714 221.40
Write-off for receivables that WSSA posted from the Proservice Group	-69 686 622.34
Net loss from revaluation to fair value	-156 984 509.21

The profit/loss from continued and discontinued operations (including the profit/loss of ITK Group and Proservice Group) for the period 01.01.2016-30.06.2016 and 01.01.2017-30.06.2017 is presented below.

	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016
Revenues	1 341 448 094.87	1 203 599 239.34
Net revenues from sales of products	1 341 281 534.72	1 202 995 557.43
Variation in stocks of products	166 560.15	590 760.63
Manufacturing cost of products for entity's own purposes	0.00	0.00
Net income on sale of goods and materials	0.00	12 921.28
Operating costs	1 299 885 444.93	1 171 605 748.67
Depreciation	8 512 624.42	8 020 303.99
Consumption of materials and energy	9 242 464.94	5 094 349.72
Outside services	212 349 786.87	161 737 769.26
Taxes and charges	2 062 578.00	3 272 243.70
Remuneration	838 905 119.77	784 756 534.34
Social insurance and other benefits	198 371 956.48	190 000 146.93
Other generic expenses	30 440 914.46	18 724 400.74
Value of goods and materials sold	0.00	0.00
Profit (loss) on sales	41 562 649.94	31 993 490.67
Other operating incomes	9 568 852.71	10 803 198.49
Other operating costs	14 371 483.00	10 623 874.86
Profit (loss) on operating activities	36 760 019.65	32 172 814.30
Profit from sale of ITK Group Kontrakt	79 337 187.05	0.00
Net loss from revaluation of the Proservice Group to fair value	-156 984 509.21	0.00
Financial incomes	1 631 017.18	1 583 292.31
Financial costs	22 724 671.21	16 154 087.20
Gross profit (loss)	-61 980 956.54	17 602 019.41
Income tax	8 686 657.20	9 589 887.08
Net profit (loss)	-70 667 613.74	8 012 132.33
Measurement of interests by the equity method	0.00	0.00
Minority shareholders' profit (loss)	6 879 409.44	4 959 544.31
Profit attributable to shareholders of the parent company	-77 547 023.18	3 052 588.02

Profit from discontinued operations is shown in the table below

	01.01.2017- 30.06.2017	01.01.2016- 30.06.2016
Net revenues from sales	136 283 281.69	116 548 329.86
Other operating income	312 493.08	443 244.38
Operating costs	125 743 142.72	103 056 249.68
Other operating costs	1 351 616.75	325 685.29
Financial income	302 618.79	144 961.51
Financial costs	783 077.18	731 386.14
Gross profit (loss)	9 020 556.92	13 023 214.63
Income tax	1 985 895.84	2 036 950.79
Profit from discontinued operations for the financial year	7 034 661.08	10 986 263.83
Profit from disposal of the ITK Group	79 337 187.05	0.00
Net loss from revaluation to fair value	156 984 509.21	0.00
Profit from discontinued operations for the financial year	-70 612 661.09	10 986 263.83

Regaining control of Naton Ljudski potencial d.o.o.

On 1 April 2017 the agreement was concluded whereby the contract concluded on 30 March 2016 ceased to apply to the Croatian company. Thus HR Global d.o.o has regained control of Naton Ljudski potencial d.o.o.

14. Events that occurred after the date on which the condensed consolidated financial statements were prepared, not included in this report, and which may significantly affect the future financial results of the Capital Group

Conclusion by Work Service SA of the agreement on the purchase of 25% of shares in Prohuman 2004

On 5 July 2017 the Issuer as buyer, concluded with Profólió Projekt Tanácsadó Kft. („Seller”) seated in Budapest, Hungary, a new, sale agreement of 25% of shares in the share capital of Prohuman 2004 Kft. seated in Budapest, Hungary („Prohuman”) („Shares”) („Agreement”). The new Agreement replaces the Agreement of 13 December 2016 („Original Agreement”) about which the Issuer reported in current report 69/2016. The sale shall be made in three instalments.

The first instalment shall cover 12 % of shares in the share capital of Prohuman and shall take place on 27 July 2017 (“First Completion Date”) and will be made at a price 3.000.000.000 Hungarian forint (“HUF”).

