



**Capital Group**

**WORK SERVICE**

# **INTERIM CONDENSED QUARTERLY REPORT for the first quarter of 2018**

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

Wrocław, 30 May 2018

Dear Sirs and Madams,

Considering the substantial organizational changes which have taken place over the last year in the Work Service Group, I prepared an introduction to the quarterly financial report. My objective is to guide you through the report and indicate the impact of the organizational changes the Group has undergone in the last quarters on the reporting of our financial data. I hope this introduction will help you better understand and interpret the results of the Work Service Group.

At the beginning, we need to look back, as the results of Q1 of 2017, to which the present data refer, concern the comparison with significantly different structure of our Group. The changes relate to the divestiture processes which form an integral part of the official strategy "Work Service 2020" which assumes the concentration of activities on the attractive Central European market of flexible forms of employment. The undertaken actions resulted in three significant changes:

1. The IT Kontrakt companies which separated from the Work Service Group ceased to be consolidated at the end of Q2 of 2017, and therefore their results are visible in the "omitted data" for Q1 2017.
2. We abandoned the Russian Market - decision in this regard was taken at the end of the Q2 of 2017, yet this process is in progress, and we will be still consolidating the results of Proservice within the "discontinued operations" until Q2 of 2018.
3. The sale process of the Exact Systems Group is currently in progress, but based on the general terms and conditions of the transaction signed on 21 May 2018, we expect to close the negotiations with the buyers at the end of Q2 this year. It means that the results of the Exact Systems Group are being still consolidated within so-called "discontinued operations".

These three key variables strongly affect the reporting methodology, thus aiming to present you the current situation of the Work Service Group, we prepared a summary of what we consider the most comparable data. It considers all currently consolidated companies (including Exact Systems and Proservice), and we have excluded the historical data of IT Kontrakt to ensure it does not affect the comparability of the results of the Group. As you can see in the table below, the results of Q1 of 2018 show a 5% revenue growth y/y, while achieving comparable results of EBIT AND EBTIDA (20,17 m and 24,72 m, respectively) and the net profit increase by 13,49% over a year.

Selected items of the profit and loss account*	2018	2017	2018/2017 Dynamics
Revenues	629 707 524,05	599 056 738,95	5,12%
Costs of operating activity	609 793 425,13	577 679 563,34	5,56%
Profit (loss) on sales	19 914 098,92	21 377 175,61	-6,84%
EBIT	20 168 089,92	20 329 820,30	-0,80%
EBITDA	24 720 479,67	24 290 984,46	1,77%
Gross profit (loss)	14 164 515,71	12 225 755,21	15,86%
Net profit (loss)	9 274 841,42	8 172 391,52	13,49%

\*(in PLN) from the discontinued operations and continued operations, excluding the data of the IT Kontrakt Group.

Due to the need to fulfil the reporting methods compliant with IFRS (International Financial Reporting Standards), on the page 5 you can find the full overview of our profit and loss account for Q1 of 2018 including the results from continued operations, and therefore excluding the data of Exact Systems Group, IT Kontrakt and Proservice. On the page 42, you can find additional data showing the combined results from the discontinued operations and continued operations (all currently consolidated results by the Work Service Group), compared to data published at the end of Q1 of 2017 (including IT Kontrakt).

As you can see, after adjusting the image by removing accounting distortions, the Work Service Group continues to grow thanks to its organic performance. In terms of operational dynamics, we observe a very good dynamics of EBITDA result on all key markets. Most importantly our Polish core operations record both growth in sales and profitability, the latter being achieved thanks to cost reductions undertaken by the Management in 2017 and the growing trend of employing Ukrainian employees in Poland. However, at the Group's level, it is still below our expectations due to ever more difficult conditions of delegating Poles to France (Work Express company), and high costs of restructuring of our activity in Germany.

To sum up, the Work Service Group implements the strategy announced last year by:

1. leveraging on the dynamic growth of markets on which it operates,
2. undertaking actions aimed at the increase of sales profitability,
3. continuing the process of balance sheet restructuring.

I encourage you to read the full financial report.

Sincerely,  
*Maciej Witucki*  
*President of the Management Board of Work Service S.A.*

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## SELECTED CONSOLIDATED FINANCIAL DATA

SPECIFICATION	01.01.- 31.03.2018	01.01.- 31.03.2017	01.01.- 31.03.2018	01.01.- 31.03.2017
Work Service Capital Group (continued operations)	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	516 559	498 084	123 626	116 129
EBITDA (operating profit + depreciation)	6 473	6 219	1 549	1 450
Profit from the sale	3 571	4 957	855	1 156
Profit on operating activities (EBIT)	3 538	3 784	847	882
Gross profit (loss)	-2 464	-2 427	-590	-566
Net profit (loss) on continued and discontinued operations	6 115	10 693	1 463	2 493
Net cash flows from operating activities	10 144	16 679	2 428	3 889
Net cash flows from investing activities	-8 207	-43 930	-1 964	-10 242
Net cash flows from financing activities	-3 348	32 596	-801	7 600
Total net cash flow	-1 411	5 346	-338	1 246
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	0.07	0.10	0.02	0.02
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	0.07	0.10	0.02	0.02
	<b>31.03.2018</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>31.12.2017</b>
Assets	1 108 826	1 111 167	263 473	266 409
Liabilities and liability reserves	865 555	878 782	205 668	210 694
Long-term liabilities	49 117	49 821	11 671	11 945
Short-term liabilities	816 437	828 961	193 997	198 749
Equity (Fund)	154 546	144 974	36 722	34 758
Share capital (Fund)	6 509	6 509	1 547	1 561
Supplementary capital (Fund)	136 812	232 874	32 508	55 833

