



**WORK
SERVICE**



WORK SERVICE Capital Group

SUMMARY INTERIM QUARTERLY REPORT

for the third quarter of 2019

compiled in line with the International Financial Reporting Standards
as endorsed by the European Union

Wrocław, November 29, 2019

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Consolidated selected financial data

SPECIFICATION	01.01.-	01.01.-	01.01.-	01.01.-
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Work Service Capital Group	000 PLN	000 PLN	000 EUR	000 EUR
Sales revenue	1 238 383	1 568 554	287 422	368 770
EBITDA (operating profit + depreciation and amortisation)	37 360	-4 057	8 671	-954
Profit on sales	8 878	5 524	2 061	1 299
Operating profit (EBIT)	25 792	-12 736	5 986	-2 994
Gross profit (loss)	-9 253	-38 199	-2 148	-8 981
Net profit (loss)	-10 811	-24 716	-2 509	-5 811
Net cash flows from operating activities	-30 658	-21	-7 116	-5
Net cash flows from investing activities	32 386	-19 608	7 517	-4 610
Net cash flows from financing activities	-15 737	-2 750	-3 652	-647
Total net cash flows	-14 008	38 736	-3 251	9 107
Number of ordinary shares of the Company for the calculation of earnings per share	65 590 638	65 094 823	65 590 638	65 094 823
Earnings per share	-0,16	-0,38	-0,04	-0,09
Number of diluted shares for the calculation of diluted earnings per share	65 836 829	65 836 829	65 836 829	65 836 829
Diluted profit per share	-0,16	-0,38	-0,04	-0,09
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Assets	801 325	878 329	183 219	204 262
Liabilities and provisions for liabilities	635 661	762 676	145 341	177 367
Long-term liabilities	21 941	160 398	5 017	37 302
Short-term liabilities	565 792	534 020	129 365	124 191
Equity	165 664	115 652	37 878	26 896
Share capital	6 559	6 509	1 500	1 514
Supplementary capital	160 643	91 356	36 730	21 246

The presented financial data for the period 01.01.2019-30.09.2019 applies to the entire Capital Group: continued and discontinued operations and comparable data for 2018.

Selected separate financial data

SPECIFICATION	01.01.- 30.09.2019	01.01.- 30.09.2018	01.01.- 30.09.2019	01.01.- 30.09.2018
Work Service SA	000 PLN	000 PLN	000 EUR	000 EUR
Sales revenue	248 957	443 957	57 782	104 375
EBITDA (operating profit + depreciation and amortisation)	4 679	-24 764	1 086	-5 822
Profit on sales	-21 299	-6 554	-4 943	-1 541
Operating profit (EBIT)	-2 816	-29 699	-654	-6 982
Gross profit (loss)	-36 594	-50 326	-8 493	-11 832
Net profit (loss)	-29 526	-50 326	-6 853	-11 832
Net cash flows from operating activities	-51 144	-14 827	-11 870	-3 486
Net cash flows from investing activities	30 935	56 991	7 180	13 399
Net cash flows from financing activities	20 011	-41 456	4 644	-9 746
Total net cash flows	-198	709	-46	167
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Assets	645 637	768 570	147 621	178 737
Liabilities and provisions for liabilities	457 111	539 896	104 516	125 557
Long-term liabilities	7 043	164 248	1 610	38 197
Short-term liabilities	433 456	340 637	99 107	79 218
Equity	188 527	228 674	43 106	53 180
Share capital	6 559	6 509	1 500	1 514
Supplementary capital	211 493	209 692	48 357	48 765

Consolidated financial statements of the Capital Group

Consolidated report from the financial standing of the Capital Group

as at September 30, 2019

Presented data for archival periods include data comparable to the report as at 30.09.2019, i.e. as at 30.09.2019 and as at 31.12.2018, discontinued operations include Prohuman Group, Antal Group, Exact Group and ProService Group, which were also consolidated in that period.

	as at 30.09.2019	as at 31.12.2018	as at 30.09.2018
FIXED ASSETS	185 187 452,80	444 967 044,97	429 639 298,26
Intangible assets	28 466 592,95	35 115 236,93	39 877 931,74
Goodwill	80 155 301,89	351 096 736,76	350 873 677,13
Property, plant and equipment	17 468 371,70	11 722 887,65	13 856 164,55
Investment properties	2 690 484,05	2 690 484,05	2 690 484,05
Other financial assets	0,00	0,00	-78 297,52
Other long-term assets	0,00	0,00	0,00
Other long-term financial assets	154 521,62	330 818,94	327 380,31
Deferred tax assets	54 930 172,03	44 010 880,64	21 830 183,87
Prepayments	1 322 008,56	0,00	261 774,13
CURRENT ASSETS	191 799 567,37	433 361 475,88	443 706 550,20
Inventories	912 658,45	7 871 700,12	12 695 734,48
Trade and other receivables	152 828 129,62	322 192 786,82	352 489 138,57
Other financial assets	13 786 299,14	40 789 190,37	26 850 453,86
Other short-term assets	0,00	0,00	0,00
Cash and cash equivalents	19 876 758,95	56 486 007,74	28 490 526,84
Prepayments	4 395 721,21	6 021 790,83	8 995 679,44
Assets classified as available for sale	424 338 349,50	0,00	172 746 341,13
TOTAL ASSETS	801 325 369,67	878 328 520,85	1 046 092 189,59
EQUITY	165 664 134,11	115 652 186,10	92 726 400,01
Share capital	6 559 063,80	6 509 482,30	6 509 482,30
Supplementary capital	160 642 852,37	91 356 123,61	58 779 038,09
Net profit (loss)	-15 661 481,25	8 147 732,57	-33 101 344,71
Foreign exchange differences	-15 445 770,28	-15 079 722,09	-19 298 064,76
Capital held by non-controlling shareholders	29 569 469,47	24 718 569,71	79 837 289,09
LIABILITIES	450 989 309,68	762 676 334,75	845 629 931,44
Provisions for other liabilities and other charges	36 048 151,64	48 454 913,39	25 166 925,38
Deferred tax liabilities	4 468 482,18	4 459 965,97	2 274 507,20
Provision for pensions and similar benefits	9 092 383,95	14 084 136,03	14 702 288,08
Other current provisions (short-term)	22 487 285,50	29 910 811,40	8 190 130,10
Long-term liabilities	13 060 633,18	160 398 045,53	44 730 865,45
Long-term loans and borrowings	0,00	109 331 275,46	1 281 419,91
Issue of debt securities	0,00	43 988 109,50	0,00
Other financial liabilities	13 060 633,18	4 707 761,91	4 712 915,87
Other liabilities	0,00	2 370 898,66	38 736 529,66
Short-term liabilities	396 390 916,60	534 019 888,81	767 262 954,12
Liabilities in respect of the issue of debt securities	45 040 711,85	0,00	46 718 432,41
Other financial liabilities	18 515 306,19	4 534 620,58	7 140 624,11
Loans and borrowings	123 251 066,91	47 538 834,56	268 898 190,25
Trade liabilities	17 349 695,44	53 358 723,29	50 378 986,13

Liabilities in respect of taxes, customs duties, insurance and other benefits	138 422 436,30	198 811 688,42	188 709 386,70
Payroll liabilities	33 550 496,19	67 325 679,53	81 661 271,53
Other liabilities	19 813 345,27	162 450 342,43	123 756 062,99
Special funds	447 858,45	0,00	0,00
Accruals	5 489 608,27	19 803 487,02	8 469 186,49
Liabilities from assets classified as held for sale	184 671 925,88	0,00	107 735 858,21
TOTAL LIABILITIES	801 325 369,67	878 328 520,85	1 046 092 189,61

Consolidated total income statement of the Capital Group

for 9 months ended on September 30, 2019

The presented financial data concern continued operations (data excluding Prohuman Group and Antal Group) for a 9-month period ended on 30 September 2019 and a 9-month period ended on 30 September 2018.

The table below also presents the result on discontinued operations:

- financial data of discontinued operations for the period 01.01.2019–30.09.2019 include Prohuman Group and Antal Group
- financial data of discontinued operations for the period 01.01.2018–30.09.2018 include Prohuman Group, Antal Group, Exact Group and ProService Group, which were also consolidated in that period.

CONTINUED OPERATIONS	01.01.2019- 30.09.2019	01.01.2018- 30.09.2018
Revenue	636 037 986,08	1 001 278 319,35
Net trade revenue	635 545 357,70	1 002 009 055,85
Change in receivables	492 628,38	-730 736,50
Manufacturing cost of products for entity's own needs	0,00	0,00
Net revenues from sales of goods and materials	0,00	0,00
Costs of operations	664 964 971,18	1 037 756 997,11
Amortisation and depreciation	8 456 548,90	7 600 333,82
Consumption of materials and energy	2 349 976,06	2 550 191,60
External services	58 676 297,43	123 185 969,51
Taxes and charges	2 755 143,83	2 343 703,97
Remuneration	482 412 130,26	726 410 343,98
Social security and other benefits	102 915 210,30	152 105 020,22
Other costs by type	7 399 664,40	23 561 434,00
Value of goods and materials sold	0,00	0,00
Sales profit (loss)	-28 926 985,09	-36 478 677,76
Other operating revenue	52 666 798,98	23 977 446,76
Other operating expenses	38 550 284,71	39 800 568,96
Profit (loss) from operations	-14 810 470,82	-52 301 799,96
Finance income	2 912 231,55	1 575 843,06
Finance costs	12 082 011,58	21 855 676,01
Gross profit (loss)	-23 980 250,84	-72 581 632,91
Income tax	-9 671 162,43	-845 701,89
Net profit (loss) from continuing operations	-14 309 088,41	-71 735 931,03
DISCONTINUED OPERATIONS		
Net profit (loss) on discontinued operations	3 498 506,92	47 020 109,05
Net profit (loss)	-10 810 581,49	-24 715 821,97
Valuation of shares using the equity method	0,00	0,00
Minority profit (loss)	4 850 899,76	8 385 522,74
Net profit falling to:		
- Shareholders of the dominating entity	-15 661 481,25	-33 101 344,71
- Non-controlling shares	4 850 899,76	8 385 522,74
Net profit	-10 810 581,49	-24 715 821,97
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods:		

- none		
Items that may be reclassified to profit or be reclassified to profit or loss in subsequent periods:		
- Foreign entity foreign exchange differences	-65 489,37	-3 512 730,67
Total other comprehensive income	-65 489,37	-3 512 730,67
Comprehensive income for the period	-10 876 070,86	-28 228 552,64
- Including income attributable to minority capitals	4 850 899,76	7 151 104,35
- Including income attributable shareholders of the dominating entity	-15 661 481,25	-35 379 656,99
Earnings per share from continuing and discontinued operations attributable to shareholders of the dominating entity during the year (in PLN)		
From continuing operations:		
- basic	-0,22	-1,10
- diluted	-0,22	-1,09
From discontinued operations:		
- basic	0,05	0,72
- diluted	0,05	0,71

Consolidated cash flow statement of the Capital Group for 9 months ended on September 30, 2019

	01.01.2019-30.09.2019	01.01.2018-30.09.2018
Net profit (loss)	-15 661 481,25	-33 101 344,70
Total adjustments	-14 996 466,06	33 080 697,90
Amortisation and depreciation	11 567 655,89	13 078 088,62
Foreign exchange (profit) losses	1 114 047,32	0,00
Interest and shares in profits (dividends)	6 926 579,46	14 240 331,48
(Profit) loss on investment operations	-740 569,46	3 122 889,18
Change in provisions	-9 684 865,91	-2 225 388,64
Change in inventories	887 535,12	4 035 435,26
Change in receivables without income tax receivables	40 491 171,69	5 228 475,17
Change in short-term liabilities, except for loans, borrowings and corporate income tax	-85 770 425,10	-30 034 261,23
Change in prepayments, accruals and deferred income	-24 939 300,84	2 281 903,04
Other adjustments	45 151 705,75	23 353 225,02
Net cash flows from operating activities	-30 657 947,31	-20 646,80
Cash flows from investing activities		
Inflows	32 653 308,05	3 975 708,34
Disposal of intangible assets and property, plant and equipment	65 009,32	758 221,07
Disposal of investments in real property and intangible assets	1 787 180,53	0,00
From financial assets, including:	30 801 118,20	1 488 521,40
a) in related entities	0,00	0,00
Interest	0,00	0,00
b) in other entities	30 801 118,20	1 488 521,40
Interest	0,00	1 488 521,40
purchase of financial assets	26 546 571,00	
Other investment inflows	4 254 547,20	1 728 965,87
Outflows	266 896,78	23 583 937,02
Purchase of intangible assets and property, plant and equipment	266 896,78	9 708 873,02
Investments in real property and intangible assets	0,00	0,00
For financial assets, including:	0,00	13 875 064,00
a) in related entities	0,00	11 766 664,00
purchase of financial assets	0,00	11 766 664,00

b) in other entities	0,00	2 108 400,00
purchase of financial assets	0,00	2 108 400,00
Other investment outflows	0,00	0,00
Cash flows from investing activities	32 386 411,27	-19 608 228,67
Cash flows from financing activities		
Inflows	104 478 149,32	17 432 922,99
Loans and borrowings	103 375 965,47	0,00
Issue of debt securities	1 052 602,35	16 990 000,00
Net inflows from stock issue	0,00	0,00
Other financial inflows	0,00	442 922,99
Outflows	120 214 896,78	20 183 037,05
Purchase of shares (stocks)	0,00	0,00
Dividends and other payments to shareholders	0,00	0,00
Profit distribution other than payments to shareholders	0,00	0,00
Repayment of loans and borrowings	108 893 915,72	3 427 188,36
Redemption of debt securities	0,00	0,00
Due to other financial liabilities	0,00	0,00
Payments of liabilities under finance lease agreements	176 861,16	681 777,04
Interest	1 421 958,06	15 728 852,90
Other financial outflows	9 722 161,84	345 218,75
Net cash flows from financing activities	-15 736 747,46	-2 750 114,06
Total net cash flows	-14 008 283,51	-22 378 989,52
Balance sheet change in cash, including:	-14 008 283,50	-22 378 989,52
change in cash due to exchange differences	0,11	0,00
Cash as at the beginning of the period	56 486 007,74	61 115 284,37
Cash at the end of the period	42 477 724,24	38 736 294,85
Other adjustments include:		
change in exchange differences	-325 809,20	-138 715,36
change in investment real estate	78 493 275,00	0,00
other changes in capital funds	-12 164 860,28	-466 254,59
Managerial programme	0,00	456 401,64
Change of other assets	0,00	2 518 617,16
Changes in shares attributable to non-controlling shareholders	0,00	8 375 614,42
minority profit	-4 850 899,76	0,00
FR adjustment carried forward	-16 000 000	0,00
Total	61 151 705,76	10 745 663,27

