

Dear Shareholders,

On behalf of the Company and the Management Board, I am handing over to you the Annual Report summarizing the operations of Work Service S.A. Group of Companies in 2018. The document contains a detailed specification of the financial performance and a discussion about all year long operations of the Group. The following report complements and comments on the situation of the company, the industry and on the markets where Work Service and its subsidiaries operate.

Labor markets in Central Europe and particularly in Poland are experiencing unprecedented growth. All the growing key macroeconomic ratios foster the industry where Work Service operates. Unemployment has fallen to the historically lowest level and, according to Eurostat at the end of the year reached 3.5%. Payroll increased on average by 6.8%, and all this at a high level of vacancies being maintained in the national economy. Industrial production and foreign investment are stable drivers for employment growth. On the other hand, the Polish labor market is also a growing demographic gap and the competence gap is still large. A significant share of employed Poles still seriously considers economic emigration, mostly to Germany.

The Polish economy has taken advantage of the clear geopolitical situation in Ukraine and the related propensity of Ukraine citizens to emigrate: the greatest threat has turned out to be a great opportunity for the Polish manufacturing sector and a remedy for personnel shortages in Poland. The number of issued work permits for foreigners is still on historically maximum levels, and the Ukrainian employees are increasingly joined by other nationalities from the countries in Central and Eastern Europe and Asia.

All the above factors translate to a good economic situation in the personnel service industry. The need to ensure proper human resources is at the moment the greatest barrier to growth and a challenge for most employers.

It is also the greatest opportunity for the leader on the personnel services market in Poland: Work Service. In such environment, this is our consultants who bring the help, offering efficient and effective candidate recruitment tools. The key in operations in our industry is accessibility of employees regardless of the nationality, thus we take advantage of the possibility to employ foreigners, the employment and services for whom have become, next to the traditional domestic temporary employment, the second most important pillar in the Group's operations. At Work Service, within one year, we recruited 8971 employees from Ukraine, simultaneously introducing alternative methods of finding other nationality employees. According to our expectations, the segment of cross-border employee exchange will still develop, and this is reflected in the results of the first months of the new year.

The year 2018 was marked by standardization of our process and optimization of structures – particularly those central ones. We are leaner, faster and more effective. We have built tools and permanent solutions that guarantee the inflow of candidates – also those from the East. We are continuously improving recruitment tools and quality of service of employees who for us, next to employers, are equally important Clients.

I believe that Work Service has firm foundations to develop further: committed employees, unique economic situation on the labor market, loyal Clients and a business model ensuring favorable exchange of value with our partners.

But Work Service is not only continuously improved employment agency operations on the favorable personnel services market, it is also investment operations, broadly conducted in recent years. The year 2018 was another, though not the last one, year in the Group's transformation; let me add that it was one of the tougher ones in the history of Work Service.

Disinvestment processes in Group Exact Systems were ended successfully. Work Service sold the whole majority share in Exact Systems for the price of PLN 155 260 000, with the investment of PLN 9.5 million in 2007. Negotiations with Work Service's creditors were ended successfully, in particular the consortium of banks and individual bondholders. Work Service reduced and restructured the debt under the held loans and bonds, entering a further path of disinvestment processes: sale of Hungarian,

Czech and Slovak assets. The Group has simultaneously adapted the structure and management to the new form and significantly improved the return on the domestic market operations.

We are continuously developing operations on the promising Polish and German markets at the same time focusing on flexible employment forms, based on domestic employees and cross-border exchange of employees from and to Poland.

In spite of such far reaching changes, for the year 2018 Work Service Group reports PLN 2 445 718 586.32 in revenue under continued operations, still maintaining high employment levels, also thanks to the growing pool of employees from the East.

At the same time, we draw your attention to the fact that results on the Company's current operations and continued operations are burdened with a number of single events and write-downs, which have been thoroughly presented to you in the Individual and Consolidated Annual Report. In both reports, we have presented a reliable image of our current strategic and financial situation. In particular, we are optimistically looking forward to further disinvestment processes to finally reduce the debt level to zero as well as offer some financial space for further growth.

In the basic operations, in 2019 and the following years, an ambition of Work Service's Management Board and personnel is to strengthen the leader's position on the domestic market, with further improvement in return on operations. Poland is a very attractive market that we know, understand and are the leader of. The focus on the basic operations will allow us to take Work Service to a new level, taking full advantage of the market opportunities created in the nearest future by the domestic personnel services market.

On behalf of the Management Board and all the employees of Work Service, let me thank you for your trust we have experienced in this breakthrough year and encourage you to read the Annual Report of Work Service S.A. for the financial year 2018.

Iwona Szmitkowska

President of Management Board