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BDO Sp. z o.o.
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**Work Service SA
ul. Gwiaździsta 66
53-413 Wrocław**

**Independent Auditor's Opinion
on the financial statements
for the period from 1 January to 31 December 2016**

BDO Sp. z o.o. Sąd Rejonowy dla M. St. Warszawy, XIII Wydział Gospodarczy KRS: 0000293339, Kapitał zakładowy: 1.000.000 PLN., NIP 108-000-42-12. Biura regionalne BDO: Katowice 40-004, al. Korfantego 2, tel: +48 32 359 50 00, katowice@bdo.pl; Kraków 30-415, ul. Wadowicka 8a, tel: +48 12 378 69 00, krakow@bdo.pl; Poznań 60-650, ul. Piątkowska 165, tel: +48 61 622 57 00, poznan@bdo.pl; Wrocław 53-332, ul. Powstańców Śląskich 7a, tel: +48 71 734 28 00, wroclaw@bdo.pl

BDO Sp. z o.o. jest członkiem BDO International Limited, brytyjskiej spółki i częścią międzynarodowej sieci BDO, złożonej z niezależnych spółek członkowskich.

INDEPENDENT AUDITOR'S OPINION

for the General Meeting and Supervisory Board of Work Service SA

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Work Service S.A. ("the Company") with its registered office at ul. Gwiaździsta 66, 53-413 Wrocław, consisting of:

- the statement of financial position prepared as at 31 December 2016,
- the statement of comprehensive income for the period from 1 January to 31 December 2016,
- the statement of changes in equity for the period from 1 January to 31 December 2016,
- the statement of cash flows for the period from 1 January to 31 December 2016,
- additional information on accounting methods and other explanations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management is responsible for the preparation of the financial statements based on properly kept books of account, and for their fair presentation in accordance with International Accounting Standards, International Financial Reporting Standards and the related interpretations announced in the form of European Commission regulations, as well as other binding legal regulations. The Company's Management is also responsible for such internal controls as it considers necessary to ensure that the financial statements are free of material misstatements resulting from fraud or error.

In accordance with the Accounting Act, the Company's Management Board and members of its Supervisory Board are required to ensure that the financial statements meet the requirements of the Accounting Act.

Responsibilities of the Auditor

Our responsibility is to express an opinion on the financial statements based on our audit.

We performed the audit in accordance with the provisions of Chapter 7 of the Accounting Act, and in accordance with the International Standards on Auditing adopted as National Standards on Auditing in Resolution No. 2783/52/2015 passed by the National Council of Certified Auditors on 10 February 2015, with subsequent amendments. These standards require us to comply with ethical requirements and to plan and perform the audit in a manner that allows us to obtain sufficient assurance that the financial statements are free of material misstatements.



The audit consisted of performing procedures aimed at obtaining audit evidence on the amounts and information disclosed in the financial statements. We choose the procedures based on our judgement, including an assessment of the risk of material misstatements in the financial statements due to fraud or error. In assessing this risk we consider the internal controls related to the preparation and fair presentation of the financial statements in order to plan our audit procedures, and not to express an opinion on the effectiveness of the Company's internal controls. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the estimates made by the entity's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the audited financial statements:

- a) give a true and fair view of the financial position of Work Service S.A. as at 31 December 2016, as well as of its financial result and cash flows for the period from 1 January to 31 December 2016, in accordance with International Accounting Standards, International Financial Reporting Standards and the related interpretations announced in the form of European Commission regulations, as well as the adopted accounting methods (policies),
- b) have been prepared on the basis of properly kept books of account, and
- c) are consistent, in content and in form, with the requirements of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2014 Journal of Laws, item 133 with subsequent amendments), as well as with other applicable laws and regulations and with the Company's Statute.

Report on Other Legal and Regulatory Requirements

Opinion on Directors' Report on the Company's Activities

Our opinion on the financial statements does not cover the Directors' Report on the Company's activities.

In accordance with the Accounting Act and other binding regulations, the preparation of the Directors' Report on the Company's activities is the responsibility of the Company's Management. The Company's Management and members of its Supervisory Board are also responsible for ensuring that the Directors' Report on the Company's activities meets the requirements of the Accounting Act.

In connection with our audit of the financial statements our responsibility was to read the Directors' Report on the Company's activities and to indicate whether the information presented therein complies with the provisions of Article 49 of the Accounting Act and is consistent with the information presented in the accompanying financial statements.