Consolidated statement of changes in equity of the Capital Group

01.01.2019-30.09.2019	Share capital	Supplementary capital	Reserve capital	Previous years' result	Exchange differences	Net result	Equity attributable shareholders of the dominating entity	Capital held by non-controlling shareholders
As at 31 December 2018	6 509 482,30	236 084 819,51	-92 106 141,79	-52 622 554,11	-15 119 961,09	8 147 732,57	90 893 377,39	24 718 569,71
Capital increase	49 581,50						49 581,50	
Net profit (loss) for the financial year						-15 661 481,25	-15 661 481,25	
Exchange differences due to the translation of financial statements of foreign entities					-325 809,20		-325 809,20	
Distribution of the 2018 result:				-1 434 919,92			-1 434 919,92	
Adjustment of the 2018 result		1 106 579,40		-17 521 147,43			-16 414 568,03	
Minority result							-4 850 899,76	4 850 899,76
Profit carried forward				8 147 732,57		-8 147 732,57	0,00	
Cancellation of the valuation of the Prohuman option		78 493 275,00					78 493 275,00	
Other				495 209,15			495 209,15	
As at 30 September 2019	6 559 063,80	315 684 673,91	-92 106 141,79	-62 935 679,74	-15 445 770,29	-15 661 481,25	136 094 664,64	29 569 469,47

Consolidated statement of changes in equity (comparatives)

01.01.2018- 31.12.2018	Share capital	Other capital / supplementary capital	Capital from the valuation of options	Other capital / exchange differences from the translation of subordinated entities	Previous years' profit/loss	Net result	Equity attributable shareholders of the dominating entity	Capital held by non-controlling shareholders	Equity with capital held by minority shareholders
As at 31 December 2017	6 509 482,30	232 879 346,83	-97 993 882,72	-15 785 334,10	44 214 392,84	-96 290 167,84	73 533 837,31	71 439 858,03	144 973 695,34
Capital increase	0,00	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	0,00	8 147 732,57	8 147 732,57	4 966 739,05	12 049 423,27
Exchange differences due to the translation of financial statements of foreign entities	0,00	0,00	0,00	665 373,00	0,00	0,00	665 373,00	0,00	665 373,00
FR adjustments carried forward (ITK and IFRS 9)	0,00	0,00	0,00	0,00	-12 214 512,46	0,00	-12 214 512,46	0,00	-12 214 512,46
Transfer of the previous year's result to supplementary capital	0,00	0,00	0,00	0,00	-96 290 167,84	96 290 167,84	0,00	0,00	0,00
Adjustment of previous years' capital Exact	0,00	0,00	0,00	0,00	59 212 166,13	0,00	59 212 166,13	-51 699 935,69	7 512 227,44
Repurchase of minority shares Exact	0,00	0,00	0,00	0,00	-33 053 631,56	0,00	-33 053 631,56	0,00	-33 053 631,56
Previous years' capital KCP, IPS, Czech	0,00	0,00	-36 405,16	0,00	-491 727,71	0,00	-528 132,87	0,00	528 132,87
A deduction in accordance with IFRS	0,00	0,00	0,00	0,00	-13 804 442,43	0,00	-13 804 442,43	0,00	-13 804 442,43
Managerial programme	0,00	0,00	456 401,64	0,00	0,00	0,00	456 401,64	0,00	456 401,64
Sales 2% Careers	0,00	0,00	0,00	0,00	-9 908,32	0,00	0,00	9 908,32	9 908,32
Other	0,00	0,00	-275 936,87	0,00	-184 722,76	0,00	-470 563,94	2 000,00	-468 563,94
Option valuation adjustment	0,00	3 205 468,68	5 743 681,32	0,00	0,00	0,00	8 949 150,00	0,00	8 949 150,00
As at 31 December 2018	6 509 482,30	236 084 819,51	-92 106 141,79	-15 119 961,09	-52 622 554,11	8 147 732,57	90 893 377,39	24 718 569,71	115 652 186,10

Additional information about the Summary Report of the Capital Group for Q3 2019

1. General information about the Work Service Capital Group

1.1. Dominating Entity

Work Service SA is the dominating entity in the Work Service Capital Group. The registered office of the Dominating Company is in Wrocław, ul. Gwiaździsta 66. The company was established by notarial deed dated 12 December 2000 prepared in a Notary Office in Oleśnica (Repertory 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, the 6th Commercial Division of the National Court Register under the number KRS 0000083941. The Company was entered into the register of Entrepreneurs of the National Court Register on 28 January 2002.

Work Service SA is the successor of Work Service Spółka z o.o.

The core business of the Company according to the Polish Business Classification (PKD 7820Z) consists of the activity related to the recruitment and provision of personnel.

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

Company name, address of the registered office and telecommunication numbers:

Company name	Work Service SA
Legal form	Joint-stock company
Address	53-413 Wrocław ul. Gwiaździsta 66
Telephone	+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 the Polish law. The legal basis for the Company's activity: the Code of Commercial Companies and regulations of the General Meeting, Supervisory Board and Management Board.

1.2. Basic information about the Work Service Capital Group

Business profiles of companies being a part of the Capital Group:

- temporary work — offering work for temporary employees;
- staff recruitment, personnel counselling;
- personnel and payroll services;
- outsourcing.

The consolidated statements are based on the report of the Dominating Company compiled in line with the International Financial Reporting Standards approved by the European Union and restated financial statements of subordinated companies. The consolidated financial statements were adjusted by amounts of mutual revenues, costs, unrealised margin and settlements resulting from transactions between Group entities.

STRATEGIC DESCRIPTION

The summary unit statement of the Dominating Company and the consolidated financial statement of its Capital Group were compiled on the assumption of the continuity of business of the Dominating Company and the companies belonging to the Capital Group in an unchanged form and scope for at least 12 months as of the date of the financial statements.

The factors and events as described in this chapter have allowed to significantly reduce the Company's debt and continue its operations on the promising personnel services market.

Financial and capital situation of the Capital Group

In the opinion of the Management Board, the Capital Group will continue to be in a difficult situation until it acquires an investor as part of the capital increase and other strategic options, and fully repays all existing public and legal liabilities related to the agreements concluded with the Social Insurance Institution (ZUS), existing credit and bond liabilities, other public and legal liabilities and other liabilities.

The current financial situation is shaped by the following processes and factors:

1) Necessity to manage the liabilities resulting from concluded instalment repayment agreements with the Social Insurance Institution;

After reducing the level of credit indebtedness in 2018, the Capital Group continued its restructuring activities in the first half of 2019 by entering into instalment repayment agreements with the Social Insurance Institution which encumber the Group's current liquidity.

2) Execution of sales transactions of the Company's subsidiaries;

On July 3, 2019, the Company and Hungarian companies: Human Investors Kft. ("HI"), Profólió Projekt Tanácsadó Kft. ("Profólió") and Prohumán 2004 Kft. ("Prohumán") signed a purchase and cooperation option agreement (The "Agreement"), as well as other documents related thereto, detailing the terms and conditions of the transaction for the future sale of 100% shares in Prohumán ("Prohumán Sale Process"). The Prohumán Sales Process applies to the sales to HI (a company formed by managers associated with Profólió and Prohumán) or another entity designated by HI ("Buyer") of: (i) all Prohumán shares owned by the Company, representing 80.22% of the share capital of Prohumán (Main Shares) and (ii) all or part of the remaining Prohumán shares held by Profólió, representing 19.78% of the share capital of Prohumán (Profólió Shares).

Pursuant to the Agreement, a call option was established for the benefit of the Buyer with respect to the Main Shares ("Call Option"), under which the Buyer may unilaterally purchase the Main Shares. The Call Option was established for a definite period of 2 (two) years from the date of signing the Agreement ("Date of Signing"), with the option of early expiry in the cases specified in the Agreement.

The sale price of the Main Shares ("Purchase Option Purchase Price") consists of cash payments and repayment of all loans granted by Prohumán to the Company ("Prohumán Loans") under loan agreements ("Prohumán Loan Agreement") plus interest (settlement amount of intra-group liabilities). The sale price at the time of finalizing the transaction will generate a gross profit (before tax) in the Company's separate financial statements in the amount of approx. PLN 49 million.

Simultaneously, the Company signed an annex to the Prohumán Loan Agreement, extending the maturity of Prohumán Loans until December 31, 2021 and authorizing the repayment of Prohumán Loans in accordance with the Agreement. The condition for the entry into force of this annex to the Prohumán Loan Agreement was the entry into force of the Agreement and the delivery of the originals of notarial submission to the enforcement of the Company regarding claims under the Prohumán Loan Agreement.

The exercise of the Call Option and the completion of the sale transaction depends on the prior fulfillment of the conditions referred to in the Agreement.

Pursuant to the Agreement, the completion of the Prohumán Sales Process by HI will be completed by March 31, 2020, with the option of extending this period, under the conditions set out in the Agreement ("Extension of the Term").

Profólió will cooperate with HI in the Prohumán Sales Process, including the sale of Profólió Shares or parts thereof (to the extent that the Buyer does not buy the entire Profólió Shares) and will be a party to the sales contract ("Prohumán Sales Agreement").

If the conditions of the Extension of the Term are not met, the Company may terminate the Call Option by written notification delivered to HI by April 30, 2020 at the latest. If the Company does not terminate the exercise of the Call Option by 30 April 2020 at the latest, then, under the conditions specified in the Agreement, the deadline for completing the Prohumán Sales Process will be automatically extended. If this period has been extended, however Prohumán is not sold within this extended period, the Company may terminate the Call Option at any time after this extended period has expired. HI may terminate the Purchase Option at any time.

In the event of failure of the above transaction in accordance with the schedule described hereinabove, the parties agreed on the conditions of mutual settlements and the further sale of Prohumán. On the day of termination of the Call Option by any of the above-mentioned parties ("Closing Cancellation Day"), the Issuer will be entitled to exclusive management of the sale of the Major Shares and Profits of the external buyer ("Second Sale of Prohumán"), in accordance with the agreement of October 23, 2017 and its changes ("QSPA"). The Prohumán Second Sale will begin within 9 months of the Closing Date. As a result of the Second Sale of Prohumán: (i) the Company, (ii) a subsidiary of the Company in which the Company is the sole shareholder (to which the Company may unilaterally transfer rights and obligations under the QSPA, subject to payment of the purchase price) or (iii) an external buyer selected by the Company (to whom certain rights and obligations under QSPA may be unilaterally transferred by the Company, subject to payment of the purchase price) will acquire Profólió Shares for the purchase price which will be reduced by PLN 4 million compared to the purchase price specified in the QSPA, without interest charged on this prices during the Second Sale of Prohumán, as well as will be payable in full in cash in accordance with the QSPA (as amended) ("Profólió Share Purchase Price").

Payment to Profólió of the Purchase Price of Profólió Shares by the Company or an external buyer selected by the Company will be made simultaneously with the payment and transfer of the Main Shares, as well as will take place not earlier than: (i) within 12 months from the start of the Second Sale of Prohumán and (ii) within 21 months from the Closing Date ("Prohumán Second Sale Date"). Under certain conditions, the period for the second sale of Prohumán will be automatically extended by 3 (three) months. If the payment of the Purchase Price of Profólió Shares does not take place before or on the date of the Second Sale of Prohumán, the Second Sale of Prohumán will be considered unsuccessful.

In this case, the purchase price of the Profólió Shares will be payable by the Company in 4 (four) equal quarterly installments.

Accordingly, Profólió and the Company signed an annex to the QSPA ("Annex to the QSPA") in the event of failure of the Second Sale of Prohumán. The Annex to the QSPA defines the manner of selling Shares ("Third Sale of Prohumán"), in four installments "Implementation of the First Installment" – will take place on the last business day of the three-month period counted from the date of entry into force of the Annex to the QSPA; "Implementation of the Second Installment" – will take place on the last business day of the six-month period counted from the date of entry into force of the Annex to the QSPA; "Implementation of the Third Installment" – will take place on the last business day of the 9-month period calculated from the date of entry into force of the Annex to the QSPA, and "Implementation of the Fourth Installment" – will take place on the last business day of the 12-month period counted from the date of entry of the Annex to the QSPA into force). Each of these installments corresponds to 1/4 (one quarter) of the purchase price of the Profólió Shares and represents 4.945% of the registered capital of Prohumán. Each installment will be paid in accordance with the conditions set out in the amendment to the QSPA.

The parties provided for contractual penalties for violation of the provisions of the Agreement, in the amount of PLN 100,000.00 to PLN 40,000,000.00, depending on the nature and significance of the violation.