## SEPARATE CONSOLIDATED FINANCIAL DATA

SPECIFICATION	01.01.- 31.03.2018	01.01.- 31.03.2017	01.01.- 31.03.2018	01.01.- 31.03.2017
Work Service SA	in thousands PLN	in thousands PLN	in thousands EUR	in thousands EUR
Revenues from sales	143 310	144 969	34 298	33 800
EBITDA (operating profit + depreciation)	90	-2 505	21	-584
Profit from the sale	-1 449	-5 495	-347	-1 281
Profit on operating activities (EBIT)	-1 577	-3 753	-377	-875
Gross profit (loss)	-7 236	-6 329	-1 732	-1 476
Net profit (loss)	-7 236	-6 329	-1 732	-1 476
Net cash flows from operating activities	13 405	-20 110	3 208	-4 689
Net cash flows from investing activities	-11 769	-38 528	-2 817	-8 983
Net cash flows from financing activities	-1 602	58 847	-383	13 720
Total net cash flow	35	208	8	48
	<b>31.03.2018</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>31.12.2017</b>
Assets	864 839	859 668	205 498	206 111
Liabilities and liability reserves	643 888	631 709	152 997	151 456
Long-term liabilities	3 976	3 960	945	949
Short-term liabilities	636 202	624 118	151 171	149 636
Equity (Fund)	220 951	227 959	52 501	54 655
Share capital (Fund)	6 509	6 509	1 547	1 561
Supplementary capital (Fund)	221 678	285 679	52 674	68 493

## CAPITAL GROUP CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Statement of financial position of the Capital Group

as at 31 March 2018

	as on 31.03.2018	as on 31.12.2017
<b>FIXED ASSETS</b>	<b>451 116 363.50</b>	<b>440 694 536.63</b>
Intangible assets	44 400 990.47	44 887 158.61
Goodwill	354 815 642.92	354 334 183.27
Tangible fixed assets	16 240 196.34	16 996 932.14
Investment real estates	2 690 484.05	2 690 484.05
Other financial assets	11 059 687.00	30 000.00
Other long-term assets	1 050 669.65	1 050 669.65
Other long-term financial assets	157 373.47	203 559.15
Deferred income tax assets	20 366 583.13	20 347 522.35
Accruals	334 736.47	154 027.41
<b>CURRENT ASSETS</b>	<b>465 927 450.19</b>	<b>493 203 560.63</b>
Inventory	16 304 586.54	16 702 253.41
Trade and other receivables	356 240 155.47	385 753 274.22
Other financial assets	30 595 934.46	30 812 269.09
Other short-term assets	3 002 104.80	1 238 104.80
Cash and cash equivalents	50 782 419.44	50 824 465.96
Prepayments	9 002 249.48	7 873 193.15
<b>Assets classified as held for sale</b>	<b>191 781 926.70</b>	<b>177 268 716.07</b>
<b>TOTAL ASSETS</b>	<b>1 108 825 740.39</b>	<b>1 111 166 813.33</b>
<b>EQUITY</b>	<b>154 545 512.29</b>	<b>144 973 695.34</b>
Share capital	6 509 482.30	6 509 482.30
Supplementary capital (Fund)	136 811 528.58	232 873 575.60
Capital from option valuation	-53 773 718.65	-53 773 718.65
Net profit (loss)	4 499 310.18	-96 290 167.84
Foreign exchange differences	-15 716 479.40	-15 785 334.10
Equity attributable to non-controlling shareholders	76 215 389.28	71 439 858.03
<b>LIABILITIES</b>	<b>865 554 765.32</b>	<b>878 782 002.61</b>
<b>Long-term liabilities</b>	<b>49 117 471.86</b>	<b>49 821 367.12</b>
Long-term loans and credits	3 467.21	930 551.69
Deferred income tax liabilities	2 220 466.46	2 265 636.42
Liabilities for pension benefits	0.00	0.00
Provisions for other liabilities and charges	1 794 823.45	1 786 043.76
Other liabilities	45 098 714.74	44 839 135.25
<b>Short-term liabilities</b>	<b>816 437 293.46</b>	<b>828 960 635.49</b>
Trade and other liabilities	511 953 121.60	529 451 401.34
Short-term loans and credits	274 556 003.89	271 965 747.21
Provisions for other liabilities and charges	29 928 167.97	27 543 486.94
<b>Liabilities from assets classified as held for sale</b>	<b>88 725 462.78</b>	<b>87 411 115.38</b>
<b>TOTAL LIABILITIES</b>	<b>1 108 825 740.39</b>	<b>1 111 166 813.33</b>