It was our responsibility to report whether, based on our knowledge obtained during the audit about the entity and its environment, we have identified any material misstatements in the Directors' Report on the Company's activities.

In our opinion, the information contained in the Directors' Report on the Company's activities complies with the provisions of Article 49 of the Accounting Act and with the requirements of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information submitted by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2014 Journal of Laws, item 133 with subsequent amendments), and is consistent with the information presented in the accompanying financial statements.

Furthermore, based on our knowledge obtained during the audit about the Company and its environment we have identified no material misstatements in the Directors' Report on the Company's activities.

In connection with our audit of the financial statements it was also our responsibility to read the Company's declaration on the application of corporate governance, constituting a separate section of the Directors' Report on the Company's activities. In our opinion, the declaration contains the information required by the implementing provisions issued based on Article 60 par. 2 of the Act on Trading in Financial Instruments of 29 July 2005 (2016 Journal of Laws, item 1639, with subsequent amendments). The information presented therein is consistent with the applicable regulations and with the information presented in the accompanying financial statements.

Wrocław, 24 April 2017

BDO Sp. z o.o.
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Authorized Audit Company No. 3355

Auditor in charge:

Katarzyna Stojek
Katarzyna Stojek
Certified Auditor No. 11396

On behalf of BDO Sp. z o.o.:

Dr. André Helin
Dr. André Helin
Managing Partner
Certified Auditor No. 90004



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Audit Report
on the financial statements of
Work Service SA
for the period from 1 January to 31 December 2016

BDO Sp. z o.o. Sąd Rejonowy dla M. St. Warszawy, XIII Wydział Gospodarczy KRS: 0000293339, Kapitał zakładowy: 1.000.000 PLN., NIP 108-000-42-12. Biura regionalne BDO: Katowice 40-004, al. Korfantego 2, tel: +48 32 359 50 00, katowice@bdo.pl; Kraków 30-415, ul. Wadowicka 8a, tel: +48 12 378 69 00, krakow@bdo.pl; Poznań 60-650, ul. Piątkowska 165, tel: +48 61 622 57 00, poznan@bdo.pl; Wrocław 53-332, ul. Powstańców Śląskich 7a, tel: +48 71 734 28 00, wroclaw@bdo.pl

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I. GENERAL INFORMATION

1. Information about the Company

The Company does business as Work Service Spółka Akcyjna [joint-stock company].

The Company's registered office is 53-413, Wrocław, ul. Gwiaździsta 66.

In accordance with the entry in the National Court Register and the Company's Statute, the Company's main areas of activity consist of:

- temporary work - offering of work of temporary workers,
- merchandising and promotion - professional sales process servicing,
- recruitment of employees,
- personnel consulting,
- personnel and payroll services,
- outsourcing.

The Company operates on the basis of:

- the Company's Statute prepared in the form of a notarial deed on 12 December 2000 (Rep. A No. 7712/2000) with subsequent amendments,
- the Code of Commercial Partnerships and Companies.

On 28 January 2002 the Company was entered in the National Court Register at the District Court for Wrocław-Fabryczna, VI Business Division Registration Section, in number KRS 0000083941.

The Company has been assigned tax identification number NIP: 8971655469, as well as statistical identification number REGON: 932629535.

As at 31 December 2016 the Company's share capital amounted to 6.509 thousand zł and consisted of 65.094.823 shares with a nominal value of 0,10 zł per share.

No changes were made in the Company's share capital in the year 2016.

In its Resolution 3/2017 the Extraordinary Shareholders Meeting of 19 April 2017 selected to raise the Company's share capital by 189.618,70 zł by issuing 1.896.187 ordinary X series shares in the form of a private offering and with a full waiver of the existing shareholders' preemptive rights, to amend the Company's Statute in connection with the share capital increase, to dematerialize X series shares and to apply for admittance to trading on a regulated market operated by the Warsaw Stock Exchange and London Stock Exchange's main market for listed securities.

The Company's shareholders as at 31 December 2016, according to the information provided by the Management Board:

Shareholder	Number of shares	% of votes at General Meeting
PROLOGICS UK LLP	18.514.621	28,44%
WorkSource Investments S.a.r.l.	13.714.286	21,07%
Tomasz Misiak	9.534.861	14,65%
Tomasz Hanczarek	3.255.000	5,00%
MetLife PTE SA	3.254.743	5,00%
Others	16.821.312	25,84%
Total	65.094.823	100,00%

As at 31 December 2016 the Company's equity totaled 291.276 thousand zł.