The parties agreed in the Agreement interest in the amount of 10%, in the event of default, calculated from the date of payment due to the date of actual payment.

The agreement is subject to Hungarian law. Other conditions contained in the Agreement do not differ from the conditions used in these types of agreements.

The funds obtained from the sale of the Main Shares will be allocated to: (i) total repayment of the loan granted to the Company under a loan agreement of November 18, 2015 (then annexed) concluded with Bank BNP Paribas S.A. (Joint Stock Company), Bank Millennium S.A. (Joint Stock Company), Santander Bank Polska S.A. (Joint Stock Company) and Powszechna Kasa Oszczędności Bank Polski S.A. (Joint Stock Company), of which the Company informed in current reports, inter alia, No. 43/2015 No. 34/2017, No. 7/2018, No. 82/2018 No. and 86/2018, in the amount of approx. PLN 110 million (ii) for further debt relief and reduction of liabilities of the Issuer's Capital Group.

Therefore, in the interim condensed for the first nine months of 2019 report, the financial data of Prohumán 2004 Kft. and the subsidiaries of Prohumán 2004 Kft. were classified as so-called discontinued operations.

In addition, the Company's Management Board, as at the date of this report, is conducting the sales process of Antal Sp z o.o. (Limited Liability Company) and subsidiaries of Antal Sp. z o.o., as well as the Antal trademark owned by the Company.

Therefore, the results of Antal Sp. z o.o. and subsidiaries of Antal Sp z o.o. were also classified as "discontinued operations".

On December 10, 2018, the Company fully implemented the conditional agreement concluded on December 6, 2018, and completed the restructuring and refinancing of bonds. As part of the provisions of the bond issue conditions, the Company undertook to restructure activities, including the start of the sales process of Work Service Czech s.r.o., Work Service Slovakia s.r.o., Work Service SK s.r.o., Work Service Outsourcing Slovakia s.r.o. within the specified schedule.

3) Ongoing process of obtaining financing that enables to improve working capital and repay significant liabilities;

On 21 March 2019, the Company made a decision to initiate a review of strategic options in order to select the most cost-effective way to implement the long-term strategy of the Work Service Capital Group.

In order for the debt restructuring process to be professionally handled and the strategic options to be reviewed, and then for obtaining financing, the Company's Management Board continues its collaboration with a financial advisor, based on an agreement concluded in 2018, who, among others, supports the Management Board in discussions and negotiations with creditors as well as institutions and entities interested in granting various forms of financing to the Company. The Company has engaged in a collaboration with a brokerage house.

The intention of the Company's Management Board is to obtain additional financing in 2020. The capital obtained from investors would enable to improve the working capital and would finance the repayment of significant liabilities of the Capital Group. In addition to proceeds from the sale of assets (processes described in point 2), it would constitute a significant source of capital intended for debt repayment and business development on the prospective HR market.

4) Adjustment of the scale of operations and systematic reduction of operating costs enabling the improvement of business profitability;

The presented financial data relate to continued operations (data without the Prohuman, Antal groups) for the 9-month period ended September 30, 2019 and for the 9-month period ended September 30, 2018.

CONTINUED OPERATIONS	01.01.2019-30.09.2019	01.01.2018-30.09.2018
Revenues	636 037 986,08	1 001 278 319,35
Net revenues from sales of products	635 545 357,70	1 002 009 055,85
Variation in stocks of products	492 628,38	-730 736,50
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	664 964 971,18	1 037 756 997,11
Depreciation	8 456 548,90	7 600 333,82
Consumption of materials and energy	2 349 976,06	2 550 191,60
Outside services	58 676 297,43	123 185 969,51
Taxes and charges	2 755 143,83	2 343 703,97
Remuneration	482 412 130,26	726 410 343,98
Social insurance and other benefits	102 915 210,30	152 105 020,22
Other generic expenses	7 399 664,40	23 561 434,00
Value of goods and materials sold	0,00	0,00
Profit (loss) on sales	-28 926 985,09	-36 478 677,76
Other operating incomes	52 666 798,98	23 977 446,76
Other operating costs	38 550 284,71	39 800 568,96
Profit (loss) on operating activities	-14 810 470,82	-52 301 799,96
Financial incomes	2 912 231,55	1 575 843,06
Financial costs	12 082 011,58	21 855 676,01
Gross profit (loss)	-23 980 250,84	-72 581 632,91
Income tax	-9 671 162,43	-845 701,89

Net profit (loss) from continued operations	-14 309 088,41	-71 735 931,03
Valuation of shares using the equity method	0,00	0,00
Minority gains (losses)	4 850 899,76	8 385 522,74
Profit attributable to equity holders of the parent company	-15 661 481,25	-33 101 344,71

The table below presents data on discontinued operations:

- financial data of discontinued operations for the period 01.01.2019-30.09.2019 include the Prohuman, Antal groups;
- financial data of discontinued operations for the period 01.01.2018-30.09.2018 include the Prohuman, Antal groups as well as the Exact group and the ProService group, which were also consolidated in this period.

DISCONTINUED OPERATIONS	01.01.2019-30.09.2019	01.01.2018-30.09.2018
Net revenues from sales of products	602 344 753,71	891 285 115,86
Operating costs	564 539 385,19	818 189 530,87
Other operating incomes	6 472 800,84	5 477 729,53
Other operating costs	3 675 590,55	10 211 750,94
Financial incomes	1 365 056,67	4 206 372,10
Financial costs	27 240 307,23	9 586 219,98
Gross profit (loss)	14 727 328,26	62 981 715,71
Income tax	11 228 821,34	15 961 606,65
Profit for the financial year from discontinued operations	3 498 506,92	47 020 109,05

As a consequence of the conclusion of Annex No. 4 to the loan agreement in December 2018 and the stabilization of the situation in the area of bond debt, the Company's Management Board may focus their attention on the core operating activities to a much greater extent.

In the first nine months of 2019, we observe a correction in the level of sales revenues, which is related to the debt restructuring process at the turn of the fourth quarter of 2018 and the first quarter of 2019. Parallel to the decrease in revenues, operating expenses also decreased.

The intention of the Company's Management Board is to systematically improve the profitability of operations by further reducing fixed costs started in 2018, and on the other hand to focus commercial activities on acquiring new orders from existing and new customers in Poland, the Czech Republic, Slovakia and Germany.

The Company's Management Board notes that the Company operates on the prospective HR services market, and due to operational restructuring, the group will use the market potential more effectively.

5) Recognition of unusual events as a result of continued operations;

The Company's Management Board notes that as a result of operating activities from continuing operations for the first nine months of 2019 (presented in item 4), a number of unusual events were identified, including:

A. **Events and factors of an unusual nature improving the result on operating activities in the total amount of approx. PLN 14 million, including:**

- Unusual sales revenues recognized in the total amount of PLN 1 million, including:
 - Recognized sales revenues in connection with the adjustment of the awarded subsidy in the total amount of approx. PLN 1 million;
- Other unusual operating revenues recognized in the total amount of approx. PLN 13 million, including:
 - Other operating revenues recognized in connection with the termination of lease agreements in the total amount of PLN 1.5 million;
 - Other operating revenues recognized in connection with the adjustment of the value of public and legal liabilities in the total amount of PLN 3.7 million;
 - Other operating revenues recognized in connection with the release of restructuring provisions in the total amount of PLN 4.3 million;
 - Other operating revenues recognized in connection with the cancellation of a penalty for late redemption of Prohuman shares in the total amount of approximately PLN 3 million;

- Other operating revenues related to the adjustment of liabilities in the balance sheet in the total amount of PLN 0.3 million;
- Other operating revenues related to the prepayment for sold real estate in the amount of approximately PLN 0.2 million.

B. Unusual events and factors worsening the result on operating activities in the total amount of approx. PLN 13.2 million, including:

1. Costs of external services related to, inter alia: i) consultancy (covered and not covered by restructuring reserves), ii) settlement of cooperation with a subcontractor and iii) other in the total amount of approx. PLN 5.6 million;
2. Other unusual operating costs recognized in the amount of approx. PLN 7.6 million, including:
 - Other operating costs related to the adjustment or delay in the payment of public and legal liabilities in the total amount of PLN 4.6 million;
 - Other operating costs related to the adjustment of the value of assets in the balance sheet in the total amount of approximately PLN 2.5 million;
 - Other operating costs related to the adjustment of the value of liabilities in the balance sheet in the total amount of PLN 0.4 million;
 - Other operating costs recognized in connection with the termination of lease agreements in the total amount of PLN 0.1 million.

As a result (joint balance of points A and B), the impact of the identified non-recurring events on the operating profit presented in point 4 is positive and stands at approximately PLN 0.8 million.

Comparative data for the first nine months of 2018 for continued operations presented in item 4 for 2018 also include unusual events that worsen the operating profit in the total amount of approximately PLN 22.3 million. These events were also presented in the published interim condensed report for the period of nine months of 2018.

Furthermore, the Management Board of the Company notes that an unusual event that worsens the result on discontinued operations in the period of nine months of 2019 was also recognized, related to the estimated loss from the sale of assets held for sale, as a result of the loss of their market value, in the total amount of PLN 25 million.

6) Repayment of acquisition liabilities to FIEGE Logistik Stiftung & Co. KG

Thanks to an intra-group loan, Work Service S.A. repaid in the fourth quarter of 2019 the remaining acquisition liabilities for its wholly controlled subsidiary, Work Service GmbH & Co.KG.

7) No payment for the shares sold in ProService Worldwide (Cyprus) Limited

In connection with the sale by Work Service S.A. to PROLOGICS (UK) LLP with its registered office in London (the "Buyer") of a 100% stake in ProService Worldwide (Cyprus) Limited and the non-payment to Work Service S.A. of the price for the shares in ProService. As at the date of this report, preparations are underway to take legal steps to collect the receivables.

8) Establishment of a provision for estimated liabilities towards PFRON

A PLN 16 million provision was established for anticipated and estimated liabilities towards PFRON and charged to the previous years' result.

Some companies of the Group are engaged in administrative proceedings against PFRON, the aim of which is to determine the correct amount of the funding granted and disbursed by PFRON.

To sum up the significant issues related to the assessment of the current financial and strategic situation, the Management Board makes every effort to ensure that the presented measures can be fully implemented, and that the restructuring of the Company's and the Capital Group's debt, which began in 2018, can be effectively brought to an end. At the same time, the Management Board is aware that not all factors influencing the success of the debt restructuring process of the Company and the Capital Group, including the processes of obtaining financing and selling the Group's assets that enable debt reduction, depend on the efforts and decisions of the Management Board.

Directors of Work Service SA as at September 30, 2019:

- Iwona Szmitkowska – President
- Jarosław Dymitruk – Vice-President

On 10 September 2019, the Supervisory Board of the Company adopted a resolution to dismiss Mr. Paul Christodoulou from the position of the Vice President of the Management Board of the Company with effect on 10 September 2019. The reason for the appeal was not indicated.

Composition of the Supervisory Board of Work Service SA as at September 30, 2019:

- Maciej Witucki – Chairman of the Supervisory Board
- Tomasz Misiak – Deputy Chairman of the Supervisory Board
- Panagiotis Sofianos – Member of the Supervisory Board
- Pierre Mellinger – Member of the Supervisory Board
- Tomasz Hanczarek – Member of the Supervisory Board
- Paweł Ruka – Member of the Supervisory Board
- Tomasz Bujak – Member of the Supervisory Board
- Piotr Żegleń – Member of the Supervisory Board
- Tomasz Wojtaszek – Member of the Supervisory Board

There were no changes in the composition of the Supervisory Board of Work Service SA in Q3 2019.

The following business entities were a part of the Work Service Capital Group as at September 30, 2019:

Companies in which Work Service SA holds direct capital share

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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
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
WS Support 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%	Non-consolidated
Krajowe Centrum Pracy Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	16.05.2011	75.00%	75.00%	Full
Prohuman 2004 Kft.	H-1146 Budapest, Hungaria korut 140-144.	21.12.2013	80.22%	80.22%	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	100.00%	100.00%	Full
Work Service Czech s.r.o.	Anglická 140/20, Vinohrady, 120 00 Praha 2	30.01.2004	100.00%	100.00%	Full
Work Service East Lcc	Kharkov, ul. Sumska 50, Kharkov area, Kharkov voivodship, Ukraine	03.02.2017	100.00%	100.00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	04.09.2007	53.50%	53.50%	Full
Workport24 GmbH	An den Treptowers 1 D-12435 Berlin	19.08.2011	100.00%	100.00%	Non-consolidated

Companies related through Antal Sp. z o. o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Antal International s.r.o.	Anglicka 140/20, Vinohrady, 120 00 Praha 2	19.09.2014	100.00%	100.00%	Full
Enloyd Kft.	H-1146 Budapest, Hungaria korut 140-144	16.02.2015	100.00%	100.00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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 through Work Service Slovakia s.r.o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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 through Prohuman 2004 Kft

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Prohuman Outsourcing Kft.	H-1146 Budapest, Hungaria korut 140-144	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
Naton kadrovsko svetovanje d.o.o.	Ljubljana, Cesta 24. Junija 25, 1231 Ljubljana-Crnuce	03.12.2015	100.00%	100.00%	Full
HR Rent Kft	H-7624 Pecs, Ferencsek utcoja 52	10.12.2015	100.00%	100.00%	Full
Finance Sales Hungary Kft (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, 1st 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, 1st 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, 1st 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, 1st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full

