



Capital Group

WORK SERVICE

INTERIM CONDENSED QUARTERLY REPORT for the third quarter of 2018

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

Wrocław, 29 November 2018

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SELECTED CONSOLIDATED FINANCIAL DATA

SPECIFICATION	01.01.- 30.09.2018	01.01.- 30.09.2017	01.01.- 30.09.2018	01.01.- 30.09.2017
Work Service Capital Group	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	1 568 554	1 558 634	368 770	366 165
EBITDA (operating profit + depreciation)	-4 069	17 862	-957	4 196
Profit from the sale	5 524	8 981	1 299	2 110
Profit on operating activities (EBIT)	-12 736	10 429	-2 994	2 450
Gross profit (loss)	-38 199	-12 923	-8 981	-3 036
Net profit (loss) from continued and discontinued operations	-31 040	-69 705	-7 298	-16 376
Net cash flows from operating activities	-21	-33 560	-5	-7 884
Net cash flows from investing activities	-19 608	39 628	-4 610	9 310
Net cash flows from financing activities	-2 750	-34 164	-647	-8 026
Total net cash flow	-22 379	-28 096	-5 261	-6 600
Number of ordinary shares of the Company for the purposes of calculating earnings per share in pieces	65 094 823	65 094 823	65 094 823	65 094 823
Earnings per share	-0.51	-1.23	-0.12	-0.29
Number of shares diluted for the purpose of calculating diluted earnings per share in pieces	65 836 829	65 836 829	65 836 829	65 836 829
Diluted earnings per share	-0.50	-1.22	-0.12	-0.29
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Assets	1 046 092	1 111 167	244 906	266 409
Liabilities and liability reserves	845 630	878 782	197 975	210 694
Long-term liabilities	48 678	49 821	11 396	11 945
Short-term liabilities	796 952	828 961	186 579	198 749
Equity (Fund)	92 726	144 974	21 709	34 758
Share capital (Fund)	6 509	6 509	1 524	1 561
Supplementary capital (Fund)	112 553	232 874	26 350	55 833

SELECTED SEPARATE FINANCIAL DATA

SPECIFICATION	01.01.2018- 30.09.2018	01.01.2017- 30.09.2017	01.01.2018- 30.09.2018	01.01.2017- 30.09.2017
Work Service SA	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	443 957	426 714	104 375	100 247
EBITDA (operating profit + depreciation)	-24 764	-4 246	-5 822	-998
Profit from the sale	-6 554	-9 568	-1 541	-2 248
Profit on operating activities (EBIT)	-29 699	-8 070	-6 982	-1 896
Gross profit (loss)	-50 326	-49 219	-11 832	-11 563
Net profit (loss)	-50 326	-49 219	-11 832	-11 563
Net cash flows from operating activities	-14 827	-61 730	-3 486	-14 502
Net cash flows from investing activities	56 991	370 814	13 399	87 114
Net cash flows from financing activities	-41 456	-289 005	-9 746	-67 895
Total net cash flow	709	20 079	167	4 717
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Assets	803 212	859 668	188 044	206 111
Liabilities and liability reserves	635 329	631 709	148 740	151 456
Long-term liabilities	4 007	3 960	938	949
Short-term liabilities	624 259	624 118	146 148	149 636
Equity (Fund)	167 883	227 959	39 304	54 655
Share capital (Fund)	6 509	6 509	1 524	1 561
Supplementary capital (Fund)	211 700	285 679	49 562	68 493

CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of financial position of the Capital Group

as at 30 September 2018

	as on 30.09.2018	as on 31.12.2017	as on 30.09.2017
FIXED ASSETS	430 280 794.65	440 694 536.63	534 032 643.94
Intangible assets	39 877 931.74	44 887 158.61	47 827 827.57
Goodwill	350 873 677.13	354 334 183.27	401 272 613.33
Tangible fixed assets	13 856 164.55	16 996 932.14	24 816 982.24
Investment real estates	2 690 484.05	2 690 484.05	5 779 851.21
Other financial assets	25 000.00	30 000.00	0.00
Other long-term assets	641 496.37	1 050 669.65	4 234 660.01
Other long-term financial assets	224 082.81	203 559.15	29 421 371.82
Deferred income tax assets	21 830 183.87	20 347 522.35	19 926 135.91
Accruals	261 774.13	154 027.41	753 201.85
CURRENT ASSETS	428 880 036.82	493 203 560.63	613 717 369.47
Inventory	11 539 702.44	16 702 253.41	20 952 006.85
Trade and other receivables	352 111 013.32	385 753 274.22	463 000 724.33
Other financial assets	26 850 453.86	30 812 269.09	28 520 047.44
Other short-term assets	892 660.92	1 238 104.80	6 855 283.79
Cash and cash equivalents	28 490 526.84	50 824 465.96	76 519 151.56
Prepayments	8 995 679.44	7 873 193.15	17 870 155.50
Assets classified as held for sale	186 931 358.14	177 268 716.07	0.00
TOTAL ASSETS	1 046 092 189.61	1 111 166 813.33	1 147 750 013.41
EQUITY	92 726 400.01	144 973 695.34	269 508 130.33
Share capital	6 509 482.30	6 509 482.30	6 509 482.30
Supplementary capital (Fund)	112 552 756.74	232 873 575.60	326 984 207.71
Capital from option valuation	-53 773 718.65	-53 773 718.65	-53 773 718.65
Net profit (loss)	-33 101 344.71	-96 290 167.84	-80 199 632.98
Foreign exchange differences	-19 298 064.76	-15 785 334.10	-8 093 902.12
Equity attributable to non-controlling shareholders	79 837 289.09	71 439 858.03	78 081 694.07
LIABILITIES	845 629 931.43	878 782 002.61	878 241 883.08
Long-term liabilities	48 678 099.51	49 821 367.12	345 902 714.67
Long-term loans and credits	1 281 419.91	930 551.69	193 923 532.20
Deferred income tax liabilities	2 274 507.20	2 265 636.42	4 484 179.78
Liabilities for pension benefits	0.00	0.00	0.00
Provisions for other liabilities and charges	1 672 726.86	1 786 043.76	1 348 113.07
Other liabilities	43 449 445.54	44 839 135.25	146 146 889.62
Short-term liabilities	796 951 831.92	828 960 635.49	532 339 168.41
Trade and other liabilities	498 364 763.86	529 451 401.34	412 985 207.26
Short-term loans and credits	268 898 190.24	271 965 747.21	86 010 995.15
Provisions for other liabilities and charges	29 688 877.82	27 543 486.94	33 342 966.00
Liabilities from assets classified as held for sale	107 735 858.17	87 411 115.38	0.00
TOTAL LIABILITIES	1 046 092 189.61	1 111 166 813.33	1 147 750 013.41

Consolidated Statement of comprehensive income of the Capital Group

for the period of 3 months ended 30 September 2018 and for the period of 9 months ended 30 September 2018

CONTINUED OPERATIONS	01.01.2018- 30.09.2018	01.01.2017- 30.09.2017	01.07.2018- 30.09.2018	01.07.2017- 30.09.2017
Revenues	1 568 554 330.61	1 558 634 205.52	521 356 759.51	532 125 537.50
Net revenues from sales of products	1 568 977 683.69	1 557 547 101.59	521 453 574.22	531 724 599.94
Variation in stocks of products	-423 353.08	1 087 103.93	-96 814.71	400 937.55
Manufacturing cost of products for entity's own purposes	0.00	0.00	0.00	0.00
Net income on sale of goods and materials	0.00	0.00	0.00	0.00
Operating costs	1 563 029 861.00	1 549 653 401.43	515 109 068.80	531 366 064.76
Depreciation	8 666 173.49	7 433 006.03	2 707 250.20	2 367 595.48
Consumption of materials and energy	3 799 530.83	4 352 046.07	1 109 920.61	1 398 529.84
Outside services	192 196 698.64	173 411 199.28	62 114 016.85	66 939 031.50
Taxes and charges	2 466 113.35	1 748 122.48	968 275.75	497 019.61
Remuneration	1 097 465 960.02	1 082 514 242.17	364 080 272.93	364 906 098.09
Social insurance and other benefits	242 192 889.45	261 136 741.91	79 870 345.89	88 108 615.24
Other generic expenses	16 242 495.21	19 058 043.49	4 258 986.57	7 149 174.98
Value of goods and materials sold	0.00	0.00	0.00	0.00
Profit (loss) on sales	5 524 469.62	8 980 804.09	6 247 690.71	759 472.74
Other operating incomes	26 166 724.54	12 839 357.27	10 734 907.15	5 048 808.34
Other operating costs	44 426 703.52	11 391 264.77	6 524 758.13	-20 986.05
Profit (loss) on operating activities	-12 735 509.37	10 428 896.58	10 457 839.73	5 829 267.15
Financial incomes	3 427 955.13	7 039 066.99	124 351.36	114 690.05
Financial costs	28 891 660.95	30 390 863.75	8 318 568.59	5 347 760.39
Gross profit (loss)	-38 199 215.19	-12 922 900.19	2 263 622.50	596 196.78
Income tax	9 960 062.74	7 816 424.00	3 880 928.41	3 286 993.73
Net profit (loss) from continued operations	-48 159 277.93	-20 739 324.18	-1 617 305.91	-2 690 796.94

DISCONTINUED OPERATIONS

Net profit (loss) from discontinued operations	17 119 482.92	-48 965 522.15	2 784 936.75	3 653 564.35
Net profit (loss)	-31 039 795.01	-69 704 846.33	1 167 630.84	962 767.41
Measurement of shares by the equity method	0.00	0.00	0.00	0.00
Minority shareholders profit (loss)	2 061 549.70	10 494 786.65	1 788 502.83	3 615 377.21
Net profit attributable to				
- Shareholders of the parent company	-33 101 344.71	-80 199 632.98	-620 871.99	-2 652 609.80
- Non-controlling interests	2 061 549.70	10 494 786.65	1 788 502.83	3 615 377.21

Net profit	-31 039 795.01	-69 704 846.33	1 167 630.84	962 767.41
Other comprehensive income				
Items not to be reclassified to the income statement in future periods:				
- none				
Items that may be reclassified to the income statement in future periods:				
- Foreign exchange differences from translation of foreign operation	-3 512 730.67	-2 816 674.55	-3 651 932.57	1 675 408.50
Other comprehensive income in total	-3 512 730.67	-2 816 674.55	-3 651 932.57	1 675 408.50
Comprehensive income for the period	-34 552 525.68	-72 521 520.88	-2 484 301.72	2 638 175.91
- of which attributable to minority interest in equity	2 590 427.69	8 988 500.14	2 330 931.97	4 889 709.40
- of which attributable to shareholders of the parent entity	-37 142 953.37	-81 510 021.02	-4 815 233.69	-2 251 533.49
Profit per share from continuing and discontinued operations attributable to shareholders of the parent entity during the year (in PLN)				
From continuing operations:				
- basic	-0.77	-0.48	-0.05	-0.10
- diluted	-0.76	-0.48	-0.05	-0.10
From discontinued operations				
- basic	0.26	-0.75	0.04	0.05
- diluted	0.26	-0.74	0.04	0.05

Consolidated Statement of cash flows of the Capital Group

for the period of 9 months ended 30 September 2018

	01.01.2018- 30.09.2018	01.01.2017- 30.09.2017
Net profit (loss)	-33 101 344.70	-80 199 632.98
Total adjustment	33 080 697.90	46 639 287.25
Depreciation	13 078 088.62	12 623 903.83
(Profit) loss on foreign exchange differences	0.00	0.00
Interest and participation in profits (dividends)	14 240 331.48	13 401 360.70
(Profit) loss on investing activities	3 122 889.18	-313 752.00
Change in reserves	-2 225 388.64	3 590 810.23
Change in inventory	4 035 435.26	4 293 861.26
Change of receivables with the exception of receivables from income tax	5 228 475.17	-168 413 724.16
Change in short-term liabilities excluding credits and loans and income tax from legal persons	-30 034 261.23	103 898 117.64
Change in accruals	2 281 903.04	-6 887 250.45
Other adjustments	10 745 663.27	75 346 651.40
Income tax on profit before tax	15 115 904.76	13 637 254.42
Income tax paid	-2 508 343.01	-4 537 945.62
Net cash flows from operating activities	-20 646.80	-33 560 345.71
Cash flow on investment activity		
Incomes	3 975 708.34	130 037 119.79
Disposal of intangible and tangible fixed assets	758 221.07	332 762.59
Sale of investment property and intangible assets	0.00	0.00
From financial assets, including:	1 488 521.40	1 531 434.58
a) in related entities	0.00	0.00
Interest	0.00	0.00
b) in other entities	1 488 521.40	1 531 434.58
Interest	1 488 521.40	1 531 434.58
acquisition of financial assets	0.00	0.00
Other investment income	1 728 965.87	128 172 922.62
Expenditures	23 583 937.02	90 408 829.08
Purchase of intangible and tangible fixed assets	9 708 873.02	4 870 195.52
Investments in real estate and intangible assets	0.00	0.00
For financial assets, including:	13 875 064.00	80 706 833.07
a) in related entities	11 766 664.00	76 749 637.07
acquisition of financial assets	11 766 664.00	76 749 637.07
b) in other entities	2 108 400.00	3 957 196.00
acquisition of financial assets	2 108 400.00	3 957 196.00
Other investment expenses	0.00	4 831 800.50
Cash flow on investment activity	-19 608 228.67	39 628 290.70

Cash flow on financial activity		
Incomes	17 432 922.99	81 169 836.27
Credits and loans	0.00	59 759 744.57
Issuance of debt securities	16 990 000.00	20 000 000.00
Net income from issuance of shares	0.00	0.00
Other financial income	442 922.99	1 410 091.70
Expenditures	20 183 037.05	115 333 420.43
Dividends and other expenses for owners	0.00	0.00
Other than payments for owners. expenses related to profit distribution	0.00	0.00
Credits and loans repayments	3 427 188.36	0.00
Redemption of debt securities	0.00	100 000 000.00
Due to other financial liabilities	0.00	0.00
Payment of liabilities on account of financial leasing contracts	681 777.04	400 625.13
Interest	15 728 852.90	14 932 795.30
Other financial expenses	345 218.75	0.00
Net cash flows from financing activities	-2 750 114.06	-34 163 584.16
Total net cash flow	-22 378 989.52	-28 095 639.15
Balance sheet change in cash and cash equivalent, including:	-22 378 989.52	-28 095 639.15
change of cash resources due to exchange rate differences	0.00	0.00
Cash resources at the beginning of period	61 115 284.37	104 614 790.71
Cash and cash equivalents at end of period	38 736 294.85	76 519 151.56
Position 'other adjustments' includes		
change of differences from conversions	-138 715.36	7 841 797.30
change in real estate kept for investment purposes	0.00	-4 165 007.16
other changes in capitals	-466 254.59	-1 209 744.65
managerial programme	456 401.64	684 602.46
change of item other assets	2 518 617.16	2 570 555.38
changes in shares attributable to non-controlling shareholders	8 375 614.42	8 043 360.43
Profit/loss on sale of other assets	0.00	1 867 165.08
profit/loss from the sale of ITK Group	0.00	-79 337 186.06
loss on revaluation to fair value of the Proservice Group	0.00	139 051 108.61
	10 745 663.27	75 346 651.40

Consolidated statement of changes in equity of Capital Group

01.01.2018-30.09.2018	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2017	6 509 482.30	232 873 575.60	-53 773 718.65	-15 785 334.10	-96 290 167.84	73 533 837.31	71 439 858.04	144 973 695.34
The capital increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	-33 101 344.71	-33 101 344.71	0.00	-33 101 344.71
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	-3 512 730.67	0.00	-3 512 730.67	0.00	-3 512 730.67
Distribution of profit for 2017:	0.00	-96 290 167.84	0.00	0.00	96 290 167.84	0.00	0.00	0.00
Managers programme	0.00	456 401.64	0.00	0.00	0.00	456 401.64	0.00	456 401.64
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	8 385 522.74	8 385 522.74
Other	0.00	-476 242.91	0.00	0.00	0.00	-476 242.91	11 908.32	-464 334.59
Write-down for receivables due to entry into force of IFRS 9	0.00	-24 010 809.75	0.00	0.00	0.00	-24 010 809.75	0.00	-24 010 809.75
As on 30 September 2018	6 509 482.30	112 552 756.74	-53 773 718.65	-19 298 064.76	-33 101 344.71	12 889 110.90	79 837 289.09	92 726 400.01