The second instalment will cover 5 % of shares/quota in the share capital of Prohuman and shall take place no later than on 17 November 2017. The purchase price for such quota is PLN 20,538,720.54, which is payable not in cash, but the amount will be paid in the form of offsetting the stated claim with the Issuer's claims towards the Seller under the contract of transfer of dematerialized ownership of 1,896,187 ordinary bearer shares of the X series (“WS Shares”) (“Shares Transfer Agreement”). The share transfer agreement and share issuance documentation regarding the WS Shares (“Share Issuance Documents”) shall be signed no later than on 27 July 2017. The WS Shares must be created and credited to Seller’s securities account by 17 November 2017. After the WS Shares are credited on Seller’s securities account, Seller will transfer the 5% quota covered by the second tranche to Issuer, which shall occur by 17 November 2017 the latest. If Seller does not fulfil timely its obligation regarding the quota transfer, then a penalty of HUF 250 million is payable by Seller to Issuer.

If the WS Shares are not credited to Seller’s securities account by 17 November 2017, then Issuer has to pay HUF 1,22 billion in cash to Seller until 20 November 2017 instead of transferring the WS Shares.

If the Share Issuance Documents regarding the WS Shares are not signed up to on 27 July 2017, then the first completion on 27 July 2017 shall be different: the first instalment shall cover 17 % of shares in the share capital of Prohuman will be made at a price 4.220.000.000 HUF.

The third instalment will cover 8 % of shares/quota in the share capital of Prohuman and shall take place up to on 27 November 2017 and will be made at a price 1.975.000.000 HUF. After the payment of this instalment, the Issuer will own 100% of Prohuman's share capital.

In case of any late payment, a default interest of 20% per annum shall apply.

The Parties to the Agreement are in the process of setting a new date for the acquisition of the first tranche of the remaining shares in Prohuman (First Completion Date) and drafting an annex to the above Agreement.

On 20 July 2017, the Issuer received document dated on 12 July 2017 containing the resignation of Mr. Robert Knights from the position of the Vice President of the Management Board of Work Service S.A. with effect on 12 July 2017. Mr. Robert Knights as a reason of resignation pointed health problems.

On 13 September 2017 the Management Board of the Company adopted a resolution no. 2 on bonds issuance (“Issuance Resolution”). Under the Issuance Resolution, the Management Board of the Company decided to issue, by submitting a bond purchase offer to the given addressee, in the number of not more than 149 addressees, secured ordinary bearer bonds with variable interest rate, in the number up to 60,000 bonds within one or two issues, with unit nominal value of PLN 1,000 (“Bonds”).

On 13 September 2017, as a result of subscribing and paying by investors 20,000 offered ordinary bearer W series bonds with nominal value of PLN 1,000 each and total nominal value of PLN 20,000,000.00, the Management Board of the Company allotted the bonds pursuant to resolution no. 2 of 13 September 2017, and therefore the issue of bonds has come into effect.

SEPARATE FINANCIAL STATEMENTS OF WORK SERVICE SA

Statement of Financial Position of Work Service SA as at 30 June 2017

ASSETS	as at 30.06.2017	as at 31.12.2016
FIXED ASSETS	536 243 222.27	607 077 354.87
Intangible assets	36 259 715.18	36 230 028.37
Tangible fixed assets	11 516 649.05	12 225 191.40
Investment real estates	4 051 188.00	0.00
Other financial assets	402 890 516.62	538 840 964.25
Other long-term assets	4 234 660.00	4 234 660.00
Other long-term financial assets	65 012 000.00	3 075 000.00
Deferred income tax assets	12 065 856.14	12 065 856.14
Accruals	212 637.28	405 654.71
CURRENT ASSETS	271 026 752.99	248 046 390.96
Inventories	10 914 326.42	9 666 322.01
Trade and other receivables	91 853 854.72	70 313 132.73
Other financial assets	107 800 499.02	161 364 592.84
Other short-term assets	4 830 026.08	4 830 026.08
Cash and cash equivalents	53 779 388.91	161 019.56
Accruals	1 848 657.84	1 711 297.74
TOTAL ASSETS	807 269 975.26	855 123 745.83
LIABILITIES		
EQUITY	249 889 762.51	291 275 509.88
Share capital	6 509 482.30	6 509 482.30
Supplementary capital	285 222 429.22	287 458 678.33
Net profit (loss)	-41 842 149.01	-2 692 650.75
LIABILITIES AND RESERVES		
Provisions for liabilities	4 563 591.00	3 900 774.70
Deferred income tax provision	1 888 415.10	1 888 415.10
Provisions for retirement and similar benefits	1 063 479.81	983 893.75
Other provisions (short-term)	1 611 696.09	1 028 465.85
Long-term liabilities	208 814 771.74	217 447 133.13
1. To related entities	0.00	0.00
2. To other entities	208 814 771.74	217 447 133.13
Long-term loans and credits	193 584 213.89	123 588 042.21
Liabilities from issuance of debt securities	12 708 871.65	91 797 244.30
Other financial liabilities	2 521 686.20	1 889 298.78
Other liabilities	0.00	172 547.84
Short-term liabilities	344 001 850.01	342 493 328.12
1. To related entities	212 563 659.94	195 766 764.74
2. To other entities	131 438 190.07	146 726 563.38
Liabilities from issuance of debt securities	0.00	19 691 508.89
Other financial liabilities	3 451 438.43	8 720 371.85
Credits and loans	22 081 928.91	25 029 249.90
Trade payables	14 044 142.33	8 118 060.37
Liabilities for taxes, duties, insurance and other benefits	72 233 751.47	57 570 763.16
Liabilities for remuneration	15 125 260.84	20 666 079.93
Other liabilities	4 501 668.09	6 930 529.28
3. Special funds	0.00	0.00
Accruals	0.00	7 000.00
TOTAL LIABILITIES	807 269 975.26	855 123 745.83