Companies related through Naton kadrovsko svetovanje d.o.o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Naton Ljudski potencial d.o.o.	Zvonimirova 2/III, 100000 Zagreb, Croatia	03.12.2015	100.00%	100.00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Outsourcing Solutions Partner Sp. z o.o.	ul. Murckowska 14, 40-265 Katowice	02.01.2014	100.00%	100.00%	Full
Support and Care Sp. z o.o.	ul. Warszawska 1, 42-350 Koziegłowy	02.01.2014	100.00%	100.00%	Full

Companies related through Work Service Gmbh & Co.KG

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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 Vienna	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 through Work Service SPV Sp. z o.o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service Gmbh & Co.KG	c/o CMS Hasche Sigle, Breite Str. 3, 40213 Düsseldorf	26.06.2014	100.00%	100.00%	Full

Companies related through Work Service Deutschland GmbH

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service Fahrschule Gmbh	Domhof 8, 48268 Greven	29.07.2015	100,00%	100,00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Kariera.pl Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	03.11.2016	49.00%	49.00%	Full

Companies related through Profield 2008 Kft

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Finance Care Hungary Pénzügyi Tanácsadó Kft	H-1146 Budapest, Hungária krt. 140-144, HU25790722	08.11.2016	100.00%	100.00%	Full

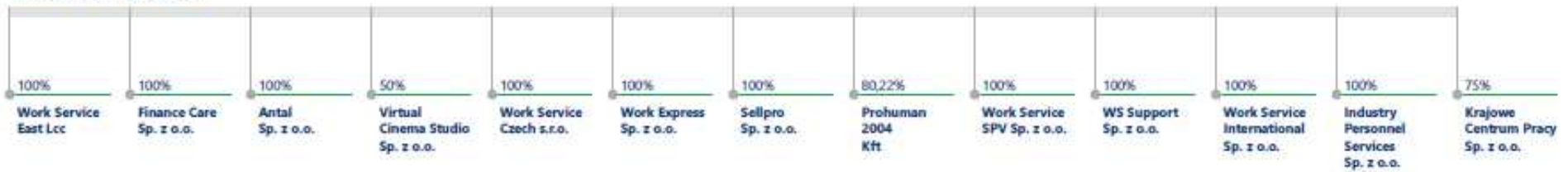
Related entities of the Parent Company are the entities included in the consolidated financial statements, i.e. all Capital Group companies except for Virtual Cinema Studio Sp. z o.o. and WorkPort24 Gmbh.

Due to the fact that Work Service SA does not have control over Virtual Cinema Studio sp. z o.o., understood in accordance with IFRS 10 it does not consolidate Virtual Cinema Studio sp. z o.o. In turn, the application of the materiality principle referred to § 31 of IAS 1 excludes this company from consolidation under the equity method as a related entity.

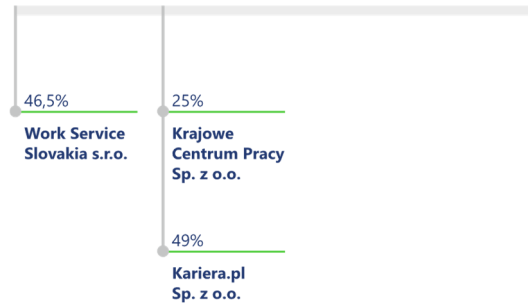
As for WorkPort24 Gmbh, the application of the materiality principle referred to § 31 of IAS 1 excludes this company from consolidation under the equity method as a related entity.

Structure of the Work Service Capital Group as at 30.09.2019

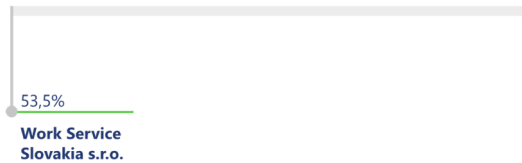
Work Service SA



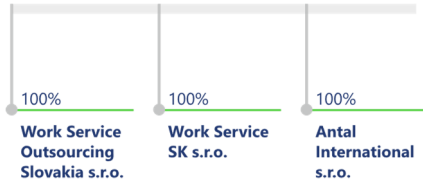
Industry Personnel Services Sp. z o.o.



Work Service International Sp. z o.o.



Work Service Slovakia s.r.o.



Antal Sp. z o.o.



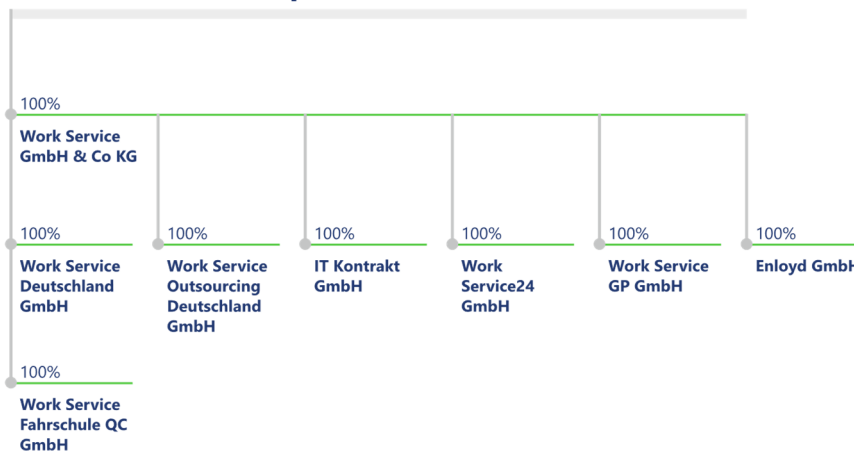
Prohuman 2004 Kft



Work Express Sp. z o.o.



Work Service SPV Sp. z o.o.



1.3. Subject matter of the activity of companies being a part of the Work Service Capital Group

Work Service Capital Group renders human resource management services. It specialises in the search for and recruitment of skilled workers, personnel consulting, outsourcing of functions related to HR management and supporting processes in enterprises and offers solutions based on the use of agency work employment contracts. The Capital Group conducts business in all parts of the country via its regional offices and representatives and also abroad: in Europe and Asia. The activity of the Work Service Capital Group is based on the ability to combine the needs of enterprises relating to employment costs and structure optimisation with resources available in the labour market, i.e. the number of professionally active people, their qualifications and labour cost.

Work Service SA – is the Dominating Company in the Work Service Group. Its activity is based on the rendering of the following services: temporary work, personnel consulting, recruitment, competence evaluation, outplacement, human resource management and salary calculation.

Antal Sp. z o.o. - the core business profile of this company consists of paramedical services from services supporting pregnant women (e.g. shopping with an expert, adaptation of interiors to the needs and safety of young children) to the care for new-borns, infants and young children. Care services it offers are rendered by midwives, nannies and governesses. The company also renders personnel consulting services, in particular, related to recruitment, selection and acquisition of workers to specific medium and top management positions in various industries, in sales and marketing, logistics, IT/computer, production, public relations, legal, HR, finance and accounting and banking departments.

Finance Care Sp. z o.o. — as part of cooperation with insurance companies and banks, Finance Care provides outsourcing services for these entities.

Industry Personnel Services sp. z o.o. - carries out tasks related to the execution of projects involving the management of parts of or entire production plants.

Sellpro Sp. z o.o. - renders services related to recruitment and provision of workers, business and management consulting, activity related to databases, market research.

WS Support Sp. z o.o. - the Company conducts business covering end-to-end cleaning services for healthcare institutions, other public utility buildings and private facilities.

Work Service International Sp. z o.o. – renders services related to temporary work and recruitment of workers in international markets.

Work Service Czech s.r.o. – renders services related to temporary work, outsourcing and recruitment of workers in the Czech market.

Work Service Slovakia s.r.o. - the company is indirectly subordinated to Work Service SA through Industry Personnel Services Sp. z o.o., which is the majority partner and Work Service International Sp. z o.o. (that holds the rest of shares in Work Service Slovakia s.r.o.). The scope of service offered by the Company in Slovakia is equivalent to those offered by the Dominating Company in the domestic market.

Work Service Outsourcing Slovakia s.r.o. – the equity of the company was fully assumed by Work Service Slovakia s.r.o. The company conducts business, among other things, related to personnel consulting, compilation and sales of research and analyses of labour markets.

Work Service24 GmbH – a company indirectly subordinated to Work Service SA, 100% owned by Work Service GmbH & Co. KG. The headquarters of the company Hoppergarten near Berlin. The company conducts business involving job agency (including headhunting services and recruitment), hiring out of workers (temporary work), compilation and sales of research and analyses of labour markets.

IT Kontrakt GmbH – a company indirectly subordinated to Work Service SA. The company dedicated to the service of the German market.

Krajowe Centrum Pracy Sp. z o.o. - the purpose of the company is to offer specialised solutions relating to both permanent and temporary employment, recruitment of specialists also on foreign markets, the outsourcing of functions typical for the raw material and energy industry.

Work Express Sp. z o.o. – the company directly subordinated to the Dominating Company, with 100% shares held by Work Service SA. As a temporary employment agency, it offers end-to-end organisation of the employment process for temporary workers. Another line of business of the company consists of job agency and personnel consulting services. The third activity area consists of the process outsourcing services. Taking advantage of its knowledge and experience gained when rendering temporary employment services to enterprises from the TSL sector, the firm has created innovative solutions for clients in the following industries: IT, consumer electronics, clothing, food, heavy industry and online shops.

Outsourcing Solutions Partner Sp. z o.o. – a company indirectly subordinated to Work Service SA. 100% of shares of the company belong to Work Express Sp. z o.o. (100% subordinated to Work Service SA).

Support and Care Sp. z o.o. (LogistykaPL Sp. z o.o.) - a company indirectly subordinated to Work Service SA. 100% of shares of the company belong to Work Express Sp. z o.o. (100% subordinated to Work Service SA).

Prohuman 2004 Kft - a company directly subordinated to the Dominating Company, with 80.22% shares held by Work Service SA. The company is one of the largest job centres on the Hungarian market. Prohuman has been active on the Hungarian market of personnel services since 2004. The Company is a part of the Prohume Group comprising five firms active in different areas (end-to-end HR services, merchandising, sales promotions, marketing events, telemarketing).

Prohuman Outsourcing Kft. - indirectly subordinated to Work Service SA. The company is 100% owned by Prohuman 2004 Kft (subordinated to Work Service SA in 80.22%).

Work Service SPV Sp. z o.o. - 100% subordinated to Work Service SA. Its establishment is related to the implementation of provisions contained in the agreement with Fiege Logistik Stiftung & Co. KG with the office in Greven, Germany.

Enloyd Gmbh – the company's business is equivalent to that of Antal Sp. z o.o. on the German market. The company's equity was fully assumed by Work Service Gmbh&Co.KG. The company was registered on 23.03.2015.

Enloyd Kft – the company's business is equivalent to that of Antal Sp. z o.o. on the Hungarian market. The equity of that company was assumed in full by Antal Sp. z o.o., which is subordinated to Work Service SA. in 100%.

Antal International s.r.o. (Czech Republic) – the company's business is equivalent to that of Antal Sp. z o.o. on the Czech market. The equity of the company was assumed in full by Antal Sp. z o.o., which is subordinated to Work Service SA. in 100%.

Antal International s.r.o. (Slovakia) – the company's business is equivalent to that of Antal Sp. z o.o. on the Slovak market. The equity of the company was assumed in full by Work Service Slovakia s.r.o, which is indirectly subordinated to Work Service SA.

Work Service Fahrschule QC Gmbh – a company indirectly subordinated to Work Service SA. The core business consists of specialist training for workers from the sector of logistics. The activity of the company focuses on the improvement of worker skills by making it possible for them to acquire additional licenses necessary to operate machinery and equipment used in the logistic sector. The company also executes driving courses for categories C+E for internal workers and for external clients.

Human Existence Kft. – a company indirectly subordinated to Work Service SA. The company is 100% owned by Prohuman 2004 Kft (subordinated to Work Service SA in 80.22%). The company offers the leasing of temporary workers and outsourcing. It operates in the north-eastern part of Hungary.

Work Service Fahrschule QC Gmbh – a company indirectly subordinated to Work Service SA. The business profile of the company consists of the job agency, the lease of workers (temporary work) and, in particular, activity in the sector of logistics. The company combines logistic know-how with knowledge of human resources and implements intelligent staff solutions for commerce and logistics. The company operates on the German market.

Work Service GmbH & Co. KG – a company indirectly subordinated to Work Service SA. Work Service SPV Sp. z o.o. holds 100% shares in the company.

Work Service Outsourcing Deutschland Gmbh – a company indirectly subordinated to Work Service SA. The company offers services related to the outsourcing of processes with a particular focus on logistics. The company operates on the German market. Its uniqueness consists of the training and guaranteed development of workers according to clients' needs. The training takes place in more than 100 locations of the firm or in the cooperation with its partners in Germany.

Work Service GP Gmbh – a company under the Austrian law. The company is the general partner of Work Service GmbH & Co. KG.

HR-Rent Kft. – the company renders temporary work services in Hungary and abroad (Austria, Germany).

Finance Sales Hungary Kft (Profield 2008 Kft). – the company renders end-to-end agency services related to various financial products, i.e. financial service outsourcing.

Naton kadrovsko svetovanje d.o.o. (Slovenia) – the oldest HR agency in Slovenia. It occupies the second or third place depending on its size and on the number of temporary workers in Slovenia.

Naton Ljudski potencijali d.o.o. (Croatia) – the firm operates in the territory of Croatia specialising, in particular, in the pharmaceutical sector.

Work Service SK s.r.o. - a company indirectly subordinated to Work Service SA through Work Service Slovakia s.r.o. The scope of service offered by the Company in Slovakia is equivalent to those offered by the Dominating Company.

Finance Care Hungary Pénzügyi Tanácsadó Kft. - as a part of the cooperation with insurance companies and banks, the company provides outsourcing services to such entities on the Hungarian market.