Consolidated statement of changes in equity (comparative data)

01.01.2017-31.12.2017	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2016	6 509 482.30	330 652 018.76	-53 773 718.65	-5 277 227.57	2 417 610.83	280 528 165.67	76 768 903.19	357 297 068.85
The capital increase	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	-96 290 167.84	-96 290 167.84	0.00	-96 290 167.84
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	-10 508 106.54	0.00	-10 508 106.54	0.00	-10 508 106.54
Liability from the purchase of the remaining shares in Prohuman 2004 Kft	0.00	-94 948 356.00	0.00	0.00	0.00	-94 948 356.00	-5 704 819.00	-100 653 175.00
Distribution of profit for 2016:	0.00	2 417 610.83	0.00	0.00	-2 417 610.83	0.00	0.00	0.00
Operations related to transaction with ITK Group	0.00	-5 560 279.72	0.00	0.00	0.00	-5 560 279.72	-10 736 639.27	-16 296 918.99
Managers programme	0.00	912 803.28	0.00	0.00	0.00	912 803.28	0.00	912 803.28
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	9 557 769.61	9 557 769.61
Other	0.00	668 778.70	0.00	0.00	0.00	668 778.70	1 554 643.51	2 223 422.21
Dividend payment by APT	0.00	-1 269 000.25	0.00	0.00	0.00	-1 269 000.25	0.00	-1 269 000.25
As on 31 December 2017	6 509 482.30	232 873 575.60	-53 773 718.65	-15 785 334.10	-96 290 167.84	73 533 837.31	71 439 858.03	144 973 695.34

01.01.2017-30.09.2017	Share capital	Other capital/supplementary capital	Capital from option valuation	Other capital/exchange rate differences on conversion of subsidiaries	Net result	Equity attributable to shareholders of parent company	Equity attributable to non-controlling shareholders	Equity with a capital of minority shareholders
As on 31 December 2016	6 509 482.30	330 652 018.76	-53 773 718.65	-5 277 227.57	2 417 610.83	280 528 165.67	76 768 903.19	357 297 068.85
The capital increase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	-80 199 632.99	-80 199 632.99	0.00	-80 199 632.99
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	-2 816 674.55	0.00	-2 816 674.55	0.00	-2 816 674.55
Distribution of profit for 2016:	0.00	2 417 610.83	0.00	0.00	-2 417 610.83	0.00	0.00	0.00
Purchasing of the companies from APT Group	0.00	0.00	0.00	0.00	0.00	0.00	746 711.37	746 711.37
Managers programme	0.00	684 602.46	0.00	0.00	0.00	684 602.46	0.00	684 602.46
Minorities result	0.00	0.00	0.00	0.00	0.00	0.00	10 494 786.65	10 494 786.65
Other	0.00	59 255.63	0.00	0.00	0.00	59 255.63	807 932.14	867 187.77
Operations pertaining to transactions with the ITK Group	0.00	-5 560 279.72	0.00	0.00	0.00	-5 560 279.72	-10 736 639.27	-16 296 918.99
Dividend payment by APT	0.00	-1 269 000.25	0.00	0.00	0.00	-1 269 000.25	0.00	-1 269 000.25
As on 30 September 2017	6 509 482.30	326 984 207.71	-53 773 718.65	-8 093 902.12	-80 199 632.98	191 426 436.24	78 081 694.07	269 508 130.33

ADDITIONAL NOTES TO THE CONDENSED REPORT OF THE CAPITAL GROUP FOR THE THIRD QUARTER OF 2018

1. Information on the Work Service Capital Group

1.1. The Parent Company

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

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

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

Company name, address and communication numbers:

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

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

1.2. Basic information on the Work Service Capital Group

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

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

The basis for preparation of the consolidated report is the report of Parent Company, prepared in accordance with International Financial Accounting Standards that have been approved by the European Union and restated financial statements of subsidiaries. The consolidated financial statements have been adjusted by the amounts of mutual revenues, expenses, unrealised margins and balances arising from transactions between Group companies.

The individual interim condensed report of the Parent Company and the consolidated financial statements of its Capital Group were drawn up under the assumption that the Parent Company and the Capital Group companies would continue as a going concern in the unchanged form and scope for at least 12 months from the date at which the Financial Statements were made.

In the opinion of the Management Board, the parent company and its capital group are in a difficult financial situation that is characterised with:

1. The maturity of liabilities related to loans, bonds and acquisitions.
2. Non-cash write-downs related to the group's activities in previous years.
3. Operating performance, worse than in the corresponding period of 2017, delivered by the companies operating as temporary work agencies on the German market and lower than anticipated results generated by the Work Express group engaged in cross-border exchange of personnel between the Polish market and the markets of Western Europe. To a great extent these drops are compensated with better performance delivered by the companies operating in Southeast Europe and improved operating profitability on the Polish market.
4. Protracting closure of the Exact Systems transaction and extra costs related thereto, including costs of limited liquidity of the group.
5. Extra costs of disinvesting through selling assets and costs of restructuring the group in financial, operating and structural terms.

However, the Management Board of the parent company draws attention to the following factors of positive nature that may have an impact on the assessment of the current situation and outlooks on the group's further growth:

- 1) Operating on a dynamically growing personnel services market in Central and Eastern Europe, which is a 'candidate-driven market', which has a direct impact on possibilities of bumping up profitability as well as improving sales and operating performance.
- 2) A growing demand for high-margin cross-border personnel exchange services in Central Europe, where the capital group is a market leader. In addition, in accordance with the strategy adopted by the group, an increase was recorded in the number of Ukrainian employees employed in the territory of Poland by the Work Service group. In the opinion of the group's Management Board, this trend is of permanent nature.
- 3) Permanent and confirmed capacity to acquire new attractive customers on various geographical markets (the group did not lose any key accounts in the past 12 months).
- 4) Ongoing comprehensive debt restructuring plan intended to completely deleverage the company over the next 18 months.
- 5) Ongoing next stage of cost restructuring of the group at the level of the parent company and subsidiaries operating on the domestic market intended to reduce indirect costs and, as a consequence, improve the profitability and liquidity of those entities. The company finalised the first stage in Q1, 2018.
- 6) Ongoing disinvestment processes of the group, including successfully completed transactions of selling IT Kontrakt (2017) and Exact Systems (2018) as well as disinvesting from the Russian market (2017/2018) and announcing a plan to sell Hungarian assets (2019).
- 7) Restructuring the German business, in particular gaining 100% control over the companies comprising Work Service Germany and measures taken to alter the business model of the Work Express group.

At the same time the group's Management Board points out that historical financial results are encumbered with a series of one-off events and write-downs, therefore, results adjusted for these events may present a different financial picture of the group.

In the area of refinancing the capital group's debt:

The Management Board of the parent company is comprehensively restructuring the company's debt. In order to ensure professional handling of the debt restructuring process, an agreement was entered into with a financial adviser and a legal adviser who support the Management Board in talks and negotiations with creditors as well as analysing the financial situation of the company and the subsidiaries. The debt restructuring process encompasses in particular:

1. Prolonging and determining new terms and conditions of loan and factoring agreements together with changes in the security structure thereof.
2. Agreeing to put off the date of redemption of all series bonds while at the same time providing supplementary security for them and ensuring that all bonds are repaid in a full amount.
3. Negotiations with the minority shareholders of acquired companies with a view to agreeing amendments to the performance terms and conditions as well as the formula and sources of financing the put option concerning minority interests in entities owned.
4. Preparing the process of organised sale of the Hungarian asset, earmarking the funds raised as a result of the transaction for reducing debt and liabilities with respect to the minority shareholders of subsidiaries.
5. Arrangements with new financial institutions in order to obtain supplementary factoring limits.
6. Talks with various financial investors aimed at refinancing the whole or a part of the group's debt.

In the Management Board's opinion, backed up by relevant analyses of financial and legal advisers, the factors analysed above give sufficient grounds to carry out effective talks with investors and financial institutions oriented towards making it possible for the parent company and the whole capital group to continue operating and growing, and to completely repay debt with interest due thereon over the next 18 months. The Management Board is making every effort to make it possible for all entities financing the activities of the group to be able to fully and accurately assess the current situation and improve it. At the same time the Management Board is aware of the fact that not all factors having an impact on successful execution of the process of out-of-court restructuring of the company's group are conditional on the Management Board's efforts and decisions. In the opinion of the Management Board, results of talks with the financial institutions financing the group and its creditors will be known in early December 2018. Relevant restructuring agreements in the scope of debt and bonds are expected to be signed in the first half of December 2018.

On 31 October 2018 Work Service S.A. concluded a share purchase agreement relating to the sale of all shares held in Exact Systems S.A. and all shares held in Exact Systems GmbH. The total consideration received by the Issuer from the Transaction (including sale of 100% of shares in Exact Systems GmbH) amounted to PLN 155,260,000. Part of the proceeds from the Transaction, in the amount of PLN 104,000,000, the Issuer allocated for the repayment of part of the debt towards consortium of banks financing the Issuer. The sale by the Issuer of shares in Exact Systems S.A. is a consequence of strategic options for further adjustment of the Group's financing structure and gradual debt deleveraging by selling Issuer's assets. Work Service S.A. gained a control over Exact Systems in 2007 for PLN 9.000.000.

As of 30 September 2018 the Management Board of Work Service SA was composed of:

- Maciej Witucki - President
- Paul Andrew Christodoulou - Vice President
- Tomasz Ślęzak - Vice President
- Iwona Szmitkowska - Vice President
- Piotr Ambrozowicz - Vice President

On 23 May 2018, the Issuer received document containing the resignation of Mr. Krzysztof Rewers from the position of the Vice President of the Management Board of Work Service S.A. with effect on 23 May 2018. Mr. Krzysztof Rewers indicated personal reasons as the reason for his resignation.

On 23th May 2018 the Supervisory Board of the Issuer, acting pursuant to §16(2) (b) of the Company's Articles of Association and § 14(2)(b) of the Bye-laws of the Supervisory Board, appointed:

1. Mr Maciej Witucki to perform the duties of President of the Management Board of Work Service S.A. for a new term;
2. Mr Paul Christodoulou to perform the duties of Vice-president of the Management Board of Work Service S.A. for a new term;
3. Mrs Iwona Szmitkowska to perform the duties of Vice-president of the Management Board of Work Service S.A. for a new term;
4. Mr Tomasz Ślęzak to perform the duties of Vice-president of the Management Board of Work Service S.A. for a new term;
5. Mr Piotr Ambrozowicz to perform the duties of Vice-president of the Management Board of Work Service S.A.

On 15 October 2018, the Issuer received document containing the resignation of Mr. Piotr Ambrozowicz from the position of the Vice President of the Management Board of Work Service S.A. with effect on 16 October 2018. Mr. Piotr Ambrozowicz didn't indicate reason for his resignation.

Supervisory Board of Work Service S.A. as at 30 September 2018 was composed of:

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

In the three quarters of 2018 there were no changes in the composition of the Supervisory Board of Work Service SA.

As on 30 September 2018 the Work Service Capital Group comprised of the following economic entities:

Companies with share capital of Work Service SA - direct					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share in the total number of votes at the General Meeting	Method of consolidation
Finance Care Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.12.2005	100.00%	100.00%	Full
Industry Personnel Services Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	30.11.2003	100.00%	100.00%	Full
Exact Systems S.A.	42-200 Częstochowa, ul. Focha 53	24.09.2007	69.09%	69.09%	Full
Antal Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	30.04.2007	100.00%	100.00%	Full
Work Service International Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	06.07.2006	100.00%	100.00%	Full
WS Support Sp. z o.o. (Clean Staff Sp. z o.o.)	53-413 Wrocław, ul. Gwiaździsta 66	19.02.2010	100.00%	100.00%	Full
Sellpro Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	20.03.2009	100.00%	100.00%	Full
Virtual Cinema Studio Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	20.12.2002	50.00%	50.00%	Not Subject to consolidation
Krajowe Centrum Pracy Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	16.05.2011	75.00%	75.00%	Full
Prohuman 2004 Kft.	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	93.01%	93.01%	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	Charków, ul. Sumska 50, Ukraine	03.02.2017	100.00%	100.00%	Full
Work Service Investments Sp. Z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	11.01.2018	100.00%	100.00%	Full

Companies related by Antal Sp. Z o.o.

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Antal International s.r.o.	Anglicka 140/20, Vinohrady, 120 00 Praha 2	19.09.2014	100.00%	100.00%	Full

Companies related by Exact Systems SA

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Automotive Assembly Systems Sp. z o. o.	53-413 Wrocław, ul. Gwiaździsta 66	01.03.2007	100.00%	100.00%	Full
Exact Systems Czech Republik s.r.o.	Na Honech 832/16, Hrabová 720 00 Ostrava	29.01.2007	100.00%	100.00%	Full
Exact Systems Slovakia s.r.o.	010 01 Zilina, Jána Kalinčiaka 22	17.10.2006	100.00%	100.00%	Full
AO Exact Systems Russia	Khoroshevskoe highway, 32A, bld. 22, Office, 123007 Moscow	21.03.2011	100.00%	100.00%	Full
Exact Systems Kalite Kontrol Ltd. Sti.	Akdeniz Mahallesi Cumhuriyet Bulvari No: 64 Akhan Ishani Kat: 5, Daire: 7 Konak/Izmir	03.04.2012	99.00%	99.00%	Full
Exact Systems s.r.l. Rumunia	27 Unirii Bulevardul, block 15, sc.1, floor 7, apt.1 040103 Bucharest	24.09.2007	99.97%	99.97%	Full
Exact Systems Ltd. (UK)	2.11 Grosvenor House, Central Park TF2 9TW Telford England	15.11.2013	100.00%	100.00%	Full
Work Service SPV Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	29.01.2014	6.99%	6.99%	Full
Exact Systems Hungary LLC	Hungaria krt.140-144, 1146 Budapest	10.07.2015	100.00%	100.00%	Full
Control + Rework Service NV	Hoogstraat 69 3600 Genk Belgium	15.09.2015	100.00%	100.00%	Full
Control + Rework Service Polska Sp. z o.o.	ul. Portowa 16L, 44-102 Gliwice	15.09.2015	100.00%	100.00%	Full
Exact Systems China Ltd	3F Qianjiang Tower, 971 Dong Fang Rd. Pudong District, Shanghai, PR China, 200122	19.02.2016	100.00%	100.00%	Full
Exact Systems BV	Julianastraat 1, 6351 GA, Bocholtz	15.05.2018	100.00%	100.00%	Full

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

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	05.05.2011	46.50%	46.50%	Full
Krajowe Centrum Pracy Sp. z o.o.	53-413 Wrocław, Gwiaździsta 66	28.03.2013	25.00%	25.00%	Full

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

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Outsourcing Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	05.09.2011	100.00%	100.00%	Full
Work Service SK s.r.o.	831 03 Bratislava, Škultétyho 1	01.06.2016	100.00%	100.00%	Full
Antal International s.r.o.	831 03 Bratislava, Škultétyho 1	01.04.2016	100.00%	100.00%	Full

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

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Exact Systems Kalite Kontrol Ltd. Sti.	Akdeniz Mahallesi Cumhuriyet Bulvari No: 64 Akhan Ishani Kat: 5, Daire: 7 Konak/Izmir	03.04.2012	1.00%	1.00%	Full
Exact Systems s.r.l. Rumunia	27 Unirii Bulevardul, block 15, sc.1, floor 7, apt.1 040103 Bucharest	24.09.2007	0.03%	0.03%	Full

Companies related by Prohuman 2004 Kft					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Prohuman Outsourcing Kft.	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
Enloyd Kft.	H-1146 Budapest,Hungaria korut 140-144	16.02.2015	100.00%	100.00%	Full
Naton kadrovsko svetovanje d.o.o.	Ljubljana, Cesta 24. Junija 25, 1231 Ljubljana-Crnuce	03.12.2015	100.00%	100.00%	Full
HR Rent Kft	H-7624 Pecs, Ferencesek 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, 1 st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full
APT Human Resources s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full
APT Broker s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full
APT Finance Broker s.r.l.	67 Constantin Dobrogeanu Gherea Street, attic floor, office no. 1, 1 st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full

Companies related by Naton kadrovsko svetovanje d.o.o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Naton Ljudski potencial d.o.o.	Zvonimirova 2/III, 100000 Zagreb, Croatia	03.12.2015	100.00%	100.00%	Full