**Consolidated Statement of comprehensive income of the Capital Group**  
for the period of 3 months ended 31 March 2018

CONTINUED OPERATIONS	01.01.2018-31.03.2018	01.01.2017-31.03.2017
<b>Revenues</b>	<b>516 558 760.53</b>	<b>498 083 961.14</b>
Net revenues from sales of products	517 098 787.77	498 224 301.05
Variation in stocks of products	-540 027.24	-140 339.91
Manufacturing cost of products for entity's own purposes	0.00	0.00
Net income on sale of goods and materials	0.00	0.00
<b>Operating costs</b>	<b>512 987 946.13</b>	<b>493 126 574.70</b>
Depreciation	2 934 684.49	2 434 437.40
Consumption of materials and energy	1 319 364.96	1 320 444.66
Outside services	62 088 827.69	52 137 890.23
Taxes and charges	744 318.43	514 190.41
Remuneration	360 344 837.37	346 278 035.39
Social insurance and other benefits	80 199 988.52	83 317 664.69
Other generic expenses	5 355 924.66	7 123 911.93
Value of goods and materials sold	0.00	0.00
<b>Profit (loss) on sales</b>	<b>3 570 814.40</b>	<b>4 957 386.44</b>
Other operating incomes	4 733 472.99	3 667 280.69
Other operating costs	4 766 145.77	4 840 506.64
<b>Profit (loss) on operating activities</b>	<b>3 538 141.62</b>	<b>3 784 160.48</b>
Financial incomes	307 656.95	1 571 239.30
Financial costs	6 309 658.30	7 782 188.81
<b>Gross profit (loss)</b>	<b>-2 463 859.73</b>	<b>-2 426 789.02</b>
Income tax	3 406 698.27	2 715 501.62
<b>Net profit (loss) from continued operations</b>	<b>-5 870 558.00</b>	<b>-5 142 290.63</b>

**DISCONTINUED OPERATIONS**

<b>Net profit (loss) from discontinued operations</b>	<b>11 985 065.18</b>	<b>15 835 338.08</b>
<b>Net profit (loss)</b>	<b>6 114 507.18</b>	<b>10 693 047.44</b>
Measurement of shares by the equity method	0.00	0.00
Minority shareholders profit (loss)	1 615 197.00	4 081 045.61
<b>Net profit attributable to</b>		
- Shareholders of the parent company	4 499 310.18	6 612 001.84
- Non-controlling interests	1 615 197.00	4 081 045.61

Net profit	6 114 507.18	10 693 047.44
Exchange differences on conversion of foreign entities	68 854.69	-10 406 199.29
Total revenue for the period	6 183 361.87	286 848.15
- Including attributable to minority capital	1 641 475.67	109 476.78
- including attributable to shareholders of parent company	4 541 886.20	177 371.37
<b>Net profit</b>	<b>6 114 507.18</b>	<b>10 693 047.44</b>
<b>Other comprehensive income</b>		
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	68 854.69	-10 406 199.29
<b>Other comprehensive income in total</b>	<b>68 854.69</b>	<b>-10 406 199.29</b>
Comprehensive income for the period	6 183 361.87	286 848.15
- of which attributable to minority interest in equity	1 641 475.67	109 476.78
- of which attributable to shareholders of the parent entity	4 541 886.20	177 371.37
<b>Profit per share from continuing and discontinued operations attributable to shareholders of the parent entity during the year (in PLN)</b>		
From continuing operations:		
- basic	-0.11	-0.14
- diluted	-0.11	-0.14
From discontinued operations		
- basic	0.18	0.24
- diluted	0.18	0.24



Consolidated Statement of cash flows of the Capital Group  
for the period of 3 months ended 31 March 2018

	01.01.2018- 31.03.2018	01.01.2017- 31.03.2017
<b>Net profit (loss)</b>	<b>4 499 310.18</b>	<b>6 612 001.83</b>
<b>Total adjustment</b>	<b>5 645 117.51</b>	<b>10 067 232.20</b>
Depreciation	4 552 389.74	4 118 993.55
(Profit) loss on foreign exchange differences	0.00	0.00
Interest and participation in profits (dividends)	4 279 274.89	4 504 461.20
(Profit) loss on investing activities	-238 751.13	-95 608.40
Change in reserves	-1 299 278.24	1 898 180.60
Change in inventory	-2 147 471.28	4 759 476.21
Change of receivables with the exception of receivables from income tax	10 421 865.03	12 529 390.57
Change in short-term liabilities excluding credits and loans and income tax from legal persons	-19 490 291.27	-25 710 873.00
Change in accruals	1 194 504.30	-2 914 064.62
Other adjustments	4 504 556.29	7 998 106.23
Income tax on profit before tax	4 889 674.29	4 465 886.47
Income tax paid	-1 021 355.11	-1 486 716.61
<b>Net cash flows from operating activities</b>	<b>10 144 427.69</b>	<b>16 679 234.04</b>
<b>Cash flow on investment activity</b>		
<b>Incomes</b>	<b>748 194.45</b>	<b>495 485.85</b>
Disposal of intangible and tangible fixed assets	351 973.95	29 361.93
Sale of investment property and intangible assets	0.00	0.00
From financial assets, including:	396 220.50	466 123.92
a) in related entities	0.00	0.00
Interest	0.00	0.00
b) in other entities	396 220.50	466 123.92
Interest	396 220.50	466 123.92
acquisition of financial assets	0.00	0.00
Other investment income	0.00	0.00
<b>Expenditures</b>	<b>8 955 547.98</b>	<b>44 425 359.06</b>
Purchase of intangible and tangible fixed assets	4 582 032.90	3 592 196.42
Investments in real estate and intangible assets	0.00	0.00
For financial assets, including:	2 108 400.00	36 725 617.01
a) in related entities	0.00	32 768 421.01
acquisition of financial assets	0.00	32 768 421.01
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	2 265 115.08	4 107 545.63
<b>Cash flow on investment activity</b>	<b>-8 207 353.53</b>	<b>-43 929 873.21</b>