APT Resources&Services s.r.l. - the firm was established in 1994. It mainly operates in the following industries: IT, banking and finance, engineering, retail trade, medicine and pharmaceuticals. It renders services related to temporary work, recruitment and selection of workers and HR outsourcing.

APT Human Resources s.r.l. - The core business of the firm consists of temporary work services, mostly for the following industries: food production, energy, finance and banking, insurance.

APT Broker s.r.l. - The firm renders financial agency services for the banking sector.

APT Finance Broker s.r.l. - The firm renders financial agency services for the banking sector.

Work Service East Lcc – the firm offers agency services relating to the employment of workers abroad.

Kariera.pl Sp. z o.o. – a 49% subsidiary of Krajowe Centrum Pracy Sp. z o.o. The Company is the administrator of the “kariera.pl” service dedicated to premium segment candidates (employees and job offers for middle and senior managers and professionals).

WorkPort24 GmbH – the company’s business covers the management of an online job portal for international employers and workers as an instrument of a job agency, sales of personnel services and a place for advertising, sales and marketing of personnel services as well as the execution of training and certification of workers according to the requirements of local labour markets.

2. Directors’ statement of compliance with accounting rules

Directors of Work Service SA represent that, according to their best knowledge, these quarterly consolidated financial statements and individual statements of Work Service SA as well as the comparative data were compiled in line with accounting rules in force and that these statements truly, reliably and clearly reflect the economic and financial position of the Work Service Capital Group.

3. Applied accounting principles

The basis for the compilation of these interim summary financial statements consists of the Order of the Minister of Finance of 29 March 2018 on the current and periodical information submitted by issuers of securities and the conditions of regarding as equivalent of the information required under the laws of a non-member state (Dz. U. of 2018, item 757) these statements were compiled in line with the International Accounting Standard 34 Interim financial reporting announced in the form of regulations of the European Commission.

Certain entities belonging to the Group maintain their accounting ledgers in line with the accounting policy (rules) defined in the Act of 29 September 1994 on accounting (“the Act”) as subsequently amended and with regulations issued on its basis (“Polish accounting standards”). The consolidated financial statements contain adjustments not contained in the accounting ledgers of entities belonging to the Group, introduced to make the financial statements of these entities IFRS compliant.

The consolidated financial statements as at 30 September 2019 were compiled on the basis of financial statements of entities being a part of the Capital Group in line with the historical cost principle.

Both the summary consolidated financial statements and the individual financial statements contain data as at 30 September 2019 and for the period from January 1, 2019 to September 30, 2019. Comparative data are presented as at 31 December 2018 for the consolidated statement of the financial standing, individual statement of the financial standing, consolidated statement of changes in equity and the individual statement of changes in equity and for the period from January 1, 2018 to September 30, 2018 for the consolidated total income statement, consolidated cash flow statement, consolidated statement of changes in equity and the individual total income statement, individual cash flow statement and individual statement of changes in equity.

Selected financial data in the initial part of the report were presented in EUR according to § 64 of the Decree of the Minister of Finance of 29 March 2018 (Dz. U. 2018, item 757). The exchange rate as of the last day was used for the calculation of balance sheet items and, for items of the income statement and cash flow statement, the average exchange rate for the period was used.

	Average EUR exchange rate in the period	EUR exchange rate as at the last day of the period
01.01-30.09.2019	4.3086	4.3736
01.01-31.12.2018	4.2669	4.3000
01.01-30.09.2018	4,2535	4,2714

Accounting rules (policy) adopted in these consolidated financial statements were applied in a continuous manner and comply with accounting rules applied in the last audited annual consolidated financial statements compiled according to the International Financial Reporting Standards (IFRS) approved by the European Union for the year ended on December 31, 2018 except for changes resulting from the entry into force of new standards, interpretations and modifications of standards.

New IFRS 16 "Leasing"

The new standard replaces IAS 17 and several interpretations. In addition to changing the definition of leasing, it introduces significant changes in the accounting of lessees: the standard requires that the value of the 'right of use' and the corresponding financial liability be included in the balance sheet for each leasing contract. The right to use is then amortized, while the liability is measured at amortized cost. In certain situations indicated in the standard, the lease liability is subject to revaluation, the effects of which are generally recognized as an adjustment to the value of the right to use.

Simplifications are foreseen for short-term contracts (up to 12 months) and contracts for the use of low-value assets, which the Group has adopted in its accounting policies. This simplification consists in not including the lease liability in respect of these contracts.

The new standard has a significant impact on the financial statements of the Group. As at the date of first application, the Group was a lessee in an additional 7 rental and lease contracts concluded for periods of 2 to 6 years, under which it was entitled to use the property. The Group implemented IFRS 16 using a modified retrospective method, i.e. without transforming comparative data, including the combined effect of the first application of the standard as an adjustment to the opening balance of retained earnings on the date of first application. In addition, the Group applied the following practical solutions approved by the standard:

- as at the date of first application of IFRS 16, the Group did not re-assess whether a contract is a lease or whether it contains a lease; The Group applied the standard only to contracts that were identified as leases before that date in accordance with IAS 17 and IFRIC 4,
- the value of the right to use under all contracts previously classified by the Group as operating leases, in accordance with IAS 17 as at the date of first application of IFRS 16, was determined in the amount of the lease liability adjusted for fees and prepayments recognized in the consolidated statement of financial position directly before the day of first use,
- contracts whose lease term ends in 2019, the Group recognizes as expenses using the straight-line method during the lease period, instead of recognizing liabilities in this respect,
- the knowledge acquired post factum was used to determine the leasing period.

Due to the use of simplifications, the Group used IAS 36 as at the date of first application of IFRS 16 to assess the need to recognize impairment losses on assets under the right of use. The analysis did not indicate such necessity.

For contracts classified as December 31, 2018 as finance leases in accordance with IAS 17, the value of the right to use was determined in the amount equal to the value of assets subject to leasing in accordance with IAS 17. The value of the lease liability as at the date of first application is equal to the amount of the finance lease liability in accordance with IAS 17.

The reconciliation between operating lease payment liabilities disclosed in accordance with IAS 17 in the financial statements as at June 30, 2019 and the lease liability as at the date of the first application of IFRS 16 is presented below:

	WSSA 01.01.2019	The other companies of the Group 01.01.2019
Fixed assets – buildings	14 150 907,82	
Intangible fixed assets – offices and cars	-	11 070 623,74
Liabilities	14 150 907,82	11 070 623,74

New IFRIC 23 "Uncertainty concerning the treatment of income tax"

The interpretation to IAS 12 "Income Taxes" decides the approach to the situation when the interpretation of the provisions on income tax is not clear and it is impossible to definitively accept what solution will be accepted by tax authorities, including courts. Management should first assess whether its interpretation is likely to be accepted by tax authorities. If so, such an interpretation should be adopted for the preparation of the financial statements. If not, take into account the uncertainty of income tax amounts by the most probable or expected value method. An entity should assess any changes to the facts and circumstances affecting the determined value. If the value is adjusted, it is treated as a change in estimate in accordance with IAS 8.

The Group estimates that the impact of this standard is immaterial.

4. Summary and explanation of differences between data disclosed in these summary consolidated financial statements and the data published in previous financial statements

We did not adjust any data published before in these summary financial statements.

5. Revenue and results attributable to individual segments of continued operations as of 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) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- c) for which the separate financial information is available.

According to IFRS requirements, operating segments should be identified based on internal reports on those elements that are regularly reviewed by persons allocating funds to the individual segments and evaluating their financial results.

It was assumed in the Capital Group that the basic division into operating segments is by types of business activities. The business of the Capital Group is conducted in separate subordinated companies. The significant majority of the Group's activity is related to temporary work. In this report, the Capital Group disclosed the information about the revenue broken into individual operating segments because the Directors of the Dominating Company analyse them in this arrangement.

Directors of the Dominating Entity separately monitor operational results of segments to make appropriate business decisions. The basis of the evaluation consists of the result of operations measured in the same manner as the result of operations in the consolidated financial statements after the elimination of transactions between segments (presented in tables enclosed below). Transactional prices applied for transactions between operating segments are determined at arm's length, just like for transactions with unrelated parties.

Accounting rules applied in the compilation of financial data for reporting segments comply with the Group accounting polity described in section 1.1.5 of the additional information about the consolidated financial statements for 2018 "Basic accounting rules".

The financing of the Group (including financial costs and revenue), income tax and the share in profits or losses of entities valued with the use of the equity method.

The Group does not apply an asymmetrical allocation of costs and revenue to reporting segments.

The Group presents the profit or loss values for each reporting segment; it does not present the sum of assets and liabilities for each reporting segment because these amounts are not regularly submitted to the main agency responsible for the making of operational decisions. The Group does not disclose the division of the revenue obtained from external clients into individual products and services because such information is unavailable and its acquisition cost would be excessive.

The Group does not disclose the distribution of amortisation costs among segments because such data are immaterial from the perspective of the conducted business and are not submitted for review by agencies responsible for the making of decisions.

Tables below present the revenue and costs of individual industry segments of the Group for the quarter of the year ended on September 30, 2019 and comparative data for the quarter ended on September 30, 2018.

The presented financial data for the period from 01.01 to 30.09.2019 relate to the continued operations of the Capital Group in 2019 and comparable data for 2018 are presented hereinbelow

Continued operations 01.01.2019-30.09.2019

	Temporary work	Other	Unallocated	Total	Exclusions	Total operations
Revenue						
Sales to external clients	576 625 420	59 412 566		636 037 986		-
Internal sales	67 343 389	24 034 860		91 378 248	- 91 378 248	-
Total revenue of the segment	643 968 809	83 447 426		727 416 234	- 91 378 248	636 037 986
Costs						
Costs from external suppliers	528 501 499	51 281 932		579 783 431		
Costs from Group suppliers	67 114 182	1 022 996		68 137 177	- 68 137 177	-
Total costs of the segment	595 615 681	52 304 927		647 920 608	- 68 137 177	579 783 431
Result						
Profit/(loss) of the segment	48 123 921	8 130 634		56 254 555		56 254 555
Unallocated costs			109 845 118	109 845 118	- 24 663 578	85 181 541
Other operating revenue						
Sales to external clients			52 666 799	52 666 799	-	
Internal sales			7 485 736	7 485 736	- 7 485 736	-
Total revenue of the segment			60 152 535	60 152 535	- 7 485 736	52 666 799
Other operating expenses						
Costs from external suppliers			38 550 285	38 550 285	-	
Costs from Group suppliers			671 068	671 068	- 671 068	-
Total costs of the segment			39 221 352	39 221 352	- 671 068	38 550 285
Result						
Profit/(loss) of operations of the segment						-14 810 471
Finance income						
Sales to external clients			2 912 232	2 912 232		-
Internal sales			12 647 906	12 647 906	- 12 647 906	-
Total revenue of the segment			15 560 138	15 560 138	- 12 647 906	2 912 232
Finance costs						
Costs from external suppliers			12 082 012	12 082 012		-
Costs from Group suppliers			37 390 386	37 390 386	- 37 390 386	-
Total costs of the segment			49 472 398	49 472 398	- 37 390 386	12 082 012
Result						
Profit (loss) on business activities						-23 980 251
Result						
Gross profit (loss)						-23 980 251
Tax			- 9 671 162	- 9 671 162		- 9 671 162
Result						
Net profit/(loss) of the segment						-14 309 088

Continued operations 01.01.2018-30.09.2018

	Temporary work	Other	Unallocated	Total	Exclusions	Total operations
Revenue						
Sales to external clients	952 151 801	49 126 518		1 001 278 319		-
Internal sales	85 246 455	45 173 147		130 419 602	- 130 419 602	-
Total revenue of the segment	1 037 398 256	94 299 665		1 131 697 922	- 130 419 602	1 001 278 319
Costs						
Costs from external suppliers	886 833 086	48 432 910		935 265 996		
Costs from Group suppliers	86 333 924	3 782 434		90 116 357	- 90 116 357	-
Total costs of the segment	973 167 010	52 215 344		1 025 382 354	- 90 116 357	935 265 996
Result						
Profit/(loss) of the segment	65 318 715	693 608		66 012 323		66 012 323
Unallocated costs			143 629 060	143 629 060	- 41 138 059	102 491 001
Other operating revenue						
Sales to external clients			23 977 447	23 977 447	-	
Internal sales			2 926 781	2 926 781	- 2 926 781	-
Total revenue of the segment			26 904 228	26 904 228	- 2 926 781	23 977 447
Other operating expenses						
Costs from external suppliers			39 800 569	39 800 569	-	
Costs from Group suppliers			4 580 836	4 580 836	- 4 580 836	-
Total costs of the segment			44 381 405	44 381 405	- 4 580 836	39 800 569
Result						
Profit/(loss) of operations of the segment						- 52 301 800
Finance income						
Sales to external clients			1 575 843	1 575 843		-
Internal sales			11 597 906	11 597 906	- 11 597 906	-
Total revenue of the segment			13 173 749	13 173 749	- 11 597 906	1 575 843
Finance costs						
Costs from external suppliers			21 855 676	21 855 676		-
Costs from Group suppliers			15 005 419	15 005 419	- 15 005 419	-
Total costs of the segment			36 861 095	36 861 095	- 15 005 419	21 855 676
Result						
Profit (loss) on business activities						- 72 581 633
Result						
Gross profit (loss)						- 72 581 633
Tax			- 845 702	- 845 702		- 845 702
Result						
Net profit/(loss) of the segment						- 71 735 931

The revenue from external clients allocated to the country in which the entity has its headquarters (Poland) and the revenue allocated to all other countries in total where the entity generates its revenue is presented in the table below:

Net revenue	2019	[%]	2018	[%]
	Q3	share	Q3	share
Poland	475 841 280	74,8%	775 041 374	77,4%
Foreign	160 196 706	25,2%	226 236 945	22,6%
Total	636 037 986	100,0%	1 001 278 319	100,0%

The Group does not distinguish fixed assets located in the country where the entity has its headquarters and those located in all other countries where the entity maintains its assets. From the perspective of the Group, such a division is immaterial for the conducted business.