Statement of comprehensive income of Work Service SA for the period of 6 months ended 30 June 2017

	01.01.2017-30.06.2017	01.01.2016-30.06.2016
Revenues	287 349 879.53	274 541 264.54
Net revenues from sales of products	286 313 825.85	273 958 449.02
Variation in stocks of products	1 036 053.68	582 815.52
Manufacturing cost of products for entity's own purposes	0.00	0.00
Net income on sale of goods and materials	0.00	0.00
Operating costs	293 059 188.70	278 519 776.15
Depreciation	2 530 666.77	2 675 580.58
Consumption of materials and energy	1 310 733.76	1 041 259.70
Outside services	61 056 861.31	54 230 575.32
Taxes and charges	627 575.59	337 833.15
Remuneration	0.00	181 662 150.46
Social insurance and other benefits	188 212 744.36	34 566 538.05
Other generic expenses	36 774 243.02	4 005 838.89
Value of goods and materials sold	2 546 363.89	0.00
Profit (loss) on sales	-5 709 309.17	-3 978 511.61
Other operating incomes	6 148 124.23	5 351 363.82
Other operating costs	5 624 109.65	4 027 937.71
Profit (loss) on operating activities	-5 185 294.59	-2 655 085.50
Profit from the sale of subsidiary ITK	68 688 052.34	0.00
Loss from the sale of 49% of shares in the subsidiary Proservice gross of impairment losses	-143 931 751.06	0.00
Operating profit (loss) ADJUSTED	-80 428 993.31	-2 655 085.50
Financial incomes	59 625 599.13	26 236 556.13
Financial costs	21 038 754.83	14 807 633.78
Gross profit	-41 842 149.01	8 773 836.85
Income tax	0.00	929 322.21
Net profit (loss)	-41 842 149.01	7 844 514.64
Other comprehensive income	0.00	0.00
Items that will not be reclassified to profit or loss in subsequent periods:		
- none		
Items that may be reclassified to profit or loss in subsequent periods :		
- none		
Total other comprehensive income	0.00	0.00
Comprehensive income for the period	-41 842 149.01	7 844 514.64
Net profit (loss) attributable to shareholders:	-41 842 149.01	7 844 514.64
Earnings per share from continuing and discontinued operations attributable to shareholders during the year (in PLN)		
From continuing operations:		
- basic	-0.64	0.12
- diluted	-0.64	0.12
From discontinued operations:		
- basic	0	0
- diluted	0	0

Statement of Cash Flows of Work Service SA for the period of 6 months ended 30 June 2017

	01.01.2017-30.06.2017	01.01.2016-30.06.2016
A. Cash flow on operating activity		
I. Net profit (loss)	-41 842 149.01	7 844 514.64
II. Total adjustment	24 942 592.24	28 059 311.68
1. Depreciation	2 530 666.77	2 675 580.58
2. Profit (Loss) due to exchange rate differences	0.00	-5 991 764.50
3. Interest and participation in profits (dividends)	-33 721 473.09	-9 963 722.17
4. Profit (loss) on investment activities	-7 353 451.44	0.00
5. Change in reserves	1 355 058.10	792 654.47
6. Change in inventory	-1 248 004.41	-583 548.14
7. Change in receivables	18 562 149.62	8 161 944.86
8. Change in current liabilities, except for loans and credits	9 877 572.07	32 475 051.36
9. Change in accruals	48 657.33	-565 757.38
10. Other adjustments	34 891 417.29	1 058 872.60
III. Net cash flows from operating activities (I-II)	-16 899 556.77	35 903 826.32
B. Cash flow on investment activity		
I. Incomes	335 249 047.81	245 934 349.14
1. Disposal of intangible fixed assets	0.00	0.00
2. Disposal of investment property and intangible assets	0.00	0.00
3. From financial assets, including:	335 249 047.81	245 934 349.14
a) in related entities	254 311 154.49	210 207 896.92
b) in other entities	80 937 893.32	35 726 452.22
- disposal of financial assets	40 102 871.61	
- dividends and profit sharing	40 825 000.00	
- Repayment of long-term loans	10 021.71	35 607 195.40
- interest	0.00	119 256.82
- Other income from financial assets	0.00	
4. Other investment income	0.00	
II. Expenditures	1 851 811.23	334 349 980.31
1. Acquisition of intangible and tangible fixed assets	1 851 811.23	3 071 966.77
2. Investments in real estate and intangible assets	0.00	0.00
3. For financial assets, including:	0.00	331 278 013.54
a) in related entities	0.00	289 625 100.38
b) in other entities	0.00	41 652 913.16
- acquisition of financial assets	0.00	0.00
- long-term loans granted	0.00	41 652 913.16
4. Other investment expenses	0.00	0.00
III. Net cash flows from investing activities (I-II)	333 397 236.58	-88 415 631.17