The function of entity manager is exercised by the Management Board.

As at 31 December 2016 the Company's Management Board comprised:

- Maciej Witucki - President of the Management Board
- Piotr Gajek - Vice-President of the Management Board
- Robert Knights - Vice-President of the Management Board
- Paul Andrew Christodoulou - Vice-President of the Management Board
- Tomasz Ślęzak - Vice-President of the Management Board
- Iwona Szmitkowska - Vice-President of the Management Board

The following changes were made in the Company's Management Board in the audited period and before the end of the audit:

- on 13 April 2016 the Management Board was informed of the resignation of Mr. Hubert Rozpędek from the position of Vice-President of the Management Board effective 30 April 2016;
- on 13 April 2016 the Management Board was informed of the resignation of Mr. Dariusz Rochman from the position of Vice-President of the Management Board effective 17 April 2016;
- on 13 April 2016 the Supervisory Board appointed Mr. Piotr Gajek to the position of Vice-President of the Management Board effective 1 May 2016;
- on 13 April 2016 the Supervisory Board appointed Mr. Adam Pawłowicz to the position of Vice-President of the Management Board effective 18 April 2016;
- on 30 December 2016 the Management Board was informed of the resignation of Mr. Adam Pawłowicz from the position of Vice-President of the Management Board effective 31 December 2016;
- on 20 April 2017 the Supervisory Board appointed Mr. Krzysztof Rewers to the position of Vice-President of the Management Board effective 1 May 2017.

2. Information about the authorized audit company and the auditor in charge

The financial statements of Work Service SA for the year 2016 have been audited by BDO Sp. z o.o. with its registered office in Warsaw, ul. Postępu 12, an entity authorized to audit financial statements, registered with the National Chamber of Certified Auditors in number 3355.

The auditor was selected in Resolution No. 2 passed by the Company's Supervisory Board on 21 June 2016.

The audit was conducted based on an audit agreements signed on 29 July 2016, and performed under the direction of Katarzyna Stojek, Certified Auditor No. 11396. The audit was performed at the Company's registered office from 6 February 2017, intermittently until the issue of the audit opinion. It was preceded with a review of the financial statements for the 1st half of 2016 and an interim audit.

We hereby declare that BDO Sp. z o.o., its management, the certified auditor and team performing the audit of the financial statements meet the conditions required to issue an objective and independent opinion on the audited financial statements - as provided for in Article 56 par. 3 and 4 of the Act on certified auditors and their self-government, entities authorized to audit financial statements and on public supervision (2016 Journal of Laws, No. 1000 with subsequent amendments).

The Company's Management submitted all of the declarations, explanations and information requested by the auditor and necessary to perform the audit.

No limitations had been placed on the scope of the audit or on the methods selected by the auditor to perform the audit.

3. Information about the financial statements for the previous financial year

The books of account were opened based on the financial statements prepared for the period from 1 January to 31 December 2015, which had been audited by BDO Sp. z o.o. and given an unqualified opinion.

The Company's financial statements for the period from 1 January to 31 December 2015 were approved in Resolution No. 4/2016 passed by the Ordinary General Meeting of 27 June 2016.

In its Resolution No. 5/2016 the Ordinary General Meeting designated the entire net profit for the period from 1 January to 31 December 2015, amounting to 14.869 thousand zł, to the Company's reserve capital.

The financial statements for the year 2015 were filed with the National Court Register on 11 July 2016.

II. FINANCIAL ANALYSIS

Presented below are selected balance sheet and profit and loss account items, as well as key financial ratios, compared to analogical amounts for the previous years.

1. Main balance sheet and profit and loss account items (in '000 zł)

	31.12.2016	% of balance sheet total	31.12.2015	% of balance sheet total	31.12.2014	% of balance sheet total
Non-current assets	607 077	71,0	503 602	67,6	457 420	71,7
Current assets	248 047	29,0	240 927	32,4	180 507	28,3
Total assets	855 124	100,0	744 529	100,0	637 927	100,0
Equity	291 276	34,1	292 368	39,3	286 822	45,0
Liabilities and cost provisions	563 848	65,9	452 161	60,7	351 105	55,0
Total liabilities and equity	855 124	100,0	744 529	100,0	637 927	100,0