Companies related by Work Express Sp. z o.o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Outsourcing Solutions Partner Sp. z o.o.	ul. Murckowska 14, 40-265 Katowice	02.01.2014	100.00%	100.00%	Full
Clean24h Sp. z o.o.	ul. Bankowa 20, 42-320 Niegowa	02.01.2014	100.00%	100.00%	Full
LogistykaPL Sp. z o.o.	ul. Warszawska 1, 42-350 Kozięglów	02.01.2014	100.00%	100.00%	Full
Workbus Sp. z o.o.	Batalionów Chłopskich 8, 42-425 Kroczyce	02.01.2014	100.00%	100.00%	Full

Companies related by Work Service GmbH & Co.KG					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Exact Systems GmbH	02826 Gorlitz, Emmerichstr.43	12.08.2009	100.00%	100.00%	Full
IT Kontrakt GmbH	An den Treptowers 1 D-12435 Berlin	05.04.2012	100.00%	100.00%	Full
Work Service 24 GmbH	An den Treptowers 1 D-12435 Berlin	23.08.2011	100.00%	100.00%	Full
Work Service Deutschland GmbH	Mainzer Strasse 178, 67547 Worms	26.06.2014	100.00%	100.00%	Full
Work Service Outsourcing Deutschland GmbH	Domhof 8, 48268 Greven	26.06.2014	100.00%	100.00%	Full
Work Service GP GmbH	Gauermannngasse 2 1010 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 by Krajowe Centrum Pracy Sp. z o.o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Kariera.pl Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	03.11.2016	49.00%	49.00%	Full

Companies related by Work Service SPV Sp. z o.o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Gmbh & Co.KG	c/o CMS Hasche Sigle, Breite Str. 3, 40213 Düsseldorf	26.06.2014	74.00%	74.00%	Full

Companies related by Work Service Deutschland GmbH					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Fahrschule Gmbh	Domhof 8, 48268 Greven	29.07.2015	100.00%	100.00%	Full

Companies related by Profield 2008 Kft					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Finance Care Hungary Pénzügyi Tanácsadó Kft	H-1146 Budapest, Hungária krt. 140-144, HU25790722	08.11.2016	100.00%	100.00%	Full

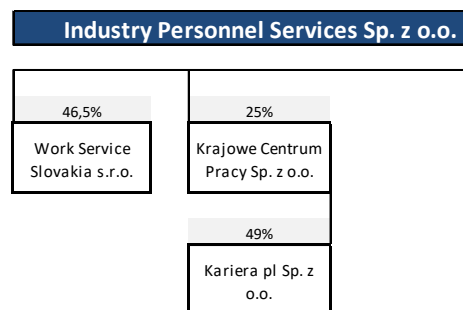
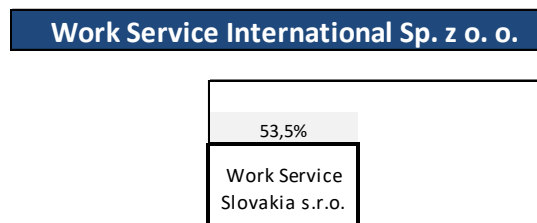
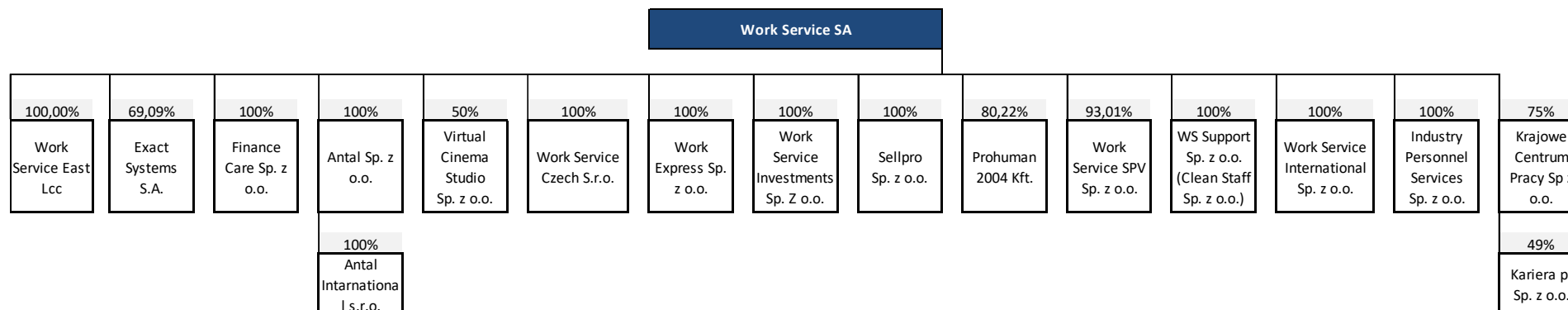
Companies related by Work Service International Sp. z o. o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	04.09.2007	53.50%	53.50%	Full

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

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

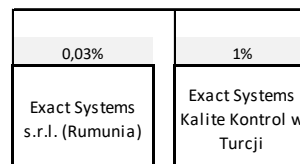
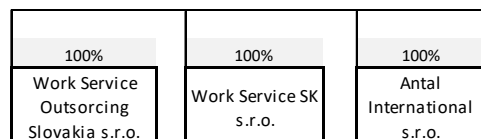
The exclusion of the above mentioned company from consolidation does not affect the economic decisions taken by users on the basis of the financial statements.

The structure of Work Service SA Capital Group as at 30.09.2018

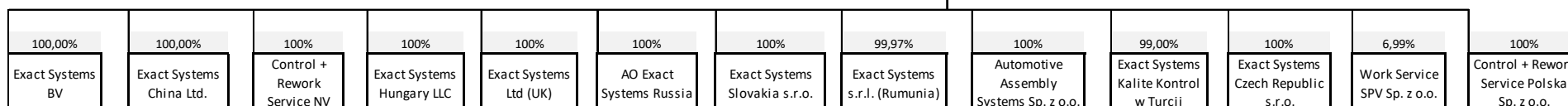


Automotive Assembly Systems Sp. z o.o.

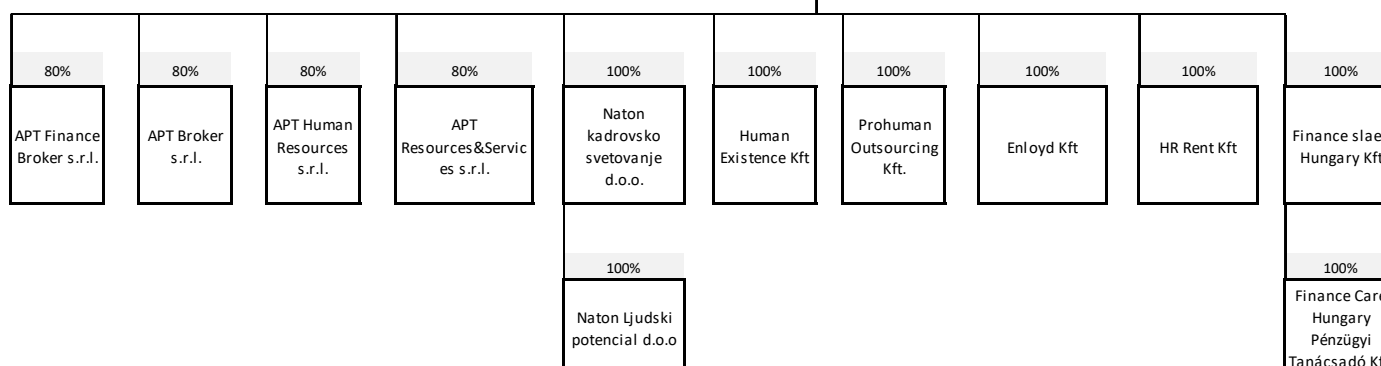
Work Service Slovakia s.r.o.

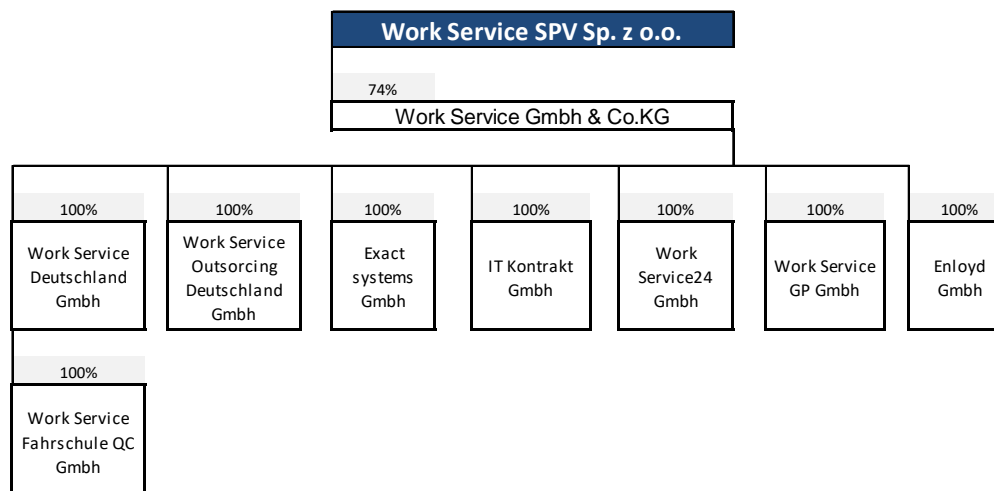
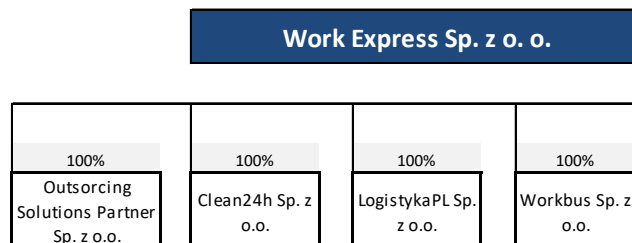


Exact Systems S.A.



Prohuman 2004 Kft





1.3 Scope of activities of Work Service Capital Group companies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IT Kontrakt GmbH – indirect subsidiary of Work Service SA. The company dedicated to handle the German market.

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

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

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

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

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

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

Prohuman 2004 Kft - a direct subsidiary of the Parent Company, in which the Work Service SA holds 80,22% stake. The company is one of the largest recruitment agencies operating on the Hungarian market. Prohuman operates on the Hungarian market of personal services since 2004. The company is a part of the Prohuman Group Capital Group, covering a total of five companies operating in different areas (comprehensive HR services, merchandising, sales promotions, marketing events, telemarketing).

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

Work Service SPV Sp. z o.o. - The company in 97.84% is a subsidiary of Work Service SA (directly WSSA has a 93.01% stake, and indirectly through shares of: Exact Systems SA-4.84%.) Its establishment is related to the implementation of the provisions of the agreement with Fiege Logistik Stiftung & Co. KG with its registered office in Greven, Germany.

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

Enloyd Kft – the company conducts the activity analogous to the activity of Antal Sp. z o.o. on the Hungarian market. The share capital of the company was fully covered by Prohuman 2004 Kft, which is a 80,22% subsidiary of Work Service SA.

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

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

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

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

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

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

Human Existence Kft.- - Indirect subsidiaries of Work Service SA 100% of company shares is owned by company Prohuman 2004 Kft (80,22% subsidiary of Work Service SA). Company is engaged in leasing of temporary workers and outsourcing. It operates in the north-eastern Hungary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Work Service Investments Sp. z o.o. - the company was established to organize the investment activity of the Work Service Capital Group, full dependent on Work Service S.A.

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

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

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

The Management Board of Work Service SA hereby declares that, to the best knowledge, this semi annual consolidated financial statements and separate statements of Work Service SA and comparative information have been prepared in accordance with the applicable accounting principles, and that the report give a true and fair view of the financial position of the Work Service Capital Group.

3. Accounting principles applied

The basis of preparation of these interim condensed financial statements is the Minister of Finance Regulation of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, pos. 757) and it was drawn up in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

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

Consolidated financial statements, as on 30 September 2018, was drawn up on the basis of the financial statements of the companies included the Capital Group in accordance with the historical cost principle.

Both the condensed consolidated financial statements and separate financial statements contain data as at 30 September 2018 and for the period from 1 January 2018 to 30 September 2018. Comparative data are presented as at 31 December 2017 for the consolidated statement of financial position and separate statements of financial position and for the period from 1 January 2017 to 30 September 2017 for the consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in an equity and separate statements of comprehensive income, the separate cash flow statement, the separate statement of changes in equity.

Selected financial data in the initial part of the report are presented in EUR in accordance with § 64 of the Regulation of Finance of 29 March 2018 (Journal of Laws 2018 pos.757). The exchange rate as of the last day was used for balance sheet items and for items from the income statement and statement of cash flows, the average exchange rate during the period was used.

	Average EUR exchange rate in the period	EUR exchange rate on the last day of the period
01.01-30.09.2018	4.2535	4.2714
01.01-31.12.2017	4.2447	4.1709
01.01-30.09.2017	4.2566	4.3091

The accounting principles adopted in these consolidated financial statements were applied on a continuous basis and are compliant with the accounting principles applied in the last audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union for the year ended 31 December 2017, apart from changes resulting from the implementation of new standards, interpretations and amendments to standards.

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

In these condensed financial statements we did not make the adjustments of previously published data, except for transformation of the statements from comprehensive income for the period from 1 January 2017 to 30 September 2017 in connection with the recognition of the discontinued operations.

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

An operating segment is a component of an entity:

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

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

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

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

The accounting policies used in the preparation of the financial data for the reportable segments are consistent with the Group's accounting policies described in clause 1.1.5 of the additional note to the consolidated financial statements for the year 2017 "Basic accounting policies".

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

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

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

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

The following tables present data on the revenues and costs of the Group's business segments for the quarter ended on: 30 September 2018 and comparative data for the quarter ended on 30 September 2017, as well as increasing data for the first 9 months 2018 and the first 9 months of 2017.