The sales structure of services rendered by the Work Service Capital Group with comparative data in a geographic arrangement on foreign markets.

COUNTRY	2019	share [%]	2018	share [%]
Poland	475 841 280	74,8%	775 041 374	77,4%
Czech Republic	53 433 700	8,4%	59 890 277	6,0%
Slovakia	20 935 676	3,3%	31 405 571	3,1%
Germany	85 803 928	13,5%	134 941 097	13,5%
Ukraine	23 401	0,004%	0	0,0%
TOTAL	636 037 986	100,0%	1 001 278 319	100,0%

Due to the fact that the business of the Dominating Company is homogeneous in terms of types of services provided, key customers and legal environment, the Company has defined all of its operations as the temporary work segment. Because of that, the Company does not distinguish reporting segments.

The share of top 10 clients in the total revenue of the Work Service Capital Group

Sector	Q3 2019	Share %
Automotive	168 191 768	13,6%
Call center	82 293 528	6,6%
Other services	39 925 263	3,2%
Automotive	23 571 290	1,9%
Financial and Insurance Services	20 479 051	1,7%
Other services	20 228 806	1,6%
Electronics	19 301 627	1,6%
Automotive	17 436 624	1,4%
Electronics	13 598 109	1,1%
Automotive	13 271 090	1,1%

Individual financial statements of Work Service SA

Statement of financial position of Work Service S.A.

as at September 30, 2019

ASSETS	as at 30.09.2019	as at 31.12.2018	as at 30.09.2018
FIXED ASSETS	500 501 607,77	579 730 413,80	560 543 874,41
Intangible assets	16 050 837,47	34 057 152,60	34 898 483,24
Property, plant and equipment	15 344 123,49	6 195 939,03	8 158 929,33
Investment properties	2 495 938,00	2 495 938,00	2 495 938,00
Other financial assets	426 639 562,65	504 337 984,67	489 482 544,67
Other non-current assets	0,00	0,00	302 850,29
Other long-term financial assets	0,00	0,00	13 821 321,73
Deferred tax assets	39 971 146,16	32 643 399,50	11 122 033,02
Prepayments	0,00	0,00	261 774,13
CURRENT ASSETS	145 135 662,86	188 839 274,60	242 668 088,20
Inventories	362 038,59	704 789,85	1 262 191,64
Trade and other receivables	79 088 359,43	87 197 199,96	111 759 949,26
Other financial assets	64 259 613,80	99 949 542,18	104 586 972,23
Other short-term assets	0,00	0,00	621 037,42
Cash and cash equivalents	103 393,75	301 214,19	1 245 386,16
Prepayments	1 322 257,29	686 528,42	1 969 534,54
Assets held for sale	0,00	0,00	21 223 016,95
TOTAL ASSETS	645 637 270,63	768 569 688,40	803 211 962,61
EQUITY	188 526 571,23	228 673 835,22	167 883 314,49
Share capital	6 559 063,80	6 509 482,30	6 509 482,30
Supplementary capital	211 493 205,49	209 691 581,08	211 699 726,22
Net profit (loss)	-29 525 698,06	12 472 771,84	-50 325 894,03
LIABILITIES AND PROVISIONS	457 110 699,40	539 895 853,18	635 328 648,12
Provisions for liabilities	15 629 538,10	24 803 586,63	7 062 794,32
Deferred tax liabilities	4 052 521,24	3 792 972,93	1 187 349,53
Provision for pensions and similar benefits	610 142,29	617 796,51	1 501 997,51
Other current provisions (short-term)	10 966 874,57	20 392 817,19	4 373 447,28
Long-term liabilities	7 042 541,07	164 248 042,85	4 007 240,70
1. To related entities	0,00	7 750 000,00	0,00
2. To other entities	7 042 541,07	156 498 042,85	4 007 240,70
Long-term loans and borrowings	0,00	108 256 275,59	0,00
Issue of debt securities	0,00	43 988 109,50	0,00
Other financial liabilities	7 042 541,07	4 253 657,76	4 007 240,70
Other liabilities	0,00	0,00	0,00
Short-term liabilities	433 455 662,85	340 636 771,91	624 258 613,10
1. To related entities	140 197 336,80	120 879 119,05	152 664 302,91
2. To other entities	293 258 326,05	219 757 652,86	471 594 310,19
Issue of debt securities	45 040 711,85	0,00	44 728 432,41
Other financial liabilities	14 275 080,53	1 776 418,88	4 383 599,59
Loans and borrowings	122 640 390,74	1 500 000,00	216 644 496,80
Trade liabilities	13 441 841,87	15 533 216,04	17 829 829,54
Liabilities in respect of taxes, customs duties, insurance and other benefits	82 854 477,31	105 215 859,95	85 824 041,65
Payroll liabilities	12 983 996,85	15 705 183,74	23 245 955,24
Other liabilities	2 021 826,90	80 026 974,25	78 937 954,96
3. Special funds	0,00	0,00	0,00
Accruals	982 957,38	10 207 451,79	0,00
TOTAL EQUITY AND LIABILITIES	645 637 270,63	768 569 688,40	803 211 962,61

Total income statement of Work Service SA for 9 months ended on September 30, 2019

	01.01.2019-30.09.2019	01.01.2018-30.09.2018
Revenue	249 156 763,49	443 961 846,60
Net trade revenue	248 956 830,49	443 956 800,94
Change in receivables	199 933,00	5 045,66
Manufacturing cost of products for entity's own needs	0,00	0,00
Net revenues from sales of goods and materials	0,00	0,00
Costs of operations	270 456 024,96	450 515 801,75
Amortisation and depreciation	7 495 029,72	4 934 256,89
Consumption of materials and energy	1 639 249,47	1 216 781,87
External services	44 633 063,57	85 610 942,72
Taxes and charges	536 418,30	670 079,95
Remuneration	178 639 870,71	296 541 486,00
Social security and other benefits	35 887 874,84	58 590 193,41
Other costs by type	1 624 518,35	2 952 060,91
Value of goods and materials sold	0,00	0,00
Sales profit (loss)	-21 299 261,47	-6 553 955,15
Other operating revenue	28 728 487,67	6 081 466,59
Other operating expenses	10 245 534,05	29 226 094,36
Profit (loss) from operations	-2 816 307,85	-29 698 582,92
Finance income	6 108 928,66	5 447 023,08
Finance costs	39 886 517,22	26 074 334,19
Gross profit	-36 593 896,41	-50 325 894,03
Income tax	-7 068 198,35	0,00
Net profit (loss)	-29 525 698,06	-50 325 894,03
Other comprehensive income		
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		
Other comprehensive income for the period		
Comprehensive income for the period	-29 525 698,06	-7 236 347,42
Net profit (loss) attributable to shareholders:	-29 525 698,06	-7 236 347,42

Work Service SA cash flow statements for 9 months ended on September 30, 2019

	01.01.2019-30.09.2019	01.01.2018-30.09.2018
A. Cash flows from operating activities		
I. Net profit / (loss)	-29 525 698,06	-50 325 894,03
II. Total adjustments	-21 618 239,47	35 498 758,13
1. Amortisation and depreciation	7 495 029,72	4 934 256,89
2. Foreign exchange gains (losses)	1 114 047,32	0,00
3. Interest and shares in profits (dividends)	6 749 050,76	2 922 273,00
4. Profit (loss) on investing activities	-205 000,00	0,00
5. Change in provisions	-2 548 542,94	3 451 622,96
6. Change in inventories	342 751,26	5 787 616,01
7. Change in receivables	8 108 840,53	2 243 735,27
8. Change in short-term liabilities, except for loans and borrowings	-24 543 849,59	35 946 852,75
9. Change in prepayments, accruals and deferred income	-17 187 969,94	-578 633,07
10. Other adjustments	-942 596,59	-19 208 965,68
III. Net cash flows from operating activities (I+II)	-51 143 937,53	-14 827 135,90
B. Cash flows from investing activities		
I. Inflows	144 848 593,88	361 825 392,16
1. Disposal of intangible assets and property, plant and equipment	65 009,32	2 512 203,11
2. Disposal of investments in real property and intangible assets	0,00	0,00
3. From financial assets, including:	144 783 584,56	359 313 189,05
a) in related entities	112 408 036,23	318 929 950,34
b) in other entities	32 375 548,33	40 383 238,71
- disposal of financial assets	0,00	0,00
- dividends and profit sharing	0,00	0,00
- repayment of long-term borrowings granted	28 121 086,52	40 376 183,22
- Interest	4 254 461,81	7 055,49
- other inflows from financial assets	0,00	0,00
4. Other investment inflows	0,00	0,00
II. Outflows	113 913 452,89	304 834 138,77
1. Purchase of intangible assets and property, plant and equipment	4 327 679,32	0,00
2. Investments in real property and intangible assets	0,00	0,00
3. For financial assets, including:	109 585 773,57	304 834 138,77
a) in related entities	106 752 182,53	265 107 525,46
b) in other entities	2 833 591,04	39 726 613,31
- purchase of financial assets	2 833 591,04	0,00
- long-term borrowings granted	0,00	39 726 613,31
4. Other investment outflows	0,00	0,00
III. Net cash flows from investing activities(I-II)	30 935 140,99	56 991 253,39
C. Cash flows from financing activities		
I. Inflows	128 497 679,13	204 715 294,52
1. Net inflows from issue of shares and other equity instruments and additional contributions to equity	49 581,50	0,00
2. Loans and borrowings	128 113 849,94	204 715 294,52
3. Issue of debt securities	0,00	0,00
4. Other financial inflows	334 247,69	0,00
II. Outflows	108 486 703,03	246 170 810,35
1. Purchase of treasury shares	0,00	0,00

2. Dividends and other payments to shareholders	0,00	0,00
3. Outflows in respect of appropriation of profit other than payments to shareholders	0,00	0,00
4. Repayment of loans and borrowings	101 604 636,20	238 671 779,87
5. Redemption of debt securities	0,00	0,00
6. Due to other financial liabilities	0,00	0,00
7. Payments of liabilities under finance lease agreements	2 448 235,99	3 600 268,38
8. Interest	4 433 830,84	3 898 762,10
9. Other financial outflows	0,00	0,00
III. Net cash flows from financing activities (I-II)	20 010 976,10	-41 455 515,83
D. Total net cash flows (A.III.+B.III+C.III)	-197 820,44	708 601,66
E. Balance sheet change in cash, including:	-197 820,44	708 601,66
- change in cash due to exchange differences	0,11	0,00
F. Cash as at the beginning of the period	301 214,19	536 784,50
G. Cash at the end of the period (F+D), including	103 393,75	1 245 386,16
- restricted access	0,00	0,00

Work Service S.A. statement of changes in equity

01.01.2019-30.09.2019	Share capital	Supplementary capital	Reserved capital	Retained earnings	Equity
As at 1 January 2019	6 509 482,30	283 163 767,96	5 664 115,29	-79 136 302,17	228 673 835,22
Net profit (loss) for the financial year	0,00	0,00	0,00	0,00	-29 525 698,06
Distribution of the 2018 result to supplementary capital	0,00	0,00	0,00	12 472 771,84	0,00
Issue of shares	49 581,50	0,00	0,00	0,00	49 581,50
Distribution of result for 2018	0,00	0,00	0,00	-10 671 213,43	-10 671 213,43
Other	0,00	66,00	0,00	0,00	66,00
As at 30 September 2019	6 559 063,80	283 163 833,96	5 664 115,29	-77 334 743,76	188 526 571,23

01.01.2018-31.12.2018	Share capital	Other capital / supplementary capital	Retained earnings	Equity
As at 1 January 2018	6 509 482.30	285 678 830.86	-64 229 138.96	227 959 174.20
Net profit (loss) for the financial year	0.00	0.00	12 472 771.84	12 472 771.84
Managerial programme	0.00	456 401.64	0.00	456 401.64
Adjustment of retained profit/loss	0.00	0.00	-12 214 512.46	-12 214 512.46
Distribution of the 2017 result (presentation adjustment)	0.00	2 692 650.75	-2 692 650.75	0.00
As at 31 December 2018	6 509 482.30	288 827 883.25	-66 663 530.33	228 673 835.22

01.01.2018-30.09.2018	Share capital	Other capital / supplementary capital	Retained earnings	Equity
As at 1 January 2018	6 509 482.30	285 678 830.86	-64 229 138.96	227 959 174.20
Net profit (loss) for the financial year	0,00	0,00	-50 325 894,03	-50 325 894,03
Managerial programme	0,00	456 401,64	0,00	456 401,64
Distribution of the 2017 result to supplementary capital	0,00	-64 229 138,96	64 229 138,96	0,00
MSSF 9 write-offs	0,00	-10 206 367,32	0,00	-10 206 367,32
As at 30 September 2018	6 509 482,30	211 699 726,22	-50 325 894,03	167 883 314,49

Explanation of the Interim Report of the Capital Group for Q3 2019

1. Material achievements of failures of the company in Q3 2019 with the list of major related events

The presented financial data for the period of 01.01.2019-30.09.2019 applies to the entire Capital Group: continued and discontinued operations and comparable data for 2018.