C. Cash flow on financial activity		
I. Incomes	381 146 441.27	68 390 242.32
1. Net incomes on issue of shares and other capital instruments and additional payments to capital	0.00	0.00
2. Credits and loans	381 146 441.27	68 390 242.32
3. Issuance of debt securities	0.00	0.00
4. Other financial income	0.00	0.00
II. Expenditures	644 025 751.73	16 644 053.20
1. Acquisition of shares (stocks)	0.00	0.00
2. Dividends and other payments for owners	0.00	0.00
3. Other than payments for owners, expenses related to profit distribution	0.00	0.00
4. Credits and loans repayments	535 722 852.71	8 550 000.00
5. Redemption of debt securities	100 000 000.00	0.00
6. Due to other financial liabilities	0.00	0.00
7. Payment of liabilities on account of financial leasing contracts	0.00	1 124 267.91
8. Interest	7 610 657.22	6 396 640.44
9. Other financial expenses	692 241.80	573 144.85
III. Net cash flows from financial activities (I-II)	-262 879 310.46	51 746 189.12
D. Net cash flow total (A.III. + B.III + C.III)	53 618 369.35	-765 615.73
E. Balance sheet change in cash and cash equivalents, including:	53 618 369.35	-765 615.73
- change of cash resources due to exchange rate differences	0.00	0.00
F. Cash resources at the beginning of period	161 019.56	985 588.17
G. Cash resources at the end of period, including	53 779 388.91	219 972.44
- with restricted availability	0.00	0.00

Statement of changes in equity of Work Service SA

01.01.2017-30.06.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
As at 1 January 2017	6 509 482.30	287 458 678.33	-2 692 650.75	291 275 509.88
Net profit (loss) for the financial year	0.00	0.00	-41 842 149.01	-41 842 149.01
Managers programme	0.00	456 401.64	0.00	456 401.64
Distribution of result for 2016 to supplementary capital:	0.00	-2 692 650.75	2 692 650.75	0.00
As at 30 June 2017	6 509 482.30	285 222 429.22	-41 842 149.01	249 889 762.51

01.01.2016-31.12.2016	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
As at 1 January 2016	6 509 482.30	270 989 281.45	14 869 499.64	292 368 263.39
Net profit (loss) for the financial year	0.00	0.00	-2 692 650.75	-2 692 650.75
Managers programme	0.00	1 599 897.24	0.00	1 599 897.24
Distribution of result for 2015 to supplementary capital:	0.00	14 869 499.64	-14 869 499.64	0.00
As at 31 December 2016	6 509 482.30	287 458 678.33	-2 692 650.75	291 275 509.88

01.01.2016-30.06.2016	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
As at 1 January 2016	6 509 482.30	270 989 281.45	14 869 499.64	292 368 263.39
Net profit (loss) for the financial year	0.00	0.00	7 844 514.64	7 844 514.64
Managers programme	0.00	1 058 872.60	0.00	1 058 872.60
Distribution of result for 2015 to supplementary capital:	0.00	14 869 499.64	-14 869 499.64	0.00
As at 30 June 2016	6 509 482.30	286 917 653.69	7 844 514.64	301 271 650.63

SIGNATURES:

- | | |
|------------------------------|--|
| 1. Maciej Witucki | President of the Management Board..... |
| 2. Tomasz Ślęzak | Vice President |
| 3. Paul Christodoulou | Vice President |
| 4. Piotr Gajek | Vice President |
| 5. Iwona Szmitkowska | Vice President |
| 6. Krzysztof Rewers | Vice President |