<b>Cash flow on financial activity</b>		
<b>Incomes</b>	<b>1 902 852.86</b>	<b>57 713 799.00</b>
Credits and loans	1 902 852.86	56 873 890.62
Issuance of debt securities	0.00	0.00
Net income from issuance of shares	0.00	0.00
Other financial income	0.00	839 908.38
<b>Expenditures</b>	<b>5 250 913.00</b>	<b>25 117 446.77</b>
Dividends and other expenses for owners	0.00	0.00
Other than payments for owners. expenses related to profit distribution	0.00	0.00
Credits and loans repayments	0.00	0.00
Redemption of debt securities	0.00	20 000 000.00
Due to other financial liabilities	0.00	0.00
Payment of liabilities on account of financial leasing contracts	162 356.58	146 861.65
Interest	4 675 495.39	4 970 585.12
Other financial expenses	413 061.03	0.00
<b>Net cash flows from financing activities</b>	<b>-3 348 060.14</b>	<b>32 596 352.23</b>
Total net cash flow	-1 410 985.97	5 345 713.06
Balance sheet change in cash and cash equivalent, including:	-1 410 985.97	5 345 713.06
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
<b>Cash and cash equivalents at end of period</b>	<b>59 704 298.40</b>	<b>109 960 503.77</b>

<b>Position 'other adjustments' includes</b>		
change of differences from conversion	-499 095.78	2 019 879.48
changes in real estate position	0.00	87 196.28
other changes in equity	-0.80	-43 796.67
managers programme	228 200.82	228 200.82
changes in position „other assets“	0.00	-76 360.03
changes in shares attributable to non-controlling shareholders	4 775 531.25	5 782 986.35
	<b>4 504 556.29</b>	<b>7 998 106.23</b>

<b>Net cash flows from discontinued operations</b>	<b>01.01.2018-31.03.2018</b>	<b>01.01.2017-31.03.2017</b>
Net cash flows from operating activities	<b>4 316 766.79</b>	<b>1 368 152.06</b>
Net cash flows from investing activities	-10 504 394.87	-7 975 955.08
Net cash flows from financing activities	5 009 102.68	5 125 119.15
Total net cash flow	-1 178 525.40	-1 482 683.87
- net cash flows to the companies, which operations are presented as continued activities,	22 222 197.05	21 034 637.73
- net cash flows from the companies, which operations are presented as continued activities,	23 345 560.80	22 680 442.20

Change in receivables, except for income tax receivables, includes:

increase in receivables net of factoring	13 130 198.23
decrease in non-recourse factoring	-4 816 733.20
receivables paid by Exact for the acquisition of companies-presentation change-transfer to investment activity	2 108 400.00
<b>Change in receivables, except for income tax receivables</b>	<b>10 421 865.03</b>

Change in short-term liabilities except for loans and corporate income tax includes:

decrease in trade liabilities	3 575 539.28
increase in tax liabilities	-2 088 864.95
decrease in other liabilities	-17 271 003.00
adjustment for CIT liabilities	-3 868 319.18
adjustment for lease transferred to another item	162 356.58
<b>Change in short-term liabilities except for loans and corporate income tax</b>	<b>-19 490 291.27</b>

## Consolidated statement of changes in equity of Capital Group

01.01.2018-31.03.2018	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
<b>As on 31 December 2017</b>	<b>6 509 482.30</b>	<b>232 873 575.60</b>	<b>-53 773 718.65</b>	<b>-15 785 334.10</b>	<b>-96 290 167.84</b>	<b>73 533 837.31</b>	<b>71 439 858.03</b>	<b>144 973 695.34</b>
The capital increase	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>		<b>0.00</b>
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	4 499 310.18	<b>4 499 310.18</b>	0.00	<b>4 499 310.18</b>
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	68 854.69	0.00	<b>68 854.69</b>	0.00	<b>68 854.69</b>
Transfer of 2017 result to the supplementary capital:	0.00	-96 290 167.84	0.00	0.00	96 290 167.84	<b>0.00</b>	0.00	<b>0.00</b>
Managers programme	0.00	228 200.82	0.00	0.00	0.00	<b>228 200.82</b>	0.00	<b>228 200.82</b>
Minorities result	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	4 775 531.25	<b>4 775 531.25</b>
Other	0.00	-80.00	0.00	0.00	0.00	<b>-80.00</b>	0.00	<b>-80.00</b>
<b>As on 31 March 2018</b>	<b>6 509 482.30</b>	<b>136 811 528.58</b>	<b>-53 773 718.65</b>	<b>-15 716 479.40</b>	<b>4 499 310.18</b>	<b>78 330 123.00</b>	<b>76 215 389.28</b>	<b>154 545 512.29</b>