Continued activity 01.01.2018-30.09.2018

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	1 458 530 595	110 023 736		1 568 554 331		0
Internal sale	85 258 370	47 470 040		132 728 410	-132 728 410	0
Total segment revenue	1 543 788 965	157 493 776		1 701 282 741	-132 728 410	1 568 554 331
Costs						
The costs of external suppliers	1 327 205 158	71 729 105		1 398 934 262		
The costs form Group suppliers	86 493 452	14 226 583		100 720 036	-100 720 036	0
Total segment costs	1 413 698 610	85 955 688		1 499 654 298	-100 720 036	1 398 934 262
Result						
Segment profit (loss)	131 325 437	38 294 631		169 620 069		169 620 069
Unallocated costs			207 196 339	207 196 339	-43 100 740	164 095 599
Other Operating revenue						
Sales to external customers			26 166 725	26 166 725	0	
Internal sale			2 969 186	2 969 186	-2 969 186	0
Total segment revenue			29 135 910	29 135 910	-2 969 186	26 166 725
Other Operating costs						
The costs of external suppliers			44 426 704	44 426 704	0	
The costs form Group suppliers			4 582 865	4 582 865	-4 582 865	0
Total segment costs			49 009 568	49 009 568	-4 582 865	44 426 704
Result						
Profit (loss) from operating activities of the segment						-12 735 509
Financial income						
Sales to external customers			3 427 955	3 427 955		0
Internal sale			16 050 250	16 050 250	-16 050 250	0
Total segment revenue			19 478 205	19 478 205	-16 050 250	3 427 955
Financial costs						
The costs of external suppliers			28 891 661	28 891 661		0
The costs form Group suppliers			12 397 288	12 397 288	-12 397 288	0
Total segment costs			41 288 949	41 288 949	-12 397 288	28 891 661
Result						
Profit (loss) on business activities						-38 199 215
Result						
Gross profit (loss)						-38 199 215
Tax			9 960 063	9 960 063		9 960 063
Result						
Net profit (loss) of the segment						-48 159 278

Continued activity 01.01.2017-30.09.2017

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	1 410 707 175	147 927 031		1 558 634 206		0
Internal sale	101 600 683	34 187 794		135 788 477	-135 788 477	0
Total segment revenue	1 512 307 858	182 114 825		1 694 422 682	-135 788 477	1 558 634 206
Costs						
The costs of external suppliers	1 287 948 174	96 271 203		1 384 219 377		
The costs form Group suppliers	95 831 712	18 465 369		114 297 081	-114 297 081	0
Total segment costs	1 383 779 885	114 736 573		1 498 516 458	-114 297 081	1 384 219 377
Result						
Segment profit (loss)	122 759 001	51 655 828		174 414 829		174 414 829
Unallocated costs			189 906 547	189 906 547	-24 472 522	165 434 025
Other Operating revenue						
Sales to external customers			12 839 357	12 839 357	0	
Internal sale			9 841 648	9 841 648	-9 841 648	0
Total segment revenue			22 681 005	22 681 005	-9 841 648	12 839 357
Other Operating costs						
The costs of external suppliers			11 391 265	11 391 265	0	
The costs form Group suppliers			4 035 115	4 035 115	-4 035 115	0
Total segment costs			15 426 380	15 426 380	-4 035 115	11 391 265
Result						
Profit (loss) from operating activities of the segment						10 428 897
Financial income						
Sales to external customers			7 039 067	7 039 067		0
Internal sale			96 431 817	96 431 817	-96 431 817	0
Total segment revenue			103 470 884	103 470 884	-96 431 817	7 039 067
Financial costs						
The costs of external suppliers			30 390 864	30 390 864		0
The costs form Group suppliers			110 850 234	110 850 234	-110 850 234	0
Total segment costs			141 241 098	141 241 098	-110 850 234	30 390 864
Result						
Profit (loss) on business activities						-12 922 900
Result						
Gross profit (loss)						-12 922 900
Tax			7 816 424	7 816 424		7 816 424
Result						
Net profit (loss) of the segment						-20 739 324

Continued activity 01.07.2018-30.09.2018

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	488 599 651	32 757 108		521 356 760		0
Internal sale	26 348 674	15 498 166		41 846 840	-41 846 840	0
Total segment revenue	514 948 325	48 255 274		563 203 600	-41 846 840	521 356 760
Costs						
The costs of external suppliers	437 033 337	17 436 857		454 470 195		
The costs form Group suppliers	26 317 581	10 080 584		36 398 165	-36 398 165	0
Total segment costs	463 350 918	27 517 441		490 868 359	-36 398 165	454 470 195
Result						
Segment profit (loss)	51 566 314	15 320 251		66 886 565		66 886 565
Unallocated costs			74 734 680	74 734 680	-14 095 806	60 638 874
Other Operating revenue						
Sales to external customers			10 734 907	10 734 907	0	
Internal sale			1 032 009	1 032 009	-1 032 009	0
Total segment revenue			11 766 916	11 766 916	-1 032 009	10 734 907
Other Operating costs						
The costs of external suppliers			6 524 758	6 524 758	0	
The costs form Group suppliers			-2 171 390	-2 171 390	2 171 390	0
Total segment costs			4 353 368	4 353 368	2 171 390	6 524 758
Result						
Profit (loss) from operating activities of the segment						10 457 840
Financial income						
Sales to external customers			124 351	124 351		0
Internal sale			6 731 337	6 731 337	-6 731 337	0
Total segment revenue			6 855 688	6 855 688	-6 731 337	124 351
Financial costs						
The costs of external suppliers			8 318 569	8 318 569		0
The costs form Group suppliers			9 371 419	9 371 419	-9 371 419	0
Total segment costs			17 689 988	17 689 988	-9 371 419	8 318 569
Result						
Profit (loss) on business activities						2 263 623
Result						
Gross profit (loss)						2 263 623
Tax			3 880 928	3 880 928		3 880 928
Result						
Net profit (loss) of the segment						-1 617 306

Continued activity 01.07.2017-30.09.2017

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
Revenues						
Sales to external customers	476 584 519	55 541 019		532 125 537		0
Internal sale	32 854 424	3 559 365		36 413 789	-36 413 789	0
Total segment revenue	509 438 943	59 100 384		568 539 327	-36 413 789	532 125 537
Costs						
The costs of external suppliers	437 454 506	32 446 246		469 900 752		
The costs form Group suppliers	31 354 212	9 121 496		40 475 709	-40 475 709	0
Total segment costs	468 808 718	41 567 743		510 376 461	-40 475 709	469 900 752
Result						
Segment profit (loss)	39 130 013	23 094 772		62 224 785		62 224 785
Unallocated costs			58 133 508	58 133 508	3 331 804	61 465 312
Other Operating revenue						
Sales to external customers			5 048 808	5 048 808	0	
Internal sale			2 236 617	2 236 617	-2 236 617	0
Total segment revenue			7 285 425	7 285 425	-2 236 617	5 048 808
Other Operating costs						
The costs of external suppliers			-20 986	-20 986	0	
The costs form Group suppliers			84 349	84 349	-84 349	0
Total segment costs			63 363	63 363	-84 349	-20 986
Result						
Profit (loss) from operating activities of the segment						5 829 267
Financial income						
Sales to external customers			114 690	114 690		0
Internal sale			7 542 876	7 542 876	-7 542 876	0
Total segment revenue			7 657 566	7 657 566	-7 542 876	114 690
Financial costs						
The costs of external suppliers			5 347 760	5 347 760		0
The costs form Group suppliers			6 233 028	6 233 028	-6 233 028	0
Total segment costs			11 580 788	11 580 788	-6 233 028	5 347 760
Result						
Profit (loss) on business activities						596 197
Result						
Gross profit (loss)						596 197
Tax			3 286 994	3 286 994		3 286 994
Result						
Net profit (loss) of the segment						-2 690 797

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

NET REVENUES	2018	[%]	2017	[%]
	3 Quarters	share	3 Quarters	share
Poland	792 731 728	50.5%	806 734 649	51.8%
Abroad	775 822 603	49.5%	751 899 557	48.2%
Total	1 568 554 331	100.0%	1 558 634 206	100.0%

NET REVENUES	2018	[%]	2017	[%]
	3rd Quarter	share	3rd Quarter	share
Poland	258 033 986	49.5%	270 227 546	50.8%
Abroad	263 322 773	50.5%	261 897 991	49.2%
Total	521 356 759	100%	532 125 537	100.0%

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

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

NET REVENUES	2018	[%]	2017	[%]
	3 Quarters	share	3 Quarters	share
Poland	792 731 728	50.5%	806 734 649	51.8%
Czech Republic	60 240 579	3.8%	56 872 697	3.6%
Slovakia	31 333 242	2.0%	34 325 205	2.2%
Slovenia	56 337 318	3.6%	56 878 593	3.6%
Croatia	729 430	0.0%	527 597	0.0%
Hungary	427 529 699	27.3%	352 201 143	22.6%
Germany	142 220 386	9.1%	190 303 611	12.2%
Romania	57 431 948	3.7%	60 790 710	3.9%
Total	1 568 554 331	100.0%	1 558 634 206	100.0%

NET REVENUES	2018	[%]	2017	[%]
	3rd Quarter	share	3rd Quarter	share
Poland	258 033 986	49,5%	270 227 546	50,8%
Czech Republic	20 073 917	3,9%	19 346 339	3,6%
Slovakia	10 076 400	1,9%	11 086 903	2,1%
Slovenia	17 680 625	3,4%	18 498 427	3,5%
Croatia	180 506	0,0%	111 801	0,0%
Hungary	150 757 231	28,9%	119 058 210	22,4%
Germany	43 600 466	8,4%	67 557 915	12,7%
Romania	20 953 628	4,0%	26 238 396	4,9%
Total	521 356 759	100,0%	532 125 537	100,0%

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

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

NET REVENUES	2018 3 quarters	[%] share
Automotive	168 206 768	10.7%
Call center	82 280 001	5.2%
Other services	39 924 814	2.5%
Industry and other	23 571 290	1.5%
Financial and Insurance Services	20 514 152	1.3%
Other services	20 228 807	1.3%
Electronics	19 298 328	1.2%
Automotive	17 436 625	1.1%
Electronics	13 942 156	0.9%
Automotive	13 271 090	0.8%

SEPARATE FINANCIAL STATEMENTS OF WORK SERVICE SA
Statement of Financial Position of Work Service SA as at 30 September 2018

ASSETS	as at 30.09.2018	as at 31.12.2017	as at 30.09.2017
FIXED ASSETS	560 543 874.41	611 949 308.99	530 858 358.17
Intangible assets	34 898 483.24	39 450 632.65	36 379 610.48
Tangible fixed assets	8 158 929.33	11 053 239.92	11 911 837.91
Investment real estates	2 495 938.00	2 495 938.00	4 051 188.00
Other financial assets	489 482 544.67	487 023 544.67	402 588 386.62
Other long-term assets	302 850.29	674 420.08	4 234 660.00
Other long-term financial assets	13 821 321.73	60 000 000.00	59 462 000.00
Deferred income tax assets	11 122 033.02	11 122 033.02	12 065 856.14
Accruals	261 774.13	129 500.65	164 819.02
CURRENT ASSETS	242 668 088.20	247 718 494.17	266 923 630.15
Inventories	1 262 191.64	6 607 556.70	11 294 195.14
Trade and other receivables	111 759 949.26	113 749 802.02	94 918 219.42
Other financial assets	104 586 972.23	103 113 003.81	133 060 416.02
Other short-term assets	621 037.42	945 601.09	4 830 026.08
Cash and cash equivalents	1 245 386.16	536 784.50	20 239 554.49
Accruals	1 969 534.54	1 542 729.10	2 581 219.00
Assets for sale	21 223 016.95	21 223 016.95	0.00
TOTAL ASSETS	803 211 962.61	859 667 803.16	797 781 988.32
LIABILITIES			
EQUITY	167 883 314.49	227 959 174.20	242 741 421.09
Share capital	6 509 482.30	6 509 482.30	6 509 482.30
Supplementary capital	211 699 726.22	285 678 830.86	285 450 630.04
Net profit (loss)	-50 325 894.03	-64 229 138.96	-49 218 691.25
LIABILITIES AND RESERVES			
Provisions for liabilities	7 062 794.32	3 611 171.36	4 583 778.70
Deferred income tax provision	1 187 349.53	1 187 349.53	1 888 415.10
Provisions for retirement and similar benefits	1 501 997.51	1 011 049.60	1 063 479.81
Other provisions (short-term)	4 373 447.28	1 412 772.23	1 631 883.79
Long-term liabilities	4 007 240.70	3 959 831.67	224 340 710.21
1. To related entities	0.00	0.00	0.00
2. To other entities	4 007 240.70	3 959 831.67	224 340 710.21
Long-term loans and credits	0.00	0.00	191 956 855.21
Liabilities from issuance of debt securities	0.00	0.00	32 383 855.00
Other financial liabilities	4 007 240.70	3 959 831.67	0.00
Other liabilities	0.00	0.00	0.00
Short-term liabilities	624 258 613.10	624 118 071.78	326 013 119.99
1. To related entities	152 664 302.91	176 651 724.21	229 235 082.69
2. To other entities	471 594 310.19	447 466 347.57	96 778 037.30
Liabilities from issuance of debt securities	44 728 432.41	44 285 509.42	0.00
Other financial liabilities	4 383 599.59	5 227 443.50	6 407 346.58
Credits and loans	216 644 496.80	216 560 390.34	21 916 989.31
Trade payables	17 829 829.54	10 128 851.11	7 494 294.94
Liabilities for taxes, duties, insurance and other benefits	85 824 041.65	64 787 926.99	39 909 074.43
Liabilities for remuneration	23 245 955.24	21 550 129.43	15 520 452.17
Other liabilities	78 937 954.96	84 926 096.78	5 529 879.87
3. Special funds	0.00	0.00	0.00
Accruals	0.00	19 554.15	102 958.33
TOTAL LIABILITIES	803 211 962.61	859 667 803.16	797 781 988.32

**Statement of comprehensive income of Work Service SA for the period of
3 months ended 30 September 2018 and 9 months ended 30 September 2018**

	01.01.2018- 30.09.2018	01.01.2017- 30.09.2017	01.07.2018- 30.09.2018	01.07.2017- 30.09.2017
Revenues	443 961 846.60	426 713 978.96	151 779 636.09	139 364 099.43
Net revenues from sales of products	443 956 800.94	425 292 412.93	152 482 085.47	138 978 587.08
Variation in stocks of products	5 045.66	1 421 566.03	-702 449.38	385 512.35
Manufacturing cost of products for entity's own purposes	0.00	0.00	0	0.00
Net income on sale of goods and materials	0.00	0.00	0	0.00
Operating costs	450 515 801.75	436 281 896.36	152 627 340.28	143 222 707.66
Depreciation	4 934 256.89	3 823 918.99	1 614 641.52	1 293 252.22
Consumption of materials and energy	1 216 781.87	1 849 487.40	241 178.13	538 753.64
Outside services	85 610 942.72	90 462 773.06	25 622 643.36	29 405 911.75
Taxes and charges	670 079.95	822 007.14	214 116.97	194 431.55
Remuneration	296 541 486.00	281 140 412.89	103 955 818.60	92 927 668.53
Social insurance and other benefits	58 590 193.41	54 570 439.91	20 318 436.36	17 796 196.89
Other generic expenses	2 952 060.91	3 612 856.97	660 505.34	1 066 493.08
Value of goods and materials sold	0.00	0.00	0	0.00
Profit (loss) on sales	-6 553 955.15	-9 567 917.40	-847 704.19	-3 858 608.23
Other operating incomes	6 081 466.59	8 661 798.48	1 716 821.26	2 513 674.25
Other operating costs	29 226 094.36	7 164 213.22	1 088 171.51	1 540 103.57
Profit (loss) on operating activities	-29 698 582.92	-8 070 332.14	-219 054.44	-2 885 037.55
Profit from the sale of subsidiary ITK	0.00	68 688 052.34	0.00	0.00
Loss from the sale of 49% of shares in the subsidiary Proservice gross of impairment losses	0.00	-144 912 967.88	0.00	-981 216.82
Operating profit (loss) ADJUSTED	-29 698 582.92	-84 295 247.68	-219 054.44	-3 866 254.37
Financial incomes	5 447 023.08	62 592 756.73	1 372 839.15	2 967 157.60
Financial costs	26 074 334.19	27 516 200.30	10 860 609.93	6 477 445.47
Gross profit	-50 325 894.03	-49 218 691.25	-9 706 825.22	-7 376 542.24
Income tax	0.00	0.00	0.00	0.00
Net profit (loss)	-50 325 894.03	-49 218 691.25	-9 706 825.22	-7 376 542.24
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				
Total other comprehensive income	0.00	0.00	0.00	0.00
Comprehensive income for the period	-50 325 894.03	-49 218 691.25	-9 706 825.22	-7 376 542.24
Net profit (loss) attributable to shareholders:	-50 325 894.03	-49 218 691.25	-9 706 825.22	-7 376 542.24
Earnings per share from continuing and discontinued operations attributable to shareholders during the year (in PLN)				
From continuing operations:				
- basic	-0.77	-0.76	-0.15	-0.12
- diluted	-0.76	-0.75	-0.14	-0.11
From discontinued operations:				
- basic	0	0	0	0
- diluted	0	0	0	0

Statement of Cash Flows of Work Service SA for the period of 9 months ended 30 September 2018

	01.01.2018-30.09.2018	01.01.2017-30.09.2017
A. Cash flow on operating activity		
I. Net profit (loss)	-50 325 894.03	-49 218 691.25
II. Total adjustment	35 498 758.13	-12 511 806.33
1. Depreciation	4 934 256.89	3 823 918.99
2. Profit (Loss) due to exchange rate differences	0.00	0.00
3. Interest and participation in profits (dividends)	2 922 273.00	7 753 948.32
4. Profit (loss) on investment activities	0.00	-7 051 321.44
5. Change in reserves	3 451 622.96	1 137 435.09
6. Change in inventory	5 787 616.01	-1 627 873.13
7. Change in receivables	2 243 735.27	-30 593 882.25
8. Change in current liabilities, except for loans and credits	35 946 852.75	-20 540 522.78
9. Change in accruals	-578 633.07	-533 127.24
10. Other adjustments	-19 208 965.68	35 119 618.11
III. Net cash flows from operating activities (I+II)	-14 827 135.90	-61 730 497.58
B. Cash flow on investment activity		
I. Incomes	361 825 392.16	374 474 425.80
1. Disposal of intangible fixed assets	2 512 203.11	0.00
2. Disposal of investment property and intangible assets	0.00	0.00
3. From financial assets, including:	359 313 189.05	374 474 425.80
a) in related entities	318 929 950.34	312 834 466.12
b) in other entities	40 383 238.71	61 639 959.68
- disposal of financial assets	0.00	0.00
- dividends and profit sharing	0.00	0.00
- Repayment of long-term loans	40 376 183.22	61 613 296.55
- interest	7 055.49	26 663.13
- Other income from financial assets	0.00	0.00
4. Other investment income	0.00	0.00
II. Expenditures	304 834 138.77	3 660 147.61
1. Acquisition of intangible and tangible fixed assets	0.00	3 660 147.61
2. Investments in real estate and intangible assets	0.00	0.00
3. For financial assets, including:	304 834 138.77	0.00
a) in related entities	265 107 525.46	0.00
b) in other entities	39 726 613.31	0.00
- acquisition of financial assets	0.00	0.00
- long-term loans granted	39 726 613.31	0.00
4. Other investment expenses	0.00	0.00
III. Net cash flows from investing activities (I-II)	56 991 253.39	370 814 278.19