Selected items of the income statement (PLN)	2019 – 3Q	2018 – 3Q	Dynamics 2019/2018
Sales revenue	1 237 654 917,51	1 568 977 683,69	-21,12%
Costs of operations	1 229 504 356,37	1 563 029 861,00	-21,34%
Sales profit (loss)	8 878 383,43	5 524 469,62	60,71%
Profit (loss) from operations	25 792 108,00	-12 735 509,37	-302,52%
EBITDA	37 359 763,90	-4 057 229,85	- 1 020,82%
Gross profit (loss)	-9 252 922,58	-38 199 215,19	-75,78%
Net profit (loss)	-10 810 581,49	-24 715 821,97	-56,26%

The table below presents selected items of the income statement relating to continued activities for the Work Service Capital Group for the following periods: 01.01.2019-30.09.2019 and comparable data for the period from 01.01.2018 to 30.09.2018.

Selected items of the income statement (PLN)	2019 – 3Q	2018 – 3Q	Dynamics 2019/2018
Sales revenue	635 545 357,70	1 002 009 055,85	-36,57%
Costs of operations	664 964 971,18	1 037 756 997,11	-35,92%
Sales profit (loss)	-28 926 985,09	-36 478 677,76	-20,70%
Profit (loss) from operations	-14 810 470,82	-52 301 799,96	-71,68%
EBITDA	-6 353 921,92	-44 701 466,13	-85,79%
Gross profit (loss)	-23 980 250,84	-72 581 632,91	-66,96%
Net profit (loss)	-14 309 088,41	-71 735 931,03	-80,05%

In the first half of 2019, the Work Service Capital Group achieved financial results at a level higher than in the corresponding period of 2018, which was mainly due to the operational restructuring carried out (in particular, reducing the costs of operating companies) and was reflected in the improvement of sales results and in the consequences of operating results of entities consolidated in 2019.

Additionally, one-off events described in item 2 of this chapter were identified in the result of operations of Q3 2019.

2. Description of factors and events, especially untypical ones, that significantly influenced the generated financial results

Unusual events and factors are described in the "Additional information to the Condensed Group Report for the third quarter of 2019" in the item "Basic information about the Work Service Capital Group".

3. Explanations regarding the seasonality of cyclicity of activities of the Capital Group in the presented period

The current activity of the Work Service Capital Group is not seasonal.

4. Information about the issue, repurchase and repayment of non-equity and equity securities

4.1 Issue, repurchase and repayment of debt securities

Work Service SA did not issue any non-equity securities in Q3 2019.

4.2 Issue of equity securities

In connection with dematerialisation – by registering on April 4, 2019 in the securities depository maintained by KDPW (National Depository of Securities)(about which the Company informed in current report No. 34/2019): (i) 171,750 series R of ordinary bearer shares, (ii) 225,750 series U of ordinary bearer shares, (iii) 98,315 series W of ordinary bearer shares with a nominal value of PLN 0.10 each ("Shares"), the Shares have been recorded on the securities accounts of authorized persons (being members of the Management Board and key members of the staff) management), which acquired Shares in the exercise of rights from subscription warrants C, D and E series, as part of the conditional increase of the Company's share capital, in accordance with the terms of the Managerial Options Program, adopted by Resolution No. 24/2013 of the Extraordinary General Meeting of the Company of June 27, 2013 (about which the Company informed in current report No. 62/2013), as amended. The recording of dematerialized shares of a public company on a securities account is equivalent to the issue of share documents within the meaning of Art. 451 § 2 sentence second Code of Commercial Companies.

Pursuant to the provisions of the Code of Commercial Companies, along with the registration of the Shares on the above-mentioned accounts, the rights to the Shares were acquired and the Company's share capital increased from PLN 6,509,482.30, by a total amount equal to the nominal value of the Shares, i.e. by PLN 49,581.50.

5. Information about the dividend disbursed (or declared) in total and per share, broken into ordinary and preferred shares

After approving the financial statements for 2018, the General Meeting of Shareholders did not decide to pay dividends and left the financial result in the Company.

6. Events that occurred after the date of the summary consolidated financial statements and were not disclosed in these statements that can significantly influence future financial results of the Capital Group

Changes in the content of the Supervisory Board

The Extraordinary General Meeting on 8 October 2019 removed Mr. Pangiotis Sofianos, Mr. Tomasz Misiak and Mr. Tomasz Hanczarek from the Supervisory Board. The Extraordinary General Meeting nominated Mr. Paweł Paluchowski and Mr. Andrzej Witkowski as Members of the Supervisory Board and Mr. Marcus Preston as Deputy Chairman of the Supervisory Board.

On 9 October 2019, the Issuer received document containing the resignation of Mr. Paweł Paluchowski from the position of the Member of the Supervisory Board of Work Service S.A. with effect on 17 October 2019. Mr. Paweł Paluchowski as the reason for resignation indicated personal reasons.

On 16 October 2019, the Issuer received document containing the resignation of Mr. Maciej Witucki from the Supervisory Board including being chairman of the Supervisory Board of Work Service S.A. with effect on 17 October 2019. Mr. Maciej Witucki didn't indicate the reason for the resignation.

The Extraordinary General Meeting on 18 October 2019 appointed to the Supervisory Board Mr. Robert Oliwa as member of the Supervisory Board and Mr. Przemysław Schmidt as the Chairman of the Supervisory Board.

Repayment of acquisition liabilities to FIEGE Logistik Stiftung & Co. KG

Thanks to an intra-group loan, Work Service S.A. repaid in the fourth quarter of 2019 the remaining acquisition liabilities for its wholly controlled subsidiary, Work Service GmbH & Co.KG.

No payment for the shares sold in ProService Worldwide (Cyprus) Limited

In connection with the sale by Work Service S.A. to PROLOGICS (UK) LLP with its registered office in London (the "Buyer") of a 100% stake in ProService Worldwide (Cyprus) Limited and the non-payment to Work Service S.A. of the price for the shares in ProService as at the date of this report, preparations are underway to take legal steps to collect the receivables.

Other information

1. Information about changes in the structure of the business entity, including changes resulting from the merger of business entities, acquisition or sale of Capital Group entities, long-term investments, division, restructuring and cessation of operations

Merger of Work Express Sp. z o.o. and Workbus Sp. z o.o.

The merger of Work Express Sp. z o.o. and Workbus Sp. z o.o. took place on 20 September 2019.

Merger of Work Express Sp. z o.o. and Clean24h Sp. z o.o.

The merger of Work Express Sp. z o.o. and Clean24h Sp. z o.o. took place on 19 June 2019.

Merger of Work Service Investment Sp. z o.o. and WS Support Sp. z o.o.

The merger of Work Service Investment Sp. z o.o. and WS Support Sp. z o.o. took place on 26 March 2019.

2. Director's position regarding the feasibility of previously published forecasted results for the year in the light of results presented in the Q3 report in comparison with forecasted results.

The Company did not publish forecasts for 2019.

3. Shareholders directly or indirectly through subordinated entities holding at least 5% of the total number of voting rights at the general meeting as at the submission date of the report for Q3 2019 with an indication of the number of shares held by such entities, their share in equity, the number of resulting voting rights and share in the total number of voting rights at the general meeting, indication of changes in the ownership structure of significant blocks of shares of the Company after the submission of the previous quarterly report.

As at the date of this report, no preferred shares entailing voting rights or dividend were issued. All shares of the Dominating Entity are ordinary shares. The equity of Work Service SA amounts to PLN 6,559,063.80 divided into:

- 750,000 series A shares with the nominal value of 10 grosz each,
- 5,115,000 series B shares with the nominal value of 10 grosz each,
- 16,655,000 series C shares with the nominal value of 10 grosz each,
- 100,000 series D shares with the nominal value of 10 grosz each,
- 100,000 series E shares with the nominal value of 10 grosz each,
- 7,406,860 series F shares with the nominal value of 10 grosz each,
- 2,258,990 series G shares with the nominal value of 10 grosz each,
- 9,316,000 series H shares with the nominal value of 10 grosz each,
- 1,128,265 series K shares with the nominal value of 10 grosz each,
- 5,117,881 series L shares with the nominal value of 10 grosz each,
- 12,000,000 series N shares with the nominal value of 10 grosz each,
- 91,511 series P shares with the nominal value of 10 grosz each,
- 5,000,000 series S shares with the nominal value of 10 grosz each,
- 55,316 series T shares with the nominal value of 10 grosz each,
- 171,750 series R shares with the nominal value of 10 grosz each,
- 225,750 series U shares with the nominal value of 10 grosz each,
- 98,315 series W shares with the nominal value of 10 grosz each.

The shareholding structure as at the compilation date of this report considering all notifications received by Work Service SA in the mode of art. 69 clause 1 sub-clause 1 of the act on public offering and the conditions of the introduction of financial instruments to an organised trade system and about public companies is presented in the table below.

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes
WorkSource Investments S.a.r.l.	13 714 286	20,91%	13 714 286	20,91%
Central Fund of Immovables Sp. z o.o.	11 009 200	16,78%	11 009 200	16,78%
ProLogics (UK) LLP London	10 466 200	15,96%	10 466 200	15,96%
Tomasz Misiak	9 553 961	14,57%	9 553 961	14,57%
Hanczarek Tomasz	3 336 420	5,09%	3 336 420	5,09%
MetLife PTE S.A.	3 254 743	5,00%	3 254 743	5,00%
Others	14 255 828	21,73%	14 255 828	21,73%
Total	65 590 638	100,00%	65 590 638	100,00%

4. Summary of the volume of shares of the Company held or rights to such shares held by managers and supervisors of the Company as at the submission date of the report for Q3 2019 with an indication of changes of holding after the submission of the previous report, separately for each person.

The summary of the volume of shares of the Company held or rights to such shares held by managers and supervisors of the Company as at the submission date of the report for Q3 2019 with an indication of changes of holding after the submission of the previous report, separately for each person.

	As at the publication date of statements for Q3 2019	Change in holdings — acquisition/ (disposal)	As at the publication date of this report	Nominal value of shares held (in PLN) as at the date of publication of this report
Iwona Szmitkowska — President of the Board of the Directors	9 462	0	9 462	946.2
Jarosław Dymitruk – Vice-President of the Board of Directors	9 462	0	9 462	946.2

5. Indication of proceedings pending before a court, arbitration body or public administration agency

At present, some of the Group companies are the subject of administrative proceedings for reimbursement of the PFRON funding. The value of the provision, estimated and created in the third quarter of 2019 on this account, is PLN 16 million. The Companies appealed against the clerical decisions and referred the matter to court.

6. Information about the conclusion, by the Company or its subordinated entity, of one or more transactions between related entities if, individually or jointly, they are material and were executed on terms other than at arm's length

The Company did not execute any transactions with related entities in Q3 2019 that would be material individually or jointly and, at the same time, executed on terms other than at arm's length.

7. Information about the issue of loan or credit guarantees or the issue of warranties by the Company or its subordinated entity jointly to a single entity or subordinated entity of that entity if the total value of existing guarantees or warranties equals at least 10% of the Company's equity.

No.	Surety on behalf of	Promissory note beneficiary	Surety subject	Agreement date	Agreement expiry date	Amount covered by the surety (gross)
1.	Sellpro Sp. z o.o.	BNP PARIBAS Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 1.04.2019	Indefinite term	21 450 000,00
2.	Finance Care Sp. z o.o.	BNP PARIBAS Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 1.04.2019	Indefinite term	21 450 000,00
3.	Industry Personnel Services Sp. z o.o.	BNP PARIBAS Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 1.04.2019	Indefinite term	21 450 000,00
4.	Work Express Sp. z o.o.	BNP PARIBAS Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 1.04.2019	Indefinite term	21 450 000,00
5.	Outsourcing Solutions Partner Sp. z o.o.	BNP PARIBAS Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 1.04.2019	Indefinite term	21 450 000,00
6.	Industry Personnel Services Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 4.12.2018	Indefinite term	14 000 000.00
7.	Sellpro Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 4.12.2018	Indefinite term	14 000 000.00
8.	Finance Care Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 4.12.2018	Indefinite term	14 000 000.00
9.	Outsourcing Solutions Partner Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 29.05.2019	Indefinite term	14 000 000.00
10.	Work Express Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	Annex of 05.06.2019	Indefinite term	14 000 000.00
11.	Work Express Sp. z o.o.	Bank BGŻ BNP Paribas S.A.	Amount receivable under a factoring agreement	An annex prolonging the validity of the limit of 16.04.2019	Indefinite term	5 200 000.00
12.	Sellpro Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex of 07.06.2019	Indefinite term	20 000 000.00
13.	Industry Personnel Services Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Annex of 07.06.2019	Indefinite term	20 000 000.00
14.	Work Express Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 10.06.2019	Indefinite term	20 000 000.00
15.	Outsourcing Solutions Partner Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 10.06.2019	Indefinite term	20 000 000.00
16.	Work Service International Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Factoring agreement of 10.06.2019	Indefinite term	20 000 000.00

8. Changes of contingent liabilities or contingent assets after the end of the last annual reporting period

Contingent liabilities

Title of contingent liability	Type of collateral	30.09.2019	31.12.2018	change
Loan collateral	surety	360 000 000.00	360 000 000	0.00
	Statement of voluntary submission to the execution, art. 777	66 210 000.00	66 210 000.00	0.00
	registered pledge on assets	277 500 000.00	277 500 000.00	0.00
Lease collateral	blank promissory note with a blank promissory note agreement	4 621 782.30	4 621 782.30	0.00
Performance guarantee	surety	3 000 000.00	1 354 370.88	1 645 629.12
Commitment to purchase additional Pro Humana shares from Portfolio	-	78 493 275.00	0,00	78 493 275.00

9. Information about material changes of estimates including adjustments due to provisions, deferred income tax provision and assets mentioned in the accounting act and the introduced asset revaluations.