## 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
<b>As on 31 December 2016</b>	<b>6 509 482.30</b>	<b>330 652 018.76</b>	<b>-53 773 718.65</b>	<b>-5 277 227.57</b>	<b>2 417 610.83</b>	<b>280 528 165.67</b>	<b>76 768 903.19</b>	<b>357 297 068.85</b>
The capital increase	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>		<b>0.00</b>
Net profit (loss) for the financial year	0.00	0.00	0.00	0.00	-96 290 167.84	<b>-96 290 167.84</b>	0.00	<b>-96 290 167.84</b>
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	-10 508 106.54	0.00	<b>-10 508 106.54</b>	0.00	<b>-10 508 106.54</b>
Liability from the purchase of the remaining shares in Prohuman 2004 Kft	0.00	-94 948 356.00	0.00	0.00	0.00	<b>-94 948 356.00</b>	-5 704 819.00	<b>-100 653 175.00</b>
Distribution of profit for 2016:	0.00	2 417 610.83	0.00	0.00	-2 417 610.83	<b>0.00</b>	0.00	<b>0.00</b>
Operations related to transaction with ITK Group	0.00	-5 560 279.72	0.00	0.00	0.00	<b>-5 560 279.72</b>	-10 736 639.27	<b>-16 296 918.99</b>
Managers programme	0.00	912 803.28	0.00	0.00	0.00	<b>912 803.28</b>	0.00	<b>912 803.28</b>
Minorities result	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	9 557 769.61	<b>9 557 769.61</b>
Other	0.00	668 778.70	0.00	0.00	0.00	<b>668 778.70</b>	1 554 643.51	<b>2 223 422.21</b>
Dividend payment by APT	0.00	-1 269 000.25	0.00	0.00	0.00	<b>-1 269 000.25</b>	0.00	<b>-1 269 000.25</b>
<b>As on 31 December 2017</b>	<b>6 509 482.30</b>	<b>232 873 575.60</b>	<b>-53 773 718.65</b>	<b>-15 785 334.10</b>	<b>-96 290 167.84</b>	<b>73 533 837.31</b>	<b>71 439 858.04</b>	<b>144 973 695.34</b>

01.01.2017-31.03.2017	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
<b>As on 31 December 2016</b>	<b>6 509 482.30</b>	<b>330 652 018.76</b>	<b>-53 773 718.65</b>	<b>-5 277 227.57</b>	<b>2 417 610.83</b>	<b>280 528 165.67</b>	<b>76 768 903.19</b>	<b>357 297 068.85</b>
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	6 612 001.83	<b>6 612 001.83</b>	0.00	<b>6 612 001.83</b>
Exchange differences on conversion of financial statements of foreign entities	0.00	0.00	0.00	-10 406 199.29	0.00	<b>-10 406 199.29</b>	0.00	<b>-10 406 199.29</b>
Distribution of profit for 2016:	0.00	2 417 610.83	0.00	0.00	-2 417 610.83	<b>0.00</b>	0.00	<b>0.00</b>
Purchasing of the companies from ATM Group	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	746 711.37	<b>746 711.37</b>
Managers programme	0.00	228 200.82	0.00	0.00	0.00	<b>228 200.82</b>	0.00	<b>228 200.82</b>
Minorities result	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	5 782 986.35	<b>5 782 986.35</b>
Other	0.00	-43 796.67	0.00	0.00	0.00	<b>-43 796.67</b>	0.00	<b>-43 796.67</b>
Capital from option valuation	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	<b>0.00</b>
<b>As on 31 March 2017</b>	<b>6 509 482.30</b>	<b>333 254 033.73</b>	<b>-53 773 718.65</b>	<b>-15 683 426.85</b>	<b>6 612 001.83</b>	<b>276 918 372.36</b>	<b>83 298 600.90</b>	<b>360 216 973.26</b>

## **ADDITIONAL NOTES TO THE CONDENSED REPORT OF THE CAPITAL GROUP FOR THE FIRST 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, 6<sup>th</sup> 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	<a href="http://www.workservice.pl">www.workservice.pl</a>

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

## 1.2. Basic information on the Work Service Capital Group

Introduction to the consolidated financial statements for the first quarter of 2018 was drawn up on the basis of separate financial statements of the Capital Group and compiled in a manner that the Group constitutes a single entity.

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

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

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

**As of 31 March 2018 the Management Board of Work Service SA was composed of:**

- Maciej Witucki - President
- Krzysztof Rewers - Vice President
- Paul Andrew Christodoulou - Vice President
- Tomasz Ślęzak - Vice President
- Iwona Szmitkowska - Vice President

In the first quarter of 2018 there were no changes in the composition of the Management Board of Work Service SA.