C. Cash flow on financial activity		
I. Incomes	204 715 294.52	455 772 964.92
1. Net incomes on issue of shares and other capital instruments and additional payments to capital	0.00	0.00
2. Credits and loans	204 715 294.52	435 772 964.92
3. Issuance of debt securities	0.00	20 000 000.00
4. Other financial income	0.00	0.00
II. Expenditures	246 170 810.35	744 778 210.60
1. Acquisition of shares (stocks)	0.00	0.00
2. Dividends and other payments for owners	0.00	0.00
3. Other than payments for owners, expenses related to profit distribution	0.00	0.00
4. Credits and loans repayments	238 671 779.87	634 140 346.57
5. Redemption of debt securities	0.00	100 000 000.00
6. Due to other financial liabilities	0.00	0.00
7. Payment of liabilities on account of financial leasing contracts	3 600 268.38	0.00
8. Interest	3 898 762.10	10 183 432.94
9. Other financial expenses	0.00	454 431.09
III. Net cash flows from financial activities (I-II)	-41 455 515.83	-289 005 245.68
D. Net cash flow total (A.III. + B.III + C.III)	708 601.66	20 078 534.93
E. Balance sheet change in cash and cash equivalents, including:	708 601.66	20 078 534.93
- change of cash resources due to exchange rate differences		0.00
F. Cash resources at the beginning of period	536 784.50	161 019.56
G. Cash resources at the end of period, including	1 245 386.16	20 239 554.49
- with restricted availability	0.00	0.00

Statement of changes in equity of Work Service SA

01.01.2018-30.09.2018	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
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
Managers programme	0.00	456 401.64	0.00	456 401.64
Distribution of result for 2017 to supplementary capital:	0.00	-64 229 138.96	64 229 138.96	0.00
Write-down for receivables due to entry into force of IFRS 9	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

01.01.2017–31.12.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity
As at 1 January 2017	6 509 482.30	287 458 678.33	-2 692 650.75	291 275 509.88
Net profit (loss) for the financial year	0.00	0.00	-64 229 138.96	-64 229 138.96
Managers programme	0.00	912 803.28	0.00	912 803.28
Distribution of result for 2016 to supplementary capital	0.00	-2 692 650.75	2 692 650.75	0.00
As at 31 December 2017	6 509 482.30	285 678 830.86	-64 229 138.96	227 959 174.20

01.01.2017-30.09.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
As at 1 January 2017	6 509 482.30	287 458 678.33	-2 692 650.75	291 275 509.88
Net profit (loss) for the financial year	0.00	0.00	-49 218 691.25	-49 218 691.25
Managers programme	0.00	684 602.46	0.00	684 602.46
Distribution of result for 2016 to supplementary capital:	0.00	-2 692 650.75	2 692 650.75	0.00
As at 30 September 2017	6 509 482.30	285 450 630.04	-49 218 691.25	242 741 421.09

OVERVIEW OF THE INTERIM REPORT OF THE WORK SERVICE GROUP FOR THE 3 QUARTERS OF 2018

1. Significant achievements or failures of the Company in the first three quarters of 2018, including a list of the biggest events related to them.

The table below presents the selected items of the profit and loss account from continued operations for the Work Service Capital Group for the period 01.01.2018-30.09.2018 and for the period 01.01.2017-30.09.2017.

Selected items of the profit and loss account (in PLN) from continued operations	2018 – 3Q	2017 – 3Q	Growth 2018/2017
Sales revenue	1 568 554 330.61	1 558 634 205.52	0.64%
Operating expenses	1 563 029 861.00	1 549 653 401.43	0.86%
Sales profit (loss)	5 524 469.62	8 980 804.09	-38.49%
Operating profit (loss)	-12 735 509.37	10 428 896.58	-222.12%
EBITDA	-4 069 335.88	17 861 902.61	-122.78%
Gross profit (loss)	-38 199 215.19	-12 922 900.19	-195.59%
Gross profit (loss) from continued operations	-48 159 277.93	-20 739 324.18	-132.21%

In Q1-Q3, 2018 the Work Service Capital Group posted financial results lower than those generated in the corresponding period of 2017.

In Q1-Q3, 2018 the Work Service Capital Group recorded the following results from continued operations:

- Sales revenues of PLN 1,568,554 compared to PLN 1,558,634 in 2017, which means growth of over 0.6%. In the opinion of the Management Board, in Q1-Q3, 2018 there were no significant events of one-off nature, such as a loss of key accounts or markets having an impact on the level of sales. The growth dynamics YoY takes into account positive trends on the Polish, Hungarian, Czech and Slovakian markets as well as a significant drop of revenues on the German market and in the area of contracts performed by the Work Express group (cross-border exchange of personnel), which is connected with the process of restructuring the business model of those two entities.

Two business areas significantly contributed to the deterioration of the operating performance of the capital group, i.e.:

- German (the following companies altogether: Work Service Outsourcing Deutschland GmbH, Work Service Deutschland GmbH, Work Service GmbH & Co. KG) and
- the Work Express group, which posts employees abroad.

The operating loss also results from one-off events recorded in 2018 in the form of write-downs on receivables and intangible assets as well as write-downs on inventories.

In addition, in H1, 2018 the capital group recognised in costs a compensation for extending the payment deadline to **Profólió Projekt Tanácsadó Kft** in the amount of PLN 5 million.

As of the balance sheet date the operating activity carried out by German companies is under restructuring, which consists in the following among other things:

- decreasing cooperation with low-margin customers (the group's Management Board expects this change to produce positive effects in the subsequent quarters and years);
- concentrating local structures on expanding the portfolio of customers (in particular in the territory of western Germany), also through personnel changes in the commercial area;
- optimising the management structure (in particular in the area of outsourcing projects).

At the same time in late 2017 the group modified its strategy with respect to the companies from the Work Express group. The new growth strategy of this group provides for:

- gradual withdrawal from the French-speaking markets combined with changing the business profile on that market
- greater concentration on the German and Belgian markets
- greater concentration on low- and non-qualified workers (blue collar), mainly for industrial production and logistics
- sale based on large multinational conglomerates that are currently customers of the Work Service capital group from the regional level

2. Description of factors and events, in particular those of unusual nature, having considerable impact on the achieved financial results

The Group identifies no other atypical factors than the one-off events described in items 1 this Report that have a material impact on the Group's financial statements.

3. Clarification concerning seasonality and cyclicity of the operations of the Capital Group in the presented period

The activity of Work Service Capital Group is characterised by certain seasonality. The historical analysis of the evolution of the revenues from the core business shows that revenues generated in the first half of previous years accounted for about 45-50% of their annual volume.

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

4.1 Issuance of non-equity securities

In the nine months of 2018 the Company Work Service SA did not issue non-equity securities.

On May 29, 2018, the Management Board of the subsidiary - Exact Systems S.A. („Exact Systems S.A.”) adopt a resolution no. 1 dated May 29, 2018 on the issue of bonds Series A (the “Issue Resolution”). The Issue Resolution was adopted in execution of Resolution of the Extraordinary Meeting of Shareholders of Exact Systems S.A. of May 23, 2018 on the issue of bonds (the “EMS Resolution”).

The Company’s Management has decided to issue pursuant to Art. 33 (2) of the Act of 15 January 2015 on Bonds through making purchase offer to a specified offeree (“Act”), Series A floating rate covered ordinary bearer bonds in a quantity of 15,000 of a nominal value PLN 1,000 (the “Bonds”). The Bonds shall be offered at the issue price equal to the nominal value. The aim of the issue of bonds is to repay by Exact Systems S.A. the loans specified in the Terms and Conditions of Bonds. The Company’s Management Board has not specified the successful issue threshold.

Interest shall be paid from the issue date every six months on the last day of interest period.

The Bonds shall be issued on 29 May, 2018.

The Bonds shall be allocated to the investor on condition that the Investor submit declaration on acceptance of the bond purchase offer and payment of the Bond issue price with the terms and procedures specified in the Bond purchase offer. The Bonds shall be redeemed by the Issuer at the nominal value on the maturity date. i.e. 29 May, 2019. The Bondholder shall be entitled to early redemption of all Bonds owned by this Bondholder in accordance with the conditions specified in the Terms and Conditions of Bonds. In addition, the Bonds may be subject to immediate redemption if the events specified in the Act occur and earlier redemption at the Bondholder’s request regarding an early redemption of the Bond on the occurrence of an event of default under the Terms and Conditions of Bonds.

The issued Bonds are bearer Bonds, in a certified form.

Series A Bonds shall be secured by civil and registered pledges on the Exact Systems S.A. shares owned by 4 shareholders of Exact Systems S.A., surety granted by the Issuer and assignment of claims for payment of a price for shares of Put Option by 4 shareholders of Exact Systems S.A. In addition, Exact Systems S.A. and 4 other shareholders of Exact Systems S.A. shall make a declaration on submitting to execution up to the maximum amount of PLN 22,500,000.00 under Art. 777 (1)(5) of the Civil Procedure Code .

Bond issue by Exact Systems S.A. is one of the stages of the sale of Exact Systems S.A. about which the Issuer informed in the current report No. 19/2018 of 21 May 2018.

4.2 Issuance of equity securities

In the three quartels of 2018 no company from the Work Service Group issued capital securities.

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

Separate financial statements of Work Service SA for the previous financial year, i.e. year 2017, was approved by Resolution No. 4/2018 at the meeting of the Ordinary General Meeting of Work Service SA on 29 June 2018. A consolidated financial statement of Work Service SA for the previous financial year, i.e. year 2017, was approved by Resolution No. 7/2018 at the Ordinary General Meeting of Work Service SA on 29 June 2018.

Pursuant to Resolution No. 5/2018 of the Ordinary General Meeting, adopted on 29 June 2018 Work Service S.A. decides to cover a loss generated by the Company in the year 2017 in the amount of PLN 64,229,138.96 with the profits generated in subsequent years.

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

On 1 October 2018 the Issuer informs that it has made a decision about intention to sell shares in subsidiary PROHUMÁN 2004 KFT

On 31 October 2018, the Issuer and Remango Investments Sp. z o.o. with its registered office in Warsaw, a special purpose vehicle whose shares are held by Mr Paweł Gos, Mr Lesław Walaszczyk and a fund co-managed by CVI Dom Maklerski Sp. z o.o. concluded the definitive share purchase agreement regarding the sale of all Issuer's shares in Exact Systems S.A. with its registered office in Częstochowa (the "Transaction") (the "Company").

As a part of the Transaction, the Issuer will sell to the Company all shares in Exact Systems GmbH with its registered seat in Görlitz ("Exact Systems GmbH").

The purchase price for Issuer's shares in the Company amounts to PLN 139,760,000 of which the amount of PLN 13,000,000, which will be paid within 9 months from the completion of the Transaction. After sale of all shares in Exact Systems GmbH total consideration received by the Issuer will amount to PLN 155,260,000, including shares in Work Service SPV Sp. z o.o. with its registered office in Wrocław previously held by the Company. In addition, the Company will repay to the Issuer any net outstanding balance of intercompany payables.

Part of the proceeds from the Transaction, in the amount of PLN 104,000,000, the Issuer will allocate for the repayment of part of the debt towards consortium of banks financing the Issuer.

The sale by the Issuer of shares in Exact Systems S.A. is a consequence of strategic options decided on by the Management Board concerning the future of the subsidiary Exact Systems (Current report 79/2017 dated 23 October 2017) and the execution of the Development and Restructuring Strategy adopted by the Work Service Group for the years 2018-2020 (Current Report 82/2017 dated 28 November 2017). Based on this Strategy, the Issuer is reducing its acquisition liabilities toward minority shareholders in subsidiary companies and is planning to earmark the funds obtained from the sale of shares in Exact Systems S.A. mainly for further adjustment of the Group's financing structure through gradual debt deleveraging.

On 2 November 2018, the Issuer concluded with Exact Systems S.A. with its registered office in Częstochowa the "Exact Systems" a share purchase agreement relating to the sale of 100% of shares in Exact Systems GmbH with its registered office in Görlitz _the "Exact Systems GmbH. The total consideration received by the Issuer from the Transaction including sale of 100% of shares in Exact Systems GmbH will amount to PLN 155,260,000, including shares in Work Service SPV Sp. z o.o. with its registered office in Wrocław previously held by Exact Systems of which the amount of PLN 13,000,000, will be paid within 9 months from the completion of the Transaction. In addition, Exact Systems will repay to the Issuer any net outstanding balance of intercompany payables

On 15 October 2018, the Issuer received document containing the resignation of Mr. Piotr Ambrozowicz from the position of the Vice President of the Management Board of Work Service S.A. with effect on 16 October 2018. Mr. Piotr Ambrozowicz didn't indicate reason for his resignation.

On 8 November 2018 the Company initiated negotiations with institutional entities that are bondholders of T series, W series and Y series Bonds ("Bondholders") regarding changes in the terms of issue ("Terms of Issue") issued by the Company of W Series, Y Series and T Series Bonds ("Bonds") consisting, among other things, in the change of the repurchase date of each Bond. In the opinion of the Issuer's Management Board, the conclusion of the abovementioned negotiations will have a measurable and beneficial effect on the Issuer's financial standing, including liquidity, taking into account, in particular, the upcoming date for the purchase of the Bonds. The scope of changes to the Terms of Issue will be the subject of further detailed discussions and negotiations of interested parties, and the Issuer's management intends to complete this process by the end of November 2018.

On 8 November 2018 the Company submitted to BGŻ BNP Paribas SA, Bank Millennium S.A., Santander Bank Polska S.A. and Bank Powszechna Kasa Oszczędności Bank Polski S.A. (together as "Lenders") a proposal for amendments to the loan agreement of 18 November 2015, about which the Issuer informed in Current Report No. 43/2015 of November 19, 2015 (the "Loan Agreement") in order, among others, to postpone the final date of repayment of working capital loans granted under the Loan Agreement. In the opinion of the Issuer's Management Board, consideration of the Issuer's proposals will have a measurable and beneficial effect on the Issuer's financial standing, including liquidity, taking into account in particular the impending final repayment date of working capital loans. The scope of the changes to the Loan Agreement will be the subject of further detailed negotiations and negotiations of interested parties, and the Issuer's Management Board intends to complete this process by the end of November 2018.

On 8 October 2018 Exact Systems S.A. adopted a resolution on issuing 10,000 series B secured registered bonds with a nominal value of PLN 1,000.00 each and a total nominal value of PLN 10,000.00 with 3% interest on a monthly basis and a one-off fee of 2%. The bonds redemption date falls on 8 April 2019.

Bonds were issued as part of a private placement.

The company under the business name Koster Sp. z o.o. with its registered office in Katowice accepted the proposal to acquire the bonds issued extended by Exact Systems.

OTHER INFORMATION

1. Information about changes in structure of the business entity, including as a result of a business entity mergers, acquisition or disposal of Capital Group entities, long-term investments, devision, restructuring and discontinued operations.

Merger of Naton Ljudski potencial d.o.o and HR Global d.o.o.

On 01.01.2018, the merger of Naton Ljudski potencial d.o.o and HR Global d.o.o. took place.

Signature of the share purchase agreement regarding the sale of shares in Exact Systems S.A.