In the third quarter of 2019, a provision was created for the possible reimbursement to PFRON in the amount of PLN 16 million. This amount was charged to the previous years' result. Apart from the issue described above, in the third quarter of 2019 there were no significant changes in estimates, including significant adjustments to provisions as well as deferred tax assets and liabilities referred to in the Accounting Act, and no significant write-downs on assets were made, except for the application of IFRS 9.

In addition, a provision was created for a possible loss on the sale of discontinued operations due to the overstated book value of assets compared to the market value of PLN 25 million.

10. Other information that the Company considers material for the evaluation of the staffing situation, economic and financial position, financial result and their changes and the information material for the evaluation of the possibility of fulfilment of obligations by the Company

The Group does not identify factors or information material for the evaluation of the staffing situation, economic and financial position in Q3 2019 other than:

- the current general situation of the Group (including the Company) presented in section 1.2 of the Summary Interim Quarterly Report for Q3 2019;
- achievements and failures described in section 1 of the explanation of the Capital Group Interim Report for Q3 2019;
- changes of the Board of Directors introduced during the financial year.

11. Factors that, in the opinion of the Company, will influence its results at least in the next quarter of the year

Section 1.2 of the Summary Interim Quarterly Report for Q3 2019 presents material actions that can materially influence results generated in the future.

12. Amounts and type of positions influencing assets, liabilities, equity, net result or cash flows that are untypical due to their type, value or frequency

No factors other than ones mentioned below, influencing assets, liabilities, equity, net result or cash flows, untypical due to their type, value or frequency were identified in Q3 2019.

IFRS 16 implementation as of the date of its coming into force, i.e. as of January 1, 2019. Effects of the implementation were presented in note 3 "Applied accounting rules".

13. Information about revaluations of inventories to the attainable net value and reversal of related write-offs.

The Group identified no need to post inventory revaluations in Q3 2019.

14. Information about write-offs revaluating the value loss of financial assets, tangible assets, intangible assets or other assets and the reversal of such write-offs.

The parent company made write-downs on fixed assets under construction in the amount of PLN 208 thousand and intangible assets under construction in the amount of PLN 315 thousand. These write-offs were caused by the suspension of work on these projects.

WSSA data

Revaluation write-offs for receivables

	01.01.2019- 30.09.2019	01.01.2019- 30.09.2018	01.01,2019- 31.12.2018
Balance at the beginning of the period	16 190 687,10	4 091 001,17	4 091 001,17
Impairment loss recognised as expense during the period	1 194 751,95	10 769 518,19	12 099 685,93
Reversed impairment losses recognised as revenue in the period (-)	-1 044 722,01		
Write-offs used (-)	-3 148 946,96		
Other changes (net exchange differences on translation)			
Balance at the end of the period	13 191 770,08	14 860 519,36	16 190 687,10

Revaluation write-offs for loans

	01.01.2019- 30.09.2019	01.01.2019- 30.09.2018	01.01,2019- 31.12.2018
Balance at the beginning of the period	11 619 942,86	11 502 954,90	11 619 942,86
Impairment loss recognised as expense during the period			
Reversed impairment losses recognised as revenue in the period (-)			
Write-offs used (-)			
Other changes (net exchange differences on translation)			
Impairment write-offs at the end of the period	11 619 942,86	11 502 954,90	11 619 942,86

Consolidated data

	01.01.2019- 30.09.2019	01.01.2019- 30.09.2018	01.01,2019- 31.12.2018
Balance at the beginning of the period	15 439 632,21	16 190 687,10	16 190 687,10
Impairment loss recognised as expense during the period		4 018 571,25	
Reversed impairment losses recognised as revenue in the period (-)	-1 593 881,67		-751 054,89
Write-offs used (-)			
Other changes (net exchange differences on translation)			
Impairment write-offs at the end of the period	13 845 750,54	20 209 258,35	15 439 632,21

15. Information about the establishment, increase, utilisation and release of provisions

Change of provisions (CG Work Service)	31.12.2018	Increases	Utilisation	Reversal	30.09.2019
a) Long-term provisions, including:	3 099 740,11	4 850,78	-	1 601 947,90	1 502 642,99
- provision for retirement pensions and similar benefits	283 401,78	4 850,78	-	-	288 252,56
- other (accruals)	2 816 338,33	-	-	1 601 947,90	1 214 390,43
b) Short-term provisions, including:	60 698 694,31	16 000 000,00	-	44 386 084,64	32 312 609,67
- unused holiday entitlement	13 800 734,25	-	-	3 803 708,35	9 997 025,90
- other (accruals)	46 897 960,06	16 000 000,00	-	40 582 376,29	22 315 583,77
Total provisions	63 798 370,97	16 000 000,00	-	45 988 032,54	33 815 252,66

Change of provisions (microdata)	31.12.2018	Increase	Utilisation	Reversal	30.09.2019
Provision for unused leaves	617 796,51	0,00	7 654,22	-	610 142,29
Other provisions	20 392 817,19	16 000 000,00	15 575 942,62	3 000 000,00	10 966 874,57

16. Information about deferred income tax provisions and assets

There were no significant changes in deferred income tax provisions or assets in Q3 2019.

Consolidated data	as at 30.09.2019	as at 31.12.2018
Deferred tax assets	55 368 397,88	44 010 880,64
Deferred income tax liabilities	4 954 794,81	4 459 965,97

Work Service S.A. microdata	as at 30.09.2019	as at 31.12.2018
Deferred tax assets	39 971 146,16	32 643 399,50
Deferred income tax liabilities	4 052 521,24	3 792 972,93

17. Information about material transactions involving the purchase and sale of tangible assets

No material acquisitions or sales of tangible assets occurred in Q3 2019.

18. Information about the material liability due to the purchase of tangible assets

No material liabilities due to the purchase of tangible assets exist as at September 30, 2019. Material changes in financial liabilities occurred in connection with the implementation of IRFS 16.

19. Information about material settlements due to litigation

No material settlements due to litigation occurred in Q3 2019.

20. Adjustments of errors of previous periods

A PLN 16 million provision was established for anticipated and estimated liabilities towards PFRON and charged to the previous years' result.

Some companies of the Group are engaged in administrative proceedings against PFRON, the aim of which is to determine the correct amount of the funding granted and disbursed by PFRON.

21. Information about changes of the economic situation and business conditions materially influencing the fair value of financial assets and financial liabilities of the entity

No events were identified in Q3 2019 that would materially influence the fair value of financial assets and financial liabilities of the entity.

22. Information about the failure to repay credit or loan or about the violation of material provisions of a credit or loan agreement for which no remedial steps were taken till the end of the reporting period

Work Service Group Management implements the provisions of Annex 4 executed on December 5, 2018 to the loan agreement of November 18, 2015 with Bank BGŻ BNP Paribas S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.

Additionally, the Company undertook in Annex 4 to the loan agreement to take a range of restructuring actions including, among other things, the sale of the Prohuman 2004 Kft Group according to the specified schedule.

23. Information about the conclusion, by the Company or its subordinated entity, of one or more transactions between related entities if, individually or jointly, they are material and were executed on terms other than at arm's length

The Group did not execute any transactions with related entities in Q3 2019 that would be individually or jointly material and, at the same time, executed on terms other than at arm's length.

The table below presents the summary of balances between Work Service S.A. and companies belonging to the Work Service Capital Group:

	IPS	KAR	FC	WSI	SEL	CLEAN	KCP	fiegSPV	ANT	skWS
Revenue	709 133,2	147 099,4	387 715,6	5 841 896,3	7 587 745,5	44 342,3	538 500,9	656 992,7	3 211 297,4	9 253,1
Costs	15 464 094,2	0,00	37 261,3	251 195,6	4 901 696,7	5 412 395,3	3 382,4	0,00	271 020,7	0,00
Receivables	0,00	255 999,3	283 929,6	1 344 194,6	0,00	0,00	0,00	11 435 675,1	1 707 363,9	102 722,7
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	23 818 364,8	0,00	0,00	0,00	55 144 246,7	4 764 755,5	0,00	0,00	240 156,0	8 795,4
Borrowings granted	1 276 100,0	4 002 025,7	2 523 535,0	0,00	0,00	0,00	5 683 059,0	33 322 007,5	0,00	15 900,7

	skoutWS	skWSK	czWS	ger24WS	fiegGP	fiegWS	fiegOUT	fiegKG	fiegWSF	gerKON
Revenue	0,00	0,00	70 017,8	6 208,9	0,00	24 358,1	22,7	164 156,3	0,00	0,00
Costs	0,00	0,00	131 525,4	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Receivables	0,00	2 792 534,0	0,00	414 158,1	0,00	230 981,9	16 827,9	123 153,4	0,00	0,00
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	0,00	0,00	390 772,2	42 409,4	174 944,0	12 053,0	8 400,0	6 394 926,5	0,00	0,00
Borrowings granted	0,00	0,00	26 177,7	23 398,7	0,00	0,00	0,00	3 991 181,8	0,00	0,00

	antGER	antCZ	antSK	antHU	presWS	presBUS	presLOG	presCL	presOSP	humPRO
Revenue	0,00	0,00	0,00	884,0	632 357,3	0,00	345 471,0	0,00	540 298,9	500,0
Costs	0,00	0,00	0,00	0,00	229 740,1	0,00	301 521,7	0,00	0,00	2 109 402,7
Receivables	27 023,5	1 500,0	6 975,2	1 587,3	951 437,8	0,00	411,2	0,00	148 455,3	33 113,2
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	8 400,0	0,00	0,00	0,00	-26,8	0,00	0,00	0,00	0,00	49 189 140,2
Borrowings granted	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

	humOUT	humEXI	natSLV	natCR	humHR	humFIE	humFC	rsAPT	hrAPT	bAPT
Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings granted.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	fbAPT	ukr2WS
Revenue	0.00	0,00
Costs	0.00	43 730,0
Receivables	0.00	148,5
Long-term liabilities	0.00	0,00
Short-term liabilities	0.00	0,00
Borrowings granted.	0.00	0,00

Glossary – Work Service Capital Group Companies

ABBREVIATION	NAME
WSSA	Work Service S.A.
IPS	Industry Personnel Services sp. z o.o.
ANT	Antal Sp. z o.o.
FC	Finance Care Sp. z o.o.
WSI	Work Service International Sp. z o.o.
SEL	Sellpro Sp. z o.o.
CLEAN	WS Support Sp. z o.o.
KCP	Krajowe Centrum Pracy Sp. z o.o.
KAR	Kariera.pl Sp. z o.o.
fiegSPV	Work Service SPV Sp. z o.o.
presWS	WorkExpress Sp. z o.o.
presBUS	Workbus Sp. z o.o.
presLOG	Support and Care Sp. z o.o.
presCL	Clean24h Sp. z o.o.
presOSP	Outsourcing Solutions Partner Sp. z o.o.
skWSK	Work Service SK s.r.o.
skWS	Work Service Slovakia s.r.o.
skoutWS	Work Service Slovakia Outsourcing s.r.o.
czWS	Work Service Czech s.r.o.
ger24WS	Work Service 24 GmbH
gerP24WS	WorkPort24 GmbH
gerKON	IT Kontrakt GmbH
humPRO	Prohuman 2004 Kft
humFC	Finance Care Hungar Kft
humHR	HR-Rent Kft
humFIE	Profield 2008 Értékesítés Támogató Kft.
humEXI	Human Existence Kft
humOUT	Prohuman Outsourcing Kft
fiegWSF	Work Service Fahrschuhe QC GmbH
fiegGP	Work Service GP GmbH
fiegWS	Work Service Deutschland GmbH
fiegOUT	Work Service Outsourcing Deutschland GmbH
fiegKG	Workservice GmbH & Co.KG
antGER	Enloyd GmbH
antCZ	Antal International s.r.o.(Czech Republic)
antSK	Antal International s.r.o. (Slovakia)
antHU	Enloyd Kft
bAPT	APT Broker s.r.l.
fbAPT	APT Finance Broker s.r.l.
hrAPT	APT Human Resources s.r.l.
rsAPT	APT Resources&Services s.r.l.
ukr2WS	Work Service East Lcc
natCR	Naton Ljudski potencial d.o.o.
natSLV	Naton kadrovsko-svetanoje d.o.o.

24. Information about the change of the way (method) of fair value determination

No changes of the way (method) of determination of the fair value of financial instruments at fair value occurred in Q3 2019.

25. Information about a change of the classification of financial assets as a result of the change of purpose or utilisation of such assets.

No changes in the classification of financial assets resulting from the change of purpose or utilisation of such assets occurred in Q3 2019.

26. If the summary financial statements were audited or reviewed by an entity authorised to review financial statements the quarterly report will contain an opinion about the audit or a report from the summary financial statements, respectively

The consolidated financial statements for Q3 2019 was not subject to an audit or review by an entity authorised to review financial statements.

The consolidated financial statements disclosed the information listed below referring to the summary individual financial statements of the Company:

- a) writing down of the value of inventories to the net value attainable and the reversal of such write-downs
- b) recognition of losses due to the value loss by financial assets, tangible assets, intangible assets, assets resulting from agreements with clients or other assets and the reversal of such losses due to value loss
- c) information about provisions,
- d) changes of business conditions and of the economic situation influencing the fair value of financial assets and financial liabilities of the entity irrespectively of whether these assets and liabilities are stated at fair value or at the amortised cost – note 21,
- e) the failure to repay a loan or violation of provisions of the loan agreement with regard to which no remedial steps were taken before or on the balance sheet date.

PREPARED BY:

.....
Anna Kropielnicka
Main Accountant

SIGNATURES:

.....
Iwona Szmitkowska
President of the Board of Directors

.....
Jarosław Dymitruk
Vice-President