**Supervisory Board of Work Service S.A. as at 31 March 2018 was composed of:**

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

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



As on 31 March 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
Proservice Worldwide (Cypr) Ltd.	Nicosia, Agiou Pavlou 15, Ledra House, Agios Andreas P.C.1105	04.04.2008	51.00%	51.00%	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	77.72%	77.72%	Full
Work Service Czech s.r.o.	Londýnská 730/59, Vinohrady, 120 00 Praha 2	30.01.2004	100.00%	100.00%	Full
Work Service East Lcc	Charków, ul. Sumska 50, rejon charkowski, województwo charkowskie, Ukraina	03.02.2017	100.00%	100.00%	Full

Companies related by Proservice Worldwide (Cypr) Ltd.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
ZAO Work Service Russia	Moskwa, Biuro 45 Olkhovskaya ST, bld.1 105066	04.04.2008	99.00%	99.00%	Full
ProService Worldwide Limited, Brytyjskie Wyspy Dziewicze	Brytyjskie Wyspy Dziewicze, Office of Aleman, Cordero, Galindo & Lee Trust (BVI) Limited, skr.poczt.3175, Road Town Tortola	04.04.2008	100.00%	100.00%	Full
Janveer Limited (BVI)	Quijano Chambers, P.O. Box 3159, Road Town, Tortola, BVI	01.04.2015	100.00%	100.00%	Full

Companies related by ZAO Work Service Russia					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
EMG Management	191015, Petersburg, Kałużski pereulok, bud 3A	10.02.2015	100.00%	100.00%	Full
EMG Leasing	191015, Petersburg, Kałużski pereulok, bud 3	10.02.2015	100.00%	100.00%	Full
IT Kontrakt o.o.o.	4th floor, bld. 23, 38 A, 2nd Khutorskaya str., Moscow	12.02.2015	100.00%	100.00%	Full

Companies related by Work Service International Sp. z o. o.					
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	04.09.2007	53.50%	53.50%	Full
Work Service SPV Sp. z o.o.	53-413 Wrocław, ul. Gwiazdzista 66	29.01.2014	15.29%	15.29%	Full
ZAO Work Service Russia	Moskwa, Biuro 45 Olkhovskaya ST, bld.1 105066	20.02.2013	1.00%	1.00%	Full

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

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

**Companies related by Exact Systems SA**

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Automotive Assembly Systems Sp. z o. o.	53-413 Wrocław, ul. Gwiaździsta 66	01.03.2007	100.00%	100.00%	Full
Exact Systems Czech Republik s.r.o.	Na 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.	Afroditis, 25 Clarion Business Centre 1060 Nicosia Cyprus	19.12.2012	100.00%	100.00%	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 Belgia	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

**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 <sup>st</sup> 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 <sup>st</sup> 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 <sup>st</sup> 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 <sup>st</sup> 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 Koziegłowy	02.01.2014	100.00%	100.00%	Full
Workbus Sp. z o.o.	Batalionów Chłopskich 8, 42-425 Kroczyce	02.01.2014	100.00%	100.00%	Full

**Companies related by Work Service GmbH & Co.KG**

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Exact Systems GmbH	02826 Gorlitz, Emmerichstr.43	12.08.2009	100.00%	100.00%	Full
IT Kontrakt GmbH	An den Treptowers 1 D-12435 Berlin	05.04.2012	100.00%	100.00%	Full
Work Service 24 GmbH	An den Treptowers 1 D-12435 Berlin	23.08.2011	100.00%	100.00%	Full
Work Service Deutschland GmbH	Mainzer Strasse 178, 67547 Worms	26.06.2014	100.00%	100.00%	Full
Work Service Outsourcing Deutschland GmbH	Domhof 8, 48268 Greven	26.06.2014	100.00%	100.00%	Full
Work Service GP GmbH	Gauermannngasse 2 1010 Wiedeń	24.03.2014	100.00%	100.00%	Full
Enloyd GmbH	Berlin, An den Treptowers 1, 12435	21.11.2014	100.00%	100.00%	Full

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

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

**Companies related by Work Service Deutschland GmbH**

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

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

Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Kariera.pl Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	03.11.2016	51.00%	51.00%	Full