On 30 March 2018, the Issuer and Mr. Paweł Gos and Mr. Lesław Walaszczyk, as the sellers (the "Sellers"), concluded with Pololi Sp. z o.o. with its registered seat in Warsaw, special purpose vehicle controlled by Cornerstone Partners sp. z o.o. in cooperation with Oaktree Capital Management (UK) LLP, as the purchaser (the "Purchaser"), the preliminary conditional share purchase agreement regarding the acquisition of shares in Exact Systems S.A. with its registered seat in Częstochowa (the "Agreement") (the "Transaction") (the "Company").

Pursuant to the Agreement, the Issuer agreed to sell all of its 7,600,000 shares in the Company, constituting as of the date of the Agreement, 69.09% of the Company's share capital, entitling to 69.09% of the votes at the Company's general shareholders' meeting. The purchase price for the Issuer's shares has been set at PLN 164,700,000. The Agreement also assumes, subject to the satisfaction of the conditions precedent, the sale of Exact Systems GmbH by the Issuer to Exact Systems S.A. for a purchase price consisting of cash consideration of PLN 13,900,000 which will be deferred for 9 months and share consideration of 6,99% of shares in Work Service SPV sp. z o.o.. After completion of both transactions, the total cash consideration for the Issuer will amount to PLN 178,600,000. In addition, upon closing of the Transaction, the Company will repay to the Issuer an outstanding balance of intercompany payables.

The Agreement is conditional upon satisfying the conditions precedent indicated therein. The completion of the Transaction and conclusion of the definitive share purchase agreement should be performed no later than by 29 June 2018.

The Agreement provides for rescission rights for the Sellers and the Purchaser on the terms and conditions indicated therein. Fulfilling the obligations specified in the Agreement is secured by mutual contractual penalties in the amount of PLN 10,000,000.

Other terms of the Agreement do not differ from the terms commonly used in the agreements of this type.

On 15 May 2018 the preliminary conditional share purchase agreement regarding the acquisition of shares in Exact Systems S.A. with its registered seat in Częstochowa concluded between the Issuer, Mr. Paweł Gos and Mr. Lesław Walaszczyk, as the sellers and Pololi Sp. z o.o. with its registered seat in Warsaw, special purpose vehicle controlled by Cornerstone Partners sp. z o.o. in cooperation with Oaktree Capital Management, as the purchaser, whose conclusion has been disclosed in current report no 9/2018 dated 30 March 2018, terminated. Termination of the Agreement is a result of non-satisfying by the parties one of the conditions precedent within the term stipulated in the Agreement.

On 21 May 2018 the Issuer concluded with Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z o.o. with its registered office in Warsaw a head of terms, regarding framework conditions of conducting a management buy-out of shares of Exact Systems S.A. held by the Issuer by special purpose vehicle established by the Purchasers _the "SPV"_. Pursuant to HoT, the initial purchase price for Issuer's shares in Exact Systems S.A. will be PLN 162,640,000, of which PLN 13,000,000 will be deferred up to 9 months. Additionally, in June 2018, Exact Systems S.A. repayed approximately 50% of inter-company receivables towards the Issuer, for which funds was gained through a bond issue. Remaining inter-company receivables will be settled in the process of closing of the transaction. In parallel, the Issuer negotiates with the Purchasers additional bond financing in the amount of PLN 20.000.000. The Issuer granted Purchasers an exclusivity until 30 June 2018. Parties' intention is to sign until 30 June 2018 a preliminary share purchase agreement regarding Issuer's shares in Exact Systems S.A. to the SPV. On 14 August 2018 the Issuer concluded with Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z

On 2 July 2018 Work Service S.A. has been notified about signing by the last Party, the annex dated 29 June 2018 to the agreement head of terms dated 21 May 2018 pursuant to which the exclusivity period has been extended until 20 July 2018. The annex was signed by the Issuer, Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z o.o. with its registered office in Warsaw (hereinafter: the Parties).

Parties' intention was to sign until 20 July 2018 a preliminary share purchase agreement regarding Issuer's shares in Exact Systems S.A.

On July 20, 2018 the Issuer concluded with Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z o.o. with its registered office in Warsaw an annex no. 2 to the head of terms, pursuant to which the exclusivity period has been extended until 31 July 2018.

On July 31, 2018 the Issuer concluded with Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z o.o. with its registered office in Warsaw an annex no. 3 to the head of terms, pursuant to which the exclusivity period has been extended until 14 August 2018.

Pursuant to annex no. 3, the exclusivity period will be automatically extended until 5th business day following obtaining by a special purpose vehicle, whose shares are held by the Purchasers, (“SPV”) a final decision of the President of the Office for Competition and Consumer Protection (in Polish: Prezes Urzędu Ochrony Konkurencji i Konsumentów) regarding granting consent for the concentration by acquisition of all Issuer’s shares in Exact Systems S.A. with its registered office in Częstochowa, provided that by 14 August 2018:

- the SPV files to the Polish Office for Competition and Consumer Protection (in Polish: Urząd Ochrony Konkurencji i Konsumenta) relevant application for granting consent for concentration by acquisition of all Issuer’s shares in the Company; and
- the SPV concludes with the Issuer a preliminary share purchase agreement regarding sale of Issuer’s shares in the Company (the “PSPA”).

On August 14, 2018 the Issuer concluded with Mr. Paweł Gos, Mr. Lesław Walaszczyk and CVI Dom Maklerski Sp. z o.o. with its registered office in Warsaw an annex no. 4 to the head of terms (the “Annex”).

Pursuant to the Annex, the exclusivity period has been extended until the 5th business day following fulfilling or waiving, as the case may be, of the last condition precedent included in the preliminary share purchase agreement regarding sale of all Issuer’s shares in Exact Systems S.A. with its registered office in Częstochowa (the “PSPA”), (the “Company”), which will be concluded between the Issuer and a special purpose vehicle, whose shares are held by the Purchasers (the “SPV”).

On August 16, 2018 the Issuer received the confirmation about filing by the special purpose vehicle – Remango Investments Sp. z o.o., whose shares are held by Mr. Paweł Gos, Mr. Lesław Walaszczyk and a fund co-managed by CVI Dom Maklerski Sp. z o.o. (the “SPV”) to the Polish Office for Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumenta) of the application for granting consent for the concentration by acquisition by SPV of all Issuer’s shares in Exact Systems S.A. with its registered office in Częstochowa (the “Company”).

On 20 September 2018, the Issuer received a decision no. DKK-167/2018 of the President of the Polish Office for Competition and Consumer Protection (Prezes Urzędu Ochrony Konkurencji i Konsumentów) granting consent for the concentration.

Exact Systems S.A. shares were sold on 31 October. The transaction is described in item 6 hereof.

Selling of Exact Systems S.A. shares by the Issuer is a consequence of decided by the Management Board strategic options in the range of the future of subsidiary Exact Systems (Current report 79/2017 dated October 23rd 2017) and execution of adopted Development and Restructuring Strategy for the Work Service Group for years 2018-2020 (Current Report 82/2017 dated November 28th 2017). Based on adopted Strategy, the Issuer is planning to vote cash acquired on sales of Exact Systems S.A. for further adjusting Group financial structure by its progressive deleveraging and reduction of acquisitions earn-out liabilities toward minorities in Group subsidiaries.

Signature of an Annex to the Agreement for the purchase of shares in QLS

On 15 March 2018, Exact Systems S.A. with its seat in Częstochowa (“Exact Systems”) concluded an Annex to the Agreement for the purchase of 100% of shares in the Portuguese limited liability company under the business name QLS AUTOMOTIVE - SERVIÇOS DE CONTROLO DE QUALIDADE, LDA dated 1 February 2017 (“Portuguese Company”) (“Shares”) (“Agreement”). The Agreement was concluded with two foreign companies (“Sellers”). The Annex concerns the change of the date of payment for the Shares and the date of their acquisition by Exact Systems, as well as the establishment of a collateral.

The total purchase price of shares will be EUR 9,650,000.00 and shall be paid as follows:

- an advance payment in the amount of EUR 500,000.00 is payable on 16 March 2018. After the payment of the advance payment plus amounts of previous advance payments, in the total amount EUR 2,120,000.00, Exact Systems will own 10% of shares in the Portuguese Company.
- the remaining 90% of shares in the Portuguese Company shall be acquired by Exact Systems after the payment of the remaining amount of EUR 7,030,000.00. The payment of the remaining price for the shares shall be made on 28 June 2018.

As the collateral to the Agreement, Exact Systems has committed to establish two pledges on 10% of shares in the Portuguese Company acquired on 16 March 2018 in favour of the Sellers: one up to the amount of EUR 1,834,000.00 and the other up to the amount of EUR 786,000.00.

If payment of the price for the remaining 90% of shares in the Portuguese Company is not made on 28 June 2018 due to the reasons attributable to Exact Systems, the Sellers may terminate the agreement and satisfy with established pledges.

If payment of the price for the remaining 90% of shares in the Portuguese Company is not made on 28 June 2018 due to the reasons attributable to the Sellers, Exact Systems may terminate the agreement. The termination of the Agreement in this manner shall result in the exercise of call options for 10% of shares acquired by Exact Systems in the Portuguese Company.

Shall the Agreement be infringed (as defined in the agreement for the sale of shares) until 28 June 2018 which will result in the loss of over 20% of the value of shares in the Portuguese Company, each Party may terminate the Agreement. The termination of the Agreement in this manner shall result in the exercise of call options for 10% of shares acquired by Exact Systems in the Portuguese Company.

The Sellers may also terminate the Agreement in case of failure of Exact Systems to deliver the original signed power of attorney for the establishment of shares referred to in above on behalf of the Exact Systems within 15 working days from the date of signing of the Agreement. In this case, the Sellers shall also have the right to hold the amount paid by the Exact Systems for 10% of Shares in the Portuguese Company and to re-transfer 10% of the Shares in the Portuguese Company.

If the payment of the price for the remaining 90% of shares in the Portuguese Company is made on 28 June 2018, the above-mentioned pledges shall expire.

The Agreement provides for the call option for 10% of Shares in the Portuguese Company which may be exercised by the Sellers within ten working days from termination of the Agreement upon payment of EUR 500,000.00 for Exact Systems. The ownership of 10% of Shares in the Portuguese Company shall be transferred to the Sellers upon crediting of the payment on the bank account of Exact Systems. In case the Sellers do not exercise the call options (each one individually) within ten working days from the termination of the Agreement, the above-mentioned pledges shall expire.

Until the sale of Exact Systems S.A. by the Issuer, the transaction had not been finalised.

Purchase of Antal International s.r.o.

On 15 May 2018, Antal Sp. z o.o. (wholly-owned subsidiary of Work Service S.A.) purchased from Work Service Czech s.r.o. (wholly-owned subsidiary of Work Service S.A.) 100% of shares in the share capital of Antal International s.r.o.

Signature of an Annex to the Agreement for the purchase of shares in Prohuman 2004 Kft

On 29 June 2018 the Issuer, as the purchaser, concluded with Profólió Projekt Tanácsadó Kft. (the "Seller") with its registered seat in Budapest, Hungary, an annex to the purchase agreement of the remaining shares in the share capital of Prohuman 2004 Kft. ("Prohuman") with its registered seat in Budapest, Hungary dated 23 October 2017 (the "Agreement") (the "Annex"). The Issuer informed about the conclusion of the Agreement the Issuer informed in the current report no. 80/2017 dated 23 October 2017.

The annex concerns the postponement of the date of payment of the Second and Third Completion for the purchase of the remaining 19.78% shares in the share capital of Prohuman.

The Issuer, due to postponing the payment of the Second and Third Completion, agreed to pay compensation for the Seller in amount PLN 5,000,000 in two installments: the first installment will be payable on 29 June 2018 in the amount of PLN 2,000,000 and the second on 16 August 2018 in the remaining part.

In connection with the conclusion of the Annex, the provisions of the Agreement on default interest not applied by 30 September 2018.

Sales of 2% of shares in Kariera

On April 23, 2018 Krajowe Centrum Pracy Sp. Z o.o. (in 100% subsidiary of Work Service) was signed share sales agreement of 40 shares of the share capital Kariera.pl, representing 2% of all shares of the share capital this company for PLN 57,120.00.

Purchase of shares in Work Service SPV Sp. Z o.o.

On 21 June 2018, Work Service S.A. purchased from Work Service International Sp. z o.o. (in 100% subsidiary of Work Service S.A.) 15.29% of shares in Work Service SPV Sp. z o.o. for the price of PLN 5,360,000.00.

Sale of Proservice Group.

On July 31, 2018 the issuer concluded with PROLOGICS (UK) LLP with its registered office in London, registered under no. OC314997 ("Buyer") an Annex to the Share Purchase Agreement for ProService WorldWide (Cyprus) Limited company - established under the laws of the Republic of Cyprus registered under no. HE 209802, with its registered office in Nicosia ("ProService") ("Annex")

Pursuant to the Annex, the following amendments have been introduced:

- the sale of the Second Tranche of shares, i.e. 3,750 shares representing 51% of the ProService share capital shall take place on 1 August 2018.

- The date of payment of the share purchase price was postponed to 30 July 2019.
- The pledge for the Security Agreement will be established after expiry of the pledge on the Shares, established in favour of the consortium of banks BANK BGŻ BNP PARIBAS SA, BANK MILLENNIUM SA, BANK ZACHODNI WBK SA, RAIFFEISEN BANK POLSKA SA, POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A. under a pledge agreement of 18 November 2015, annexed on 13 April 2017, securing a credit facility with the Issuer as its beneficiary.

The remaining provisions of the Contract shall remain unchanged.

On August 1, 2018, hereby informs that, in the performance of the Share Purchase Agreement for ProService WorldWide (Cyprus) Limited company of 30 July 2017 and the Addendum to the Contract of 31 July 2018, The Issuer transferred ownership of 51% of shares in ProService, to PROLOGICS (UK) LLP with its registered office in London, registered under no. OC314997

Acquisition of own shares for purpose of their redemption

On 28 August 2018 concluded with its subsidiary, i.e. Exact Systems S.A. with its registered seat in Częstochowa (the "Company") and Mr. Tomasz Misiak, Mr. Tomasz Hanczarek, Mrs. Marta Pawłowicz, Mrs. Joanna Paprocka-Gajek, Mrs. Joanna Kotylak, a company Ala Moana Partners LLC, a company Profi Investments S.A., Mr. Wojciech Skrzydeł, Mr. Wojciech Mora, a company Tri Star Investments Sp. z o.o. S.K.A. and Mr. Paweł Gos and Mr. Lesław Walaszczyk (the "Shareholders" and together with the Company and the Issuer – the "Parties") agreement on the acquisition of shares for the purpose of their redemption (the "Agreement").

Pursuant to the Agreement, the Shareholders sold to the Company their series B, BA, BB, BC, BD, BE, BF, BG, BH, C, CA, CB, CC, CD, CE, CF, CG, CH shares in the Company (the "Shares") for the total price amounting to PLN 33,275,023.35. The Shares have been acquired for the purpose of their redemption.

Pursuant to the Agreement, payment for the Shares shall occur on the day of sale of all Issuer's shares in the Company to Remango Investments Sp. z o.o. with its registered office in Warsaw (the "SPV"). The Agreement provides for a rescission right for the Parties which can be executed until 30 November 2018, if the definitive share purchase agreement regarding sale of the Issuer's shares in the Company is not concluded until 1 November 2018.

Pursuant to the Agreement, the investment agreements dated 5 August 2016 and 24 November 2018 concluded between the Parties has been terminated. If the Parties rescind the Agreement, the abovementioned investment agreements shall become valid and enforceable.

2. Position of the Board on the feasibility of previously published forecasts for the given year, in the light of the results presented in the report for the third quarter compared to the forecasted results.

The Company did not publish forecasts for 2018.

3. Shareholders holding directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting on the date of the report for the third quarter of 2018, along with specification of the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting therefrom and the percentage of the total number of votes at the General Meeting, as well as specification of changes in the ownership structure of large blocks of shares in the period from the previous quarterly report.

At the date of this report no preferred shares as to voting rights or to dividend were issued. All shares of the Parent Company are ordinary shares. The share capital of Work Service SA amounts to PLN 6,509,482.30 and is divided into:

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

The shareholding structure as of the date of this report, taking into account all notice that the company Work Service SA received pursuant to art. 69 section 1 item. 1 of the act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies are presented in the table below.