Item	1.01.2016- 31.12.2016	% of revenue	1.01.2015- 31.12.2015	% of revenue	1.01.2014- 31.12.2014	% of revenue
Sales revenue	580 771	100,0	483 493	100,0	442 283	100,0
Cost of goods sold	(536 392)	(92,4)	(436 092)	(90,2)	(406 211)	(91,8)
Sales and general administrative costs	(56 788)	(9,8)	(43 514)	(9,0)	(31 839)	(7,2)
Sales profit/loss	(12 409)	(2,1)	3 887	0,8	4 233	1,0
Profit/loss on other operating activities	2 291	0,4	1 972	0,4	2 488	0,6
Profit/loss on financial activities	2 867	0,5	9 004	1,9	13 734	3,1
Gross profit/loss	(7 251)	(1,2)	14 863	3,1	20 455	4,6
Income tax	4 558	0,8	6	0,0	3 062	0,7
Net profit/loss	(2 693)	(0,5)	14 869	3,1	23 517	5,3

2. Key financial ratios

	2016	2015	2014
Profitability ratios			
Gross sales profitability	(2,1%)	0,8%	1,0%
Net sales profitability	(0,5%)	3,1%	5,3%
Return on assets	(0,3%)	2,0%	3,7%
Liquidity ratios			
Current ratio	0,7	1,0	0,7
Operating ratios			
Receivable days	12	16	15
Debt ratios			
Payable days	67	10	22
Debt rate	65,9%	60,7%	55,0%

3. Remarks

- As at 31 December 2016 the Company's assets and liabilities totaled 855.124 thousand zł, after having gone up by 14,9% from 31 December 2015.
- Non-current assets account for 71% of total assets at the end of the audited period, and have increased from 67,6% at the end of 2015.
- As at 31 December 2016 the majority, i.e. 65,9% of the Company's liabilities were made up of liabilities and cost provisions, the value of which has grown by 24,7% from the year before.
- Sales revenue has gone up by 20,1% from the previous year. As operating costs grew at a faster pace than sales revenue, the Company generated a sales loss of 12.409 thousand zł.
- The sales loss was partially offset by the 2.291 thousand zł profit on other operating activities and the 2.867 thousand zł profit on financial activities. The Company closed the year with a net loss of 2.693 thousand zł.
- Due to the incurrence of a loss, the Company's profitability ratios are negative.
- In 2016 the current ratio amounted to 0,7, compared to 1,0 the year before.
- The receivable days ratio has gone down by 4 days and amounts to 12 days. The payable days ratio has increased by 57 days from last year, and amounts to 67 days.
- The debt rate has increased by 5,2 of a percentage point from the end of 2015 to 65,9% at the end of 2016.

In the course of the audit we found no indications that as a result of discontinuing or significantly limiting its operations the Company will not be able to continue as a going concern in at least the next reporting period.

III. DETAILED INFORMATION

1. Assessment of the Company's accounting and internal control systems

The Company has documentation describing its accounting methods, as set forth in Article 10 of the Accounting Act.

The books of account are kept at the Company's registered office. They are computerized using Asseco Softlab EPR and TETA for Personnel and Payroll.

During our audit of the financial statements we performed a random check of the operation of the Company's accounting system. It was not an objective of the audit to express a comprehensive opinion on the operation of this system.

In the course of our audit we found no misstatements in the books of account, which could have a significant effect on the audited financial statements. Our audit has shown that:

- the accounting methods (policies) are valid and applied continuously, and that the books of account were opened correctly,
- economic transactions are documented accurately, completely and clearly, and correctly classified for entry in the books of account,
- the methods used to secure access to data and the data processing system are appropriate,
- accounting entries are complete and accurate, made continuously and are consistent with the corresponding source documents and financial statements,
- accounting documents, books of account and financial statements are properly protected.

The Company's inventory count of its assets and liabilities, conducted in accordance with the scope, due date and frequency requirements of the Accounting Act, was performed correctly, and the resulting differences have been settled in the books of account of the audited period.

2. Information about selected significant financial statements items

The most significant financial statements items have been described in the notes to the financial statements and in the Directors' Report on the Company's activities.

3. Additional information

The information presented in the introduction and notes to the financial statements has been prepared completely and correctly.


4. Management's Declaration

The Company's Management submitted a written declaration about the completeness of the books of account and disclosure of all contingent liabilities and significant post-balance sheet events.

Wroclaw, 24 April 2017

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Auditor in charge:


Katarzyna Stojek
Certified Auditor No. 11396

On behalf of BDO Sp. z o.o.:


Dr. André Helin
Managing Partner
Certified Auditor No. 90004