**Companies related by Finance Sales Hungary Kft ( Profield 2008 Kft)**

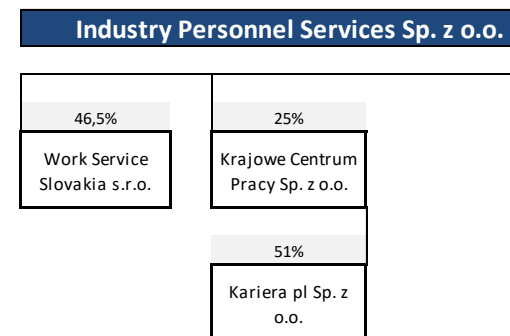
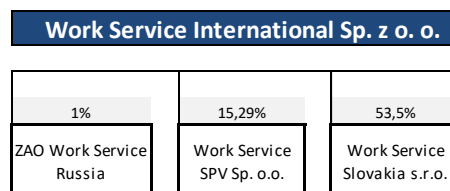
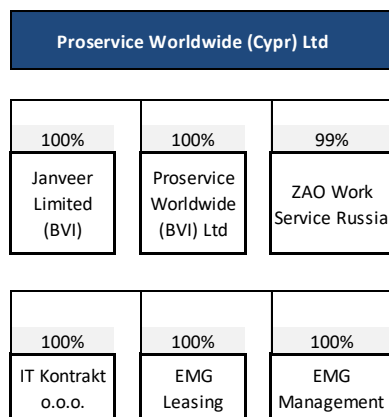
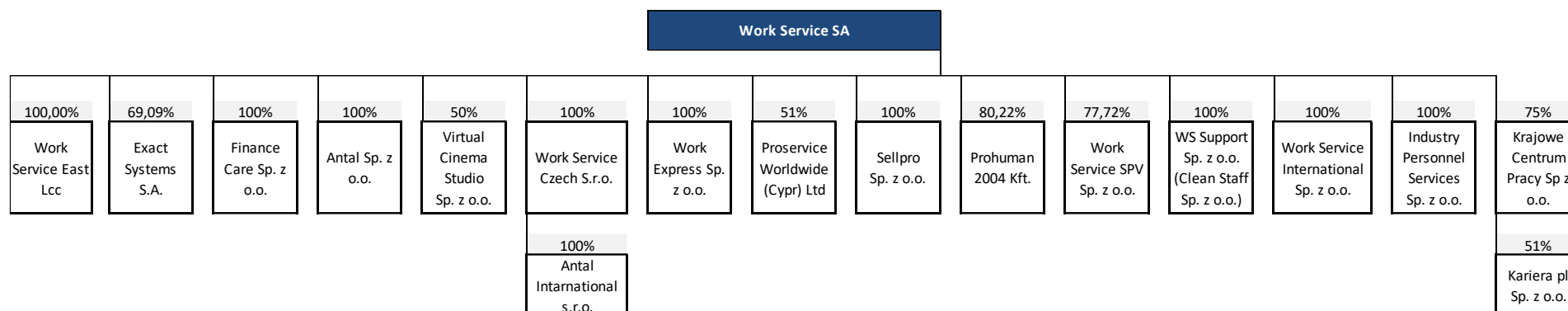
Company name	Registered office	Control acquisition date	Percentage of the subsidiary's share capital	% Share of the subsidiary in the total number of votes at the General Meeting	Method of consolidation
Finance Care Hungary Pénzügyi Tanácsadó Kft	H-1146 Budapest, Hungária krt. 140-144, HU25790722	08.11.2016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

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

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

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

The structure of Work Service SA Capital Group as at 31.03.2018





### Work Service Slovakia s.r.o.

100%	100%	100%
Work Service Outsourcing Slovakia s.r.o.	Work Service SK s.r.o.	Antal International s.r.o.

### Automotive Assembly Systems Sp. z o.o.

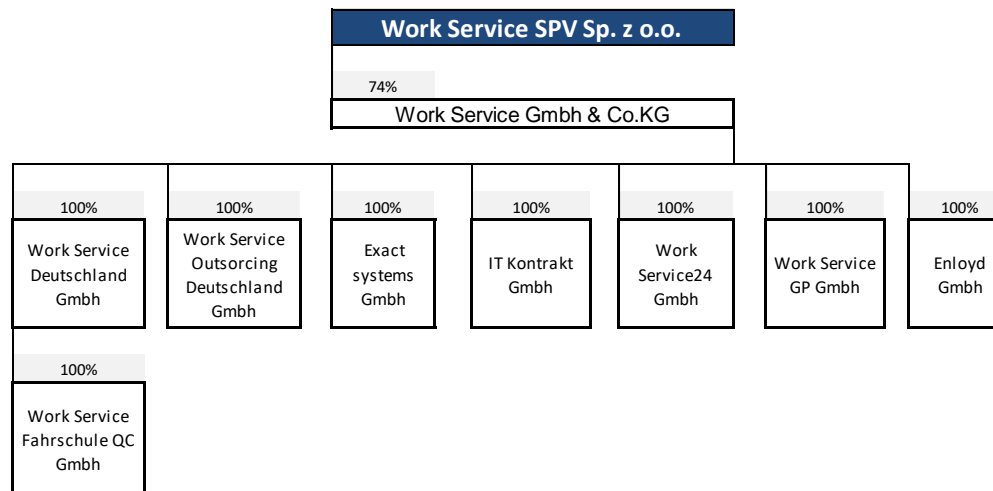
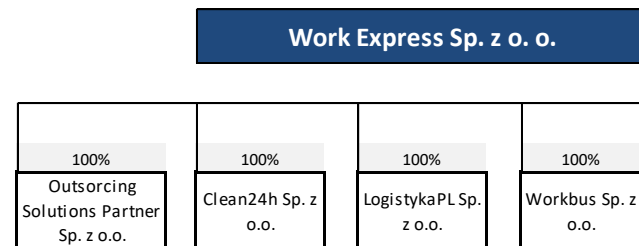
0,03%	1%
Exact Systems s.r.l. (Rumunia)	Exact Systems Kalite Kontrol w Turcji

### Exact Systems S.A.

100,00%	100%	100%	100%	100%	100%	100%	99,97%	100%	99,00%	100%	6,99%	100%
Exact Systems China Ltd.	Control + Rework Service NV	Exact Systems Ltd (Cypr)	Exact Systems Hungary LLC	Exact Systems Ltd (UK)	AO Exact Systems Russia	Exact Systems Slovakia s.r.o.	Exact Systems s.r.l. (Rumunia)	Automotive Assembly Systems Sp. z o.o.	Exact Systems Kalite Kontrol w Turcji	Exact Systems Czech Republic s.r.o.	Work Service SPV Sp. z o.o.	Control + Rework Service Polska Sp. z o.o.