Shareholder	No. Of shares	Percentage of share capital	Number of votes	Share in the total number of votes
PROLOGICS UK LLP	18 514 621	28.44%	18 514 621	28.44%
WorkSource Investments S.a.r.l.	13 714 286	21.07%	13 714 286	21.07%
Tomasz Misiak	9 547 361	14.67%	9 547 361	14.67%
Central Fund of Immovables Sp. Z o.o.	4 184 867	6.43%	4 184 867	6.43%
Tomasz Hanczarek	3 255 000	5.00%	3 255 000	5.00%
MetLife PTE S.A.	3 254 743	5.00%	3 254 743	5.00%
Others	12 623 945	19.39%	12 623 945	19.39%
Total	65 094 823	100.00%	65 094 823	100.00%

4. The list of ownership of shares of the Company or rights to them by persons managing and supervising the Company on the date of the report for the third quarter of 2018, together with an indication of changes in ownership, in the period since the previous report, separately for each person.

The summary of shares of the Company or rights to them by persons managing and supervising the Company at the date of the report for the 3rd quarter of 2018, together with changes in ownership, in the period since the previous report separately for each person.

	As at the date of publication of the report for first half of 2018	Changes in ownership: acquisition (disposal)	Balance at the date of this report	Nominal value of the held shares (PLN) as of the date of this statement
Tomasz Hanczarek – Member of the Supervisory Board	3 255 000	0	3 255 000	325 500.00
Paul Christodoulou – Vice President of the Management Board	34 680	0	34 680	3 468.00
Tomasz Misiak - Vice-Chairman of the Supervisory Board	9 547 361	0	9 547 361	954 736.1
Maciej Witucki – President of the Management Board	950	0	950	95.00
Tomasz Ślęzak - Vice President of the Management Board	12 219	0	12 219	1 221.90

Figures concerning shares in related entities held by Work Service SA's managers and supervisors are presented in the following table.

	As at the date of publication of the report for the first half of 2018	Changes in ownership: acquisition (disposal)	Balance at the date of this report	Nominal value of the held shares (PLN) as of the date of this statement
Tomasz Hanczarek - Member of the Supervisory Board	149 966	0	149 966	14 996,60
Tomasz Misiak - Vice-Chairman of the Supervisory Board	147 300	0	147 300	14 730,00

5. Identification of proceedings pending before the court, body appropriate for arbitration or public administration.

There are currently no pending litigation, administrative or arbitration proceedings involving the Company, relating to liabilities or receivables of the Company, the value of which individually or collectively represent at least 10% of its equity.

6. Information about the conclusion by the Company or its subsidiary of one or more transactions between related parties, if individually or collectively they are significant and were concluded on non-market terms.

The Company did not conclude in the third quarter of 2018 any transactions with related parties, which individually or collectively could be significant and at the same time they were concluded on non-market terms.

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

No.	The surety on behalf of	Promissory note beneficiary	Surety subject	Date of agreement	Date of termination of the agreement	The amount covered by the surety (gross)
1.	Sellpro Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 19/10/2015	Indefinite period	22 000 000
2.	Finance Care Sp.z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 19/10/2015	Indefinite period	22 000 000
3.	Industry Personnel Services Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 19/10/2015	Indefinite period	22 000 000
4.	Work Service International	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 19/10/2015	Indefinite period	22 000 000
5.	Work Express	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe increasing the limit dated 19/10/2015	Indefinite period	22 000 000
6.	Outsourcing Solutions Partner Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe to the agreement date 07/11/2016	Indefinite period	22 000 000
7.	Industry Personnel Services Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 29/08/2018	Indefinite period	15 000 000
8.	Sellpro Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 29/08/2018	31.08.2018	15 000 000
9.	Finance Care Sp.z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 29/08/2018	31.08.2018	15 000 000
10.	Industry Personnel Services Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
11.	Sellpro Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
12.	Finance Care	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
13.	Exact Systems S.A.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 27/12/2017	30.11.2018	15 000 000
14.	Automotive Assembly Systems Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 27/12/2017	30.11.2018	5 000 000
15.	Logistyka	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
16.	Outsourcing Solutions Partner Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
17.	Work Express	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annexe extending the validity period of the limit dated 22/06/2018	30.11.2018	10 000 000
18.	Work Express	Raiffeisen Bank Polska SA	Amount receivable under a factoring agreement	Annexe modifying the limit dated 27/06/2018	09.05.2019	5 200 000
19.	Industry Personnel Services Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Agreement dated 07/08/2018	Indefinite period	20 000 000
20.	Sellpro Sp. z o.o.	Coface Poland Factoring Sp. z o.o.	Amount receivable under a factoring agreement	Agreement dated 07/08/2018	Indefinite period	20 000 000

On 22 June 2018 Millennium Bank S.A., Issuer and Issuer's Subsidiaries signed the following annexes (dated 22.06.2018) to Factoring Agreements:

1. Work Service S.A. -Annex no 10 to the Factoring Agreement (with customer's policy),
2. Work Service S.A. -Annex no 9 to the Factoring Agreement (without customer's policy),
3. Finance Care Sp. z o.o.- Annex no 10 to the Factoring Agreement (with customer's policy),
4. Industry Personnel Services Sp. z o.o.-Annex no 10 to the Factoring Agreement (with customer's policy),
5. Industry Personnel Services Sp. z o.o.-Annex no 9 to the Factoring Agreement (without customer's policy),
6. Sellpro Sp. z o.o.- Annex no. 11 to the Factoring Agreement (with customer's policy),
7. Sellpro Sp. z o.o.-Annex no. 10 to the Factoring Agreement (without customer's policy).
8. Outsourcing Solutions Partner Sp. z o.o.-Annex no. 5 to the Factoring Agreement (with customer's policy),
9. Outsourcing Solutions Partner Sp. z o.o.-Annex no. 5 to the Factoring Agreement (without customer's policy),
10. Work Express Sp. z o.o.- Annex no 5 to the Factoring Agreement (without customer's policy).

The Subject of the Annexes is the reduction of the maximum financing amount up to 10 000 000 PLN available for Issuer and Issuer's Subsidiaries in terms of concluded Factoring Agreements..

The current security has been maintained.

Detailed conditions of the Annexes to the Factoring Agreements do not deviate from market standards used in similar factoring agreements.

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

Contingent liabilities				
Title of contingent liability	Type of security	30.09.2018	31.12.2017	change
Loan security	transfer of title of subject of the credit	0.00	0.00	0.00
	assignment of receivables	0.00	0.00	0.00
	A promissory note along with the bill declaration	0.00	0.00	0.00
	surety	0.00	0.00	0.00
	bank enforcement title	216 000 000.00	216 000 000.00	0.00
	pledge on assets	937 160 543.34	1 013 780 763.57	-76 620 220.23
	pledge on receivables	0.00	0.00	0.00
Leasing security	A promissory note along with the bill declaration	5 100 973.11	6 917 928.40	-1 816.955,29
	bill of exchange guarantee	0.00	0.00	0.00
Securing due performance of contracts	warranty	2 752 279.83	9 067 601.51	-6 315 321.68

On 30 March 2018 the Company has concluded an Annex (hereinafter: Annex no. 2) to the loan agreement of 18 November 2015 (hereinafter: the Agreement) with Bank BGŻ BNP Paribas S.A., Raiffeisen Bank S.A., Bank Zachodni WBK S.A., Bank Millennium S.A. and Bank PKO BP Bank Polski (the banks are hereinafter collectively referred to as the Lenders).

Under the concluded annex, PKO BP SA undertook to effectuate the use of Working Capital Loan 5, on a one-off basis, in the amount of 55,000,000 PLN, within 2 working days from the conclusion date of Annex no. 2. The use of the Working Capital Loan 5 was made through making a bank transfer by PKO BP SA of the Working Capital Loan 5 directly to the account on which the debt resulting from the Loan Agreement of PKO BP was recorded (internal reclassification).

The Borrower and PKO BP SA have unanimously agreed that as a result of the total repayment of the financial debt on account of the Loan Agreement of PKO BP, the Loan Agreement of PKO BP shall be terminated upon the total repayment of the financial debt on account of the Loan Agreement of PKO BP. The Borrower shall have no right to reuse the funds under the Loan Agreement PKO BP.

The consequence of the above was the total repayment of the financial debt on account of the Loan Agreement of PKO BP with the interest on account of the Loan Agreement of PKO BP.

The Parties of the Agreement have confirmed that all the Collaterals established on the basis of the Financial Documents, including in particular the Collateral Documents, concluded in connection with Annex no 1, remain in full force and effect, regardless of the amendments to the Loan Agreement introduced by this Annex. Additionally, new collaterals, specified in the current statement no. 7/2018 of March 30th 2018, have been established

The Management Board of Work Service S.A. (the “Issuer” or the “Company”), in reference to current reports no. 77/2016 and 7/2018, informs that on 12 April 2018 it received an information to exempt 75% of the shares with a nominal value of HUF 1,000,000.00 each and the total nominal value of HUF 75,000,000.00 (the “Shares”), representing 75% of the share capital of the Issuer’s subsidiary Prohuman 2004 Munkaerő Szolgáltató és Tanácsadó Korlátolt Felelősségű Társaság with its seat in Budapest (the “Prohuman 2004 Kft.”) from the pledge established by the Issuer for the benefit of Powszechna Kasa Oszczędności Bank Polski S.A.

The shares were released from the pledge on the basis of the declaration on release of securities submitted by PKO S.A. in connection with the full repayment of Financial Debt under the PKO S.A. Credit Agreement of December 30th, 2016, made by PKO S.A. on April 5th, 2018, which the Issuer informed about in its current report no. 77/2016. On the repayment of Financial Debt under the PKO S.A. Loan Agreement, the Issuer informed in its current report no. 7/2018.

On 29 May 2018 Work Service S.A. has granted a guarantee in order to secure a claim due to the Bondholder from the Issuer’s subsidiary - Exact Systems S.A. with its registered office in Częstochowa pursuant to the issue of Bonds, which the Issuer announced in the current report no. 24/2018 dated 29 May 2018, together with a voluntary submission to enforcement.

The guarantee up to PLN 22,500,000.00 (twenty-two million five hundred thousand) has been granted in favour of the Guarantee Controller - GESSEL TRUST SERVICES spółka z ograniczoną odpowiedzialnością w organizacji sited in Sienna 39 Street, 00-121 Warsaw, where:

1. the guarantee are granted under a guarantee agreement concluded between the Guarantor and the Guarantee Controller who shall act as a Creditor due to the guarantee;
2. the guarantee shall be granted to May 29, 2023;
3. the satisfaction due to the guarantee shall take place against all assets of the Guarantor, who in the event of the Issuer’s delay in performance of liability under the Terms and Conditions of Bonds shall be held jointly liable for the Issuer’s debt;
4. in order to secure claims under the guarantee, the Guarantor shall submit to enforcement for an amount of up to PLN 22,500,000.00 (twenty-two million five hundred thousand) within the meaning of Art. 777 § (1)(5) of the Civil Procedure Code by making a declaration in the form of a notarial deed on voluntary submission to enforcement in favour of the Guarantee Controller (the “Guarantor’s Declaration”) as to the Issuer’s financial liabilities that will result from the Bonds owned by the Bondholder, in particular receivables due to the redemption of the Bonds and other costs and expenses incurred by the Bondholder in connection with enforcing the performance of financial obligations by the Issuer, including statutory interest for the Issuer’s delay in the implementation of the obligations arising from the bonds;
5. the Guarantee Controller shall be entitled to request for the notarial deed, containing the Guarantor’s Declaration, to be made enforceable by May 29, 2024.

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

In the first nine months of 2018 there were no significant changes in estimates, including significant adjustments in provisions, provisions and assets due to deferred income tax, referred to in the Act on Accounting and no significant write-downs of assets were made, except for the application of IFRS 9 in the scope of recognition of loan losses.

10. Other information that the Company believes are relevant to the assessment of the personnel, property, financial stand, financial results and their changes, and information which are important for assessing the ability to meet the obligations by the Company.

The group does not identify other factors or information that are significant for assessing the personnel, economic and financial situation for the period of the first three quarters of 2018 than the following:

- the current general situation of the Group (including also of the company) presented in item 1.2 of the Interim Condensed Quarterly Report for Q3, 2018;
- the achievements and failures described in item 1 of the Notes to the Interim Report of the Capital Group for Q3, 2018;
- changes in the Management Board in the course of the financial year;
- the issue of Exact Systems S.A. bonds in May 2018 in the total amount of PLN 15 million ;
- the issue of Exact Systems S.A. bonds in October 2018 in the total amount of PLN 10 million;
- acquisition payments made by Prohuman 2004 Kft that were recognised in the Consolidated Cash Flow Statement in the amount of PLN 1.9 million;
- the breach of the loan ratios described below.

The Management Board of the Work Service group keeps monitoring the level of such ratios as:

- the debt ratio – calculated as the net debt to EBITDA ratio,
- the debt coverage ratio – calculated as the free cash flows to interest and loan payments ratio,
- the leverage ratio – calculated as the adjusted net debt to net assets ratio,
- the debt ratio of obligated entities

As of the end of Q3, 2018 these ratios were as follows:

- debt ratio: 12.31 (breached)
- debt coverage ratio: 1.03 (breached)
- leverage ratio 3.40 (breached)
- debt ratio of obligated entities -16.82 (breached)

The value of the ratios presented above was significantly influenced by factors having an impact on the results described in item II of the Management Report on the operations of the capital group (including the situation at the German companies, write-downs on receivables, inventories, intangible assets).

In addition, as of the balance sheet date the group is carrying out advanced talks with financial institutions about repaying a part of the group's debt from inflows from the envisaged transaction of selling Exact Systems S.A. shares described in item 14 of the Notes to the Condensed Interim Financial Report. The aim of the group is to commence talks with financial institutions about repaying and/or refinancing the remaining part of debt after finalising the transaction.

11. Identification of factors that the Company believes will have an impact on its performance in view of at least the next quarter.

This information is presented in point "Events that occurred after the date on which the condensed consolidated financial statements for third quarter of 2018 was prepared, not included in this report, and which may significantly affect the future financial results of the Capital Group" of this report.

The said information is presented in item "Events that occurred after the date as of which the condensed consolidated financial statements for Q3, 2018 were prepared, not included in these statements, and which may significantly affect the future financial results of the capital group" hereof.

In addition, the operation of the capital group in the next six months will be influenced by the following events:

- 1) The ongoing second stage of cost restructuring of the group (the first stage was completed in H2, 2017) – the group intends to reduce indirect costs in the current financial year (including by reducing the number of employees at the parent company and at certain companies from the group operating on the Polish market), which will make it possible to significantly reduce monthly expenditures at certain entities and, as a consequence, improve financial liquidity;

- 2) Restructuring the German business and changing the business model of the Work Express group;
- 3) The possibility of improving the financial liquidity of the group in the case of successful talks with current, potential financial institutions or investors financing activities through factoring and other financial instruments (e.g. borrowings);
- 4) Timely payment of liabilities conditional on correct liquidity of the company.

In addition, the Management Board of the parent company is carrying out talks related to prolonging and determining new terms and conditions of loan agreements with financial institutions and banks. In order to facilitate these talks, an agreement was entered into with a financial adviser who supports the Management Board in talks and in analysing the financial situation. The Management Board of the parent company is also in talks with the minority shareholders of certain acquired companies the aim of which is to agree an amendment to the terms and conditions of the performance and the formula of financing the put option regarding minority interest in entities owned.

There are also ongoing talks with various financial investors related to plans to refinancing a part of financial debt.

In the opinion of the Management Board all the factors described above will contribute to further growth of the Work Service capital group.

12. Amount and type of items having an impact on the assets, liabilities, equity, net result or cash flows that are unusual because of their type, value or frequency

No other factors having an impact on the assets, liabilities, equity, net result or cash flows were identified In the first nine months of 2018, that are unusual because of their type, value or frequency than those provided below:

- write-downs of receivables in the amount of PLN 6.4 million
- impairment losses on intangible assets in the amount of PLN 3.6 million
- inventories write-downs in the amount of PLN 7.3 million
- compensation for extending the payment deadline to Profólió Projekt Tanácsadó Kft in the costs, in the amount of PLN 5 million

13. Information on inventories write-downs to obtainable net value and reversal of such write-down

In the first nine months of 2018 the Group recognised - in other operating costs - a write-down for inventories in the amount of PLN 7.3 million, of which 6 million relates to the inventories of the Parent Company and it affected the unit and consolidated financial result.

14. Information on impairment losses on financial assets, tangible fixed assets, intangible assets or other assets, and on reversal of such impairment

In June 2018, the Parent Company wrote off the commenced investments “M&A Project” into intangible assets with a value of PLN 3,586,925.30 due to a low economic usefulness of the project.

The Parent Company also wrote off leased fixed assets under construction for the total value of PLN 472,704.25 due to the abandonment of the conducted projects.

The Parent Company recognised – in other operational costs - the following impairment losses in respect of trade receivables that had an impact on the financial profit/loss:

- receivables from related parties: PLN 5 760 725.03
- receivables from unrelated parties: PLN 5 316 052.60

Total of PLN 11 076 777.63.

Moreover, the effect of applying IFRS 9 in the estimation of loss due to credit risk related to receivables was included:

	As at 01.01.2018 (adjustment of the previous years profit/loss)	As at 30.0.9.2018 (impact on total income)
Individual report	-10 206 367.32	2 654 881.59

Consolidated report:	As at 01.01.2018 (adjustment of the previous years profit/loss)	As at 30.09.2018 (impact on total income)
Write-downs made by other companies from the continued Group	-12 223 088.75	-1 010 487.20
Write-downs made by other companies from the abandoned Group	-11 787 721.00	992 832.59
	-24 010 809.75	-17 654.61

15. Information on creation, increase, use and release of provisions

Provisions for other liabilities and charges	31.12.2017	Increase	Use	Reverse	30.09.2018
a) Long-term provisions, including:	1 786 043.76	10 784.01	107 100.91	17 000.00	1 672 726.86
- provision for retirement benefits and similar	447 552.42	10 784.01	0.00	0.00	458 336.43
- other (accruals)	1 338 491.34	0.00	107 100.91	17 000.00	1 214 390.43
b) Short-term provisions, including:	27 543 486.94	16 404 919.70	8 470 637.46	5 788 891.35	29 688 877.82
- of unused annual leave	20 514 774.23	6 227 801.74	7 613 758.80	4 884 865.52	14 243 951.65
- other (accruals)	7 028 712.70	10 177 117.96	856 878.66	904 025.83	15 444 926.17
Total provisions	29 329 530.70	16 415 703.70	8 577 738.37	5 805 891.35	31 361 604.68

Changes in provisions (seperate data)	31.12.2017	Increase	Use	Reverse	30.09.2018
Provision for of unused annual leave	1 011 049.60	490 947.91	0.00	0.00	1 501 997.51
Other provisions	1 412 772.23	2 960 675.05	0.00	0.00	4 373 447.28

16. Information on deferred income tax liabilities and deferred income tax assets

In 3q 2018, there were no material changes in provisions and deferred tax assets.

Consolidated data	As on 30.09.2018	As on 31.12.2017
Deferred income tax assets	21 830 183.87	20 347 522.35
Deferred income tax liabilities	2 274 507.20	2 265 636.42

Unit data of Work Service S.A.	As on 30.09.2018	As on 31.12.2017
Deferred income tax assets	11 122 033.02	11 122 033.02
Deferred income tax liabilities	1 187 349.53	1 187 349.53

17. Information on significant transactions of purchase and sales of tangible fixed assets

In 3Q 2018, there were no material transactions of acquisition or disposal of any property, plant and equipment.

18. Information on significant liability relating to the purchase of tangible fixed assets

There are no major liabilities arising from the purchase of property, plant and equipment as at September 30, 2018.

19. Information on significant settlements resulting from court proceedings

In the first nine months of 2018 no significant settlements on account of court cases were made.

20. Indication of the corrections of the errors in previous periods

In the financial statement for 3Q 2018, no error adjustment with regard to preceding periods took place.

21. Information on changes in the economic situation and the conditions of conducting business activity, having a significant influence on the fair market value of financial assets and liabilities of the entity.

In 3Q 2018, there was no event that might significantly affect the fair value of financial assets and liabilities of the entity occurred.

22. Information on lack of payment of the credit or loan or violating substantive provisions of the credit or loan agreement, towards which no corrective measures were undertaken until the end of the reporting period

The Management Board of Work Service Group monitors parameters such as:

- The debt ratio - calculated as the ratio of net debt to adjusted EBITDA,
- debt coverage ratio - calculated as the ratio of free cash flow to the interest-credit instalments,
- leverage ratio calculated as the ratio of adjusted net debt to net assets,
- debt ratio of obliged entities.

As of the end of Q3, 2018 these ratios were as follows:

- debt ratio: 12.31 (breached)
- debt coverage ratio: 1.03 (breached)
- leverage ratio 3.40 (breached)
- debt ratio of obligated entities -16.82 (breached)

The value of the ratios presented above was significantly influenced by factors having an impact on the results described herein (including the situation at the German companies, write-downs on receivables, inventories, intangible assets).

In addition, as of the balance sheet date the group is carrying out advanced talks with financial institutions about changing the date of repaying particular loan and bond liabilities.

23. Information about the conclusion by the Company or its subsidiary of one or more transactions between related parties, if individually or collectively they are significant and were concluded on non-market terms.

The company did not conclude in the three quarters of 2018 any transactions with related parties which, individually or collectively would be significant and at the same time were concluded on other than market terms.

The statement of balance between Work Service S.A. and the companies from the Work Service Capital Group is presented in the following table:

	FC	IPS	ANT	WSI	czWS	skWS	rumEXT	EXT	AAS	skEXT
Revenues	1 020 924.85	3 900 363.04	2 991 630.54	315 663.22	1 559 092.82	58 776.93	0.00	1 784 913.22	7 997 820.31	0.00
Costs	49 716.34	32 326 860.37	173 762.31	2 685 340.14	3 553 825.20	705 299.45	786.34	2 278 294.78	0.00	36 332.30
Receivables	935 729.65	912 564.37	1 310 487.93	156 210.84	2 085 484.72	295 527.92	50 632.49	4 570.80	4 470 646.92	0.00
Long term payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short term payables	4 197 495.51	30 434 922.73	3 743 627.65	4 104 660.04	593 312.31	8 589.83	51 502.32	0.00	0.00	0.00
Loans granted	25 768.00	1 664 752.92	0.00	412 157.13	5 436 878.96	1 635 292.08	0.00	13 864 358.62	0.00	0.00

	czEXT	cyPRO	zaoPRO	bviPRO	SEL	gerEXT	CLEAN	ruEXT	KCP	ger24WS
Revenues	0.00	217 632.74	951 294.06	0.00	30 989 992.92	0.00	275 483.50	0.00	1 074 929.55	399.99
Costs	39 430.40	192 888.34	954 538.56	0.00	3 152 765.66	3 731.72	5 047 079.54	0.00	4 730 254.69	113 749.94
Receivables	0.00	303.73	5 366 047.83	0.00	11 298 947.47	700.41	23 637.96	148.52	186 766.05	287 302.46
Long term payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short term payables	19 715.20	0.00	0.00	0.00	44 470 773.38	0.00	6 604 764.61	0.00	615 609.40	41 761.17
Loans granted	0.00	0.00	15 133 952.17	0.00	0.00	0.00	0.00	0.00	6 862 163.04	22 955.31

	gerKON	turEXT	ukEXT	presWS	presBUS	presLOG	presCL	presOSP	humPRO	humOUT
Revenues	0.00	0.00	0.00	2 413 414.49	2 257.94	320 204.96	1 115.99	1 123 580.60	500.00	0.00
Costs	500.00	0.00	500.00	1 495 118.71	0.00	1 133 291.57	91 434.01	332 722.20	2 052 182.76	0.00
Receivables	0.00	148.52	148.52	150 431.58	1 992.60	0.00	15 519.55	22 359.95	4 700.00	0.00
Long term payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short term payables	0.00	0.00	0.00	10 691 831.22	0.00	130 896.26	0.00	0.00	46 770 329.21	0.00
Loans granted	0.00	0.00	0.00	356 731.17	0.00	0.00	0.00	0.00	0.00	0.00

	fiegSPV	fiegWS	fiegOUT	fiegKG	antCZ	antGER	antSK	antHU	hunEXT	crsPEXT
Revenues	638 123.29	0.00	0.00	140 153.74	500.00	0.00	0.00	500.00	0.00	89 339.48
Costs	74 856.70	127 892.55	12 600.00	54 721.64	1 000.00	22 073.56	6 975.22	0.00	0.00	3 091 788.66
Receivables	60 688.70	4 200.00	4 200.00	0.00	500.00	4 949.98	0.00	500.00	148.52	0.00
Long term payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short term payables	0.00	11 967.64	8 400.00	149 114.43	0.00	8 400.00	0.00	0.00	0.00	0.00
Loans granted	29 474 841.88	0.00	0.00	6 430 006.77	0.00	0.00	0.00	0.00	0.00	0.00

	crsBEXT	natSLV	humHR	chnEXT	skWSK	KAR	ukr2WS	WSInv
Revenues	0.00	0.00	0.00	0.00	610 378.66	229 009.68	148.52	21 944.43
Costs	0.00	8 342.40	8 400.00	0.00	1 459 146.35	60 870.00	14 450.00	0.00
Receivables	148.52	0.00	0.00	148.52	1 156 022.56	198 294.91	148.52	20 067.36
Long term payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short term payables	0.00	0.00	0.00	0.00	0.00	0.00	6 630.00	0.00
Loans granted	0.00	0.00	0.00	0.00	0.00	3 699 065.83	0.00	320 615.77

Dictionary of companies of the Work Service Capital Group

ABBREVIATION	Company 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	Clean Staff Sp.z o.o.
KCP	Krajowe Centrum Pracy Sp.z o.o.
EXT	Exact Systems S.A.
AAS	Automotive Assembly Systems Sp. z o.o.
skEXT	Exact Systems Słowacja s.r.o.
czEXT	Exact Systems Czech Republic s.r.o.
gerEXT	Exact Systems GmbH
ruEXT	Zao Exact Systems
rumEXT	Exact Systems s.r.l.
turEXT	Exact Systems Kalite Kontrol Ltd. Sti.
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
cyPRO	Proservice Worldwide Limited
bviPRO	Proservice Worldwide Limited (BVI)
zaoPRO	ZAO Work Service Russia
itKON	IT Kontrakt Sp. Z o.o.
gerKON	IT Kontrakt GmbH
sterKON	Stermedia sp.z o.o.
cyLEXT	Exact Systems Ltd
presWS	WorkExpress Sp.z o.o.
ukEXT	Exact Systems Ltd (UK)
presBUS	Workbus Sp.z o.o.
presLOG	LogistykaPL Sp.z o.o.
presCL	Clean24h Sp.z o.o.
presOSP	Outsourcing Solutions Partner Sp. z o.o.
humPRO	Prohuman 2004 Kft
humOUT	Prohuman Outsourcing Kft
fiegSPV	Work Service SPV Sp. z o.o.

ABBREVIATION	Company name
fiegGP	Work Service GP GmbH
fiegWS	Work Service Deutschland GmbH
fiegOUT	Work Service Outsourcing Deutschland GmbH
fiegKG	Workservice GmbH & Co.KG
humEXI	Human Existence Kft
swissKON	IT Kontrakt AG
antGER	Enloyd GmbH
antCZ	Antal International s.r.o.(Czech Republic)
antSK	Antal International s.r.o. (Slovakia)
anthU	Enloyd Kft
mgtPRO	OOO "EMG-Management"
leasPRO	OOO "EMG-Leasing"
hunEXT	Exact Systems Hungary Kft
trKON	IT Service Sp. z o.o.
janePRO	Janeever
fiegWSF	Work Service Fahrschuhe QC GmbH
crsPEXT	Control+Rework Service Sp. z o. o.
crsBEXT	Control+Rework Service NV
natHR	HR Global d.o.o.
natSLV	Naton kadrovsko-svetanoje d.o.o.
humHR	HR-Rent Kft
humFIE	Profield 2008 Értékesítés Támogató Kft.
itkPRO	IT Kontrakt OOO
chnEXT	Exact Systems China Limited
skWSK	Work Service SK s.r.o.
malKON	It Kontrakt Services Sendirian Berhad
KAR	Kariera.pl Sp.z o.o.
humFC	Finance Care Hungar Kft

24. Information on change in the manner (method) of valuation of financial instruments evaluated in their fair value

In 3Q 2018, there was no change of the method of determining fair value of financial instruments evaluated in a fair value occurred.

25. Information on change of classification of financial assets due to a change of the purpose or usage of these assets

In 3Q 2018, there were no changes in financial assets classification that may result from assets' purpose or usage change occurred.

26. Discontinued operations

In 2018, income, costs of the following companies were classified as discontinued operations:

1) Proservice Group, comprising the following companies:

- Proservice Worldwide (Cyprus) Ltd.
- ZAO Work Service Russia,
- ProService Worldwide Limited, British Virgin Islands
- Janveer Limited (BVI)
- EMG Management
- EMG Leasing
- IT Kontrakt o.o.o.

2) Exact Systems S.A. with all its daughter companies and Exact Systems GmbH.

The results of the following companies have been additionally presented in comparative data as discontinued operations:

1) Stermedia Sp. z o.o.

2) ITK Group, comprising the following companies:

- IT Kontrakt Sp. z o.o.
- IT Kontrakt AG
- IT Service Sp. z o.o.
- IT Kontrakt Services SDN. BHD

Profit from discontinued operations is shown in the table below

	01.01-30.09.2018	01.01-30.09.2017
Net revenues from sales	324 009 104.59	416 392 891.69
Other operating income	3 288 451.76	1 966 815.23
Operating costs	292 916 666.98	373 507 754.38
Other operating costs	5 585 616.37	3 367 388.80
Financial income	2 354 260.03	932 705.02
Financial costs	2 550 235.04	4 544 534.79
Gross profit (loss)	28 599 297.98	37 872 733.98
Income tax	5 155 842.02	5 820 830.42
Profit from discontinued operations for the financial year	23 443 455.96	32 051 903.56
Profit from disposal of the ITK Group	6 323 973.04	0.00
Net loss from revaluation to fair value	0.00	79 337 187.06
Loss on sale of other assets	0.00	-158 487 447.69
Profit attributable to non-controlling shareholders	0.00	-1 867 165.08
Profit from discontinued operations for the financial year	17 119 482.92	-48 965 522.15

Net cash flows from discontinued operations

Net cash flows from discontinued operations	01.01-30.09.2018	01.01-30.09.2017
Net cash flows from operating activities	19 949 215.57	14 990 138.83
Net cash flows from investing activities	24 598 856.31	21 667 116.83
Net cash flows from financing activities	-42 764 723.05	-35 345 496.05
Total net cash flow	1 783 348.84	1 311 759.61
- net cash flows to the companies. which operations are presented as continued activities.	76 628 935,80	77 311 317,68
- net cash flows from the companies. which operations are presented as continued activities.	59 302 286,32	80 907 943,23

27. If the condensed financial statements was subject to examination or revision by the entity authorised to audit financial statements, quarterly report contains appropriate: the opinion on the examination or report to review of the condensed financial statements.

Consolidated financial statements for the third quarter of 2018 have not been audited or reviewed by an entity authorised to audit financial statements.

The consolidated financial statements disclose the following information about the Company's individual condensed financial statements:

- a) write-down on the value of inventories to net obtainable value and reversal of such write-downs - note 13
- b) recognition of impairment losses on financial assets, property, plant and equipment, intangible assets, assets under agreements with customers or other assets, and reversal of such impairment losses - note 14
- c) information on reserves - note 15 and 16,
- d) acquisition and disposal of items of property, plant and equipment - note 17,
- e) commitments made for the purchase of property, plant and equipment - note 18,
- f) settlements from court cases – note 19,
- g) adjustments of errors from previous periods - note 20,
- h) changes in the conditions of business and the economic situation that have an impact on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are recognised at fair value or at amortised cost - note 21,
- i) failure to pay off the loan or breach of the loan agreement provisions for which no recovery action was undertaken either prior to the balance sheet date or on that date - note 22,
- j) transactions with related entities - note 23
- k) transfers between particular levels of the fair value hierarchy that is used to measure the fair value of financial instruments - none
- l) changes in the classification of financial instruments due to a change in the purpose or use of these assets - none
- m) changes in contingent liabilities and contingent assets - notes 7 and 8.

SIGNATURES:

- | | |
|------------------------------|--|
| 1. Maciej Witucki | President of the Management Board..... |
| 2. Tomasz Ślęzak | Vice President |
| 3. Paul Christodoulou | Vice President |
| 4. Iwona Szmitkowska | Vice President |