### Prohuman 2004 Kft

80%	80%	80%	80%	100%	100%	100%	100%	100%	100%
APT Finance Broker s.r.l.	APT Broker s.r.l.	APT Human Resources s.r.l.	APT Resources & Services s.r.l.	Naton kadrovsko svetovanje d.o.o.	Human Existence Kft	Prohuman Outsourcing Kft.	Enloyd Kft	HR Rent Kft	Profield 2008 Kft
				100%					100%
				Naton Ljudski potencial d.o.o					Finance Care Hungary Pénzügyi Tanácsadó 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. (99.97%) and Automotive Assembly Systems Sp. z o.o. (0.03%). Company dedicated for handling of the Romanian market, providing services in the field of control, selection and repair of components and assemblies primarily in the automotive industry.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

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

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

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

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

The Management Board of Work Service SA hereby declares that, to the best knowledge, this quarterly 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 Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and, in the extent not covered by the above standards, in accordance with the requirements of the Act of 29 September 1994 on accounting (Journal of Laws 2018 pos.395) and the implementing regulations issued thereunder.

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

Consolidated financial statements, as on 31 March 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 31 March 2018 and for the period from 1 January 2018 to 31 March 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 31 March 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
01.01-31.03.2018	4.1784	4.2085
01.01-31.12.2017	4.2447	4.1709
01.01-31.03.2017	4.2891	4.2198

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.



#### **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.

#### **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: 31 March 2018 and comparative data for the quarter ended 31 March 2017.

**Continued activity 01.01.2018-31.03.2018**

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
<b>Revenues</b>						
Sales to external customers	472 789 094.41	43 769 666.12		516 558 760.53		0.00
Internal sale	32 225 372.26	14 717 236.42		46 942 608.68	-46 942 608.68	0.00
Total segment revenue	505 014 466.67	58 486 902.54		563 501 369.21	-46 942 608.68	516 558 760.53
<b>Costs</b>						
The costs of external suppliers	435 044 429.80	27 652 786.28		462 697 216.08		
The costs form Group suppliers	32 810 480.66	1 971 009.81		34 781 490.47	-34 781 490.47	0.00
Total segment costs	467 854 910.46	29 623 796.09		497 478 706.55	-34 781 490.47	462 697 216.08
<b>Result</b>						
Segment profit (loss)	37 744 664.61	16 116 879.84		53 861 544.45		53 861 544.45
<b>Unallocated costs</b>			63 471 290.68	63 471 290.68	-13 180 560.63	50 290 730.05
<b>Other Operating revenue</b>						
Sales to external customers			4 733 472.99	4 733 472.99	0.00	
Internal sale			1 546 861.26	1 546 861.26	-1 546 861.26	0.00
Total segment revenue			6 280 334.25	6 280 334.25	-1 546 861.26	4 733 472.99
<b>Other Operating costs</b>						
The costs of external suppliers			4 766 145.77	4 766 145.77	0.00	
The costs form Group suppliers			452 122.17	452 122.17	-452 122.17	0.00
Total segment costs			5 218 267.94	5 218 267.94	-452 122.17	4 766 145.77
<b>Result</b>						
Profit (loss) from operating activities of the segment						3 538 141.62
<b>Financial income</b>						
Sales to external customers			307 656.95	307 656.95		0.00
Internal sale			4 895 375.19	4 895 375.19	-4 895 375.19	0.00
Total segment revenue			5 203 032.14	5 203 032.14	-4 895 375.19	307 656.95
<b>Financial costs</b>						
The costs of external suppliers			6 309 658.30	6 309 658.30		0.00
The costs form Group suppliers			4 761 296.32	4 761 296.32	-4 761 296.32	0.00
Total segment costs			11 070 954.62	11 070 954.62	-4 761 296.32	6 309 658.30
<b>Result</b>						
Profit (loss) on business activities						-2 463 859.73
<b>Result</b>						
Gross profit (loss)						-2 463 859.73
<b>Tax</b>			3 406 698.27	3 406 698.27		3 406 698.27
<b>Result</b>						
Net profit (loss) of the segment						-5 870 558.00

**Continued activity 01.01.2017-31.03.2017**

	Temporary work	Other	Unallocated	Total	Exclusions	Operations total
<b>Revenues</b>						
Sales to external customers	454 976 306.63	43 107 654.51		498 083 961.14		0.00
Internal sale	36 741 507.85	10 628 987.08		47 370 494.94	-47 370 494.94	0.00
Total segment revenue	491 717 814.48	53 736 641.59		545 454 456.08	-47 370 494.94	<b>498 083 961.14</b>
<b>Costs</b>						
The costs of external suppliers	411 683 957.23	27 825 867.89		439 509 825.12		
The costs form Group suppliers	34 276 007.38	5 519 635.62		39 795 643.00	-39 795 643.00	0.00
Total segment costs	445 959 964.61	33 345 503.51		479 305 468.12	-39 795 643.00	<b>439 509 825.12</b>
<b>Result</b>						
Segment profit (loss)	43 292 349.40	15 281 786.62		58 574 136.02		<b>58 574 136.02</b>
<b>Unallocated costs</b>			62 737 771.55	62 737 771.55	-9 121 021.97	<b>53 616 749.58</b>
<b>Other Operating revenue</b>						
Sales to external customers			3 667 280.69	3 667 280.69	0.00	
Internal sale			4 181 259.21	4 181 259.21	-4 181 259.21	0.00
Total segment revenue			7 848 539.90	7 848 539.90	-4 181 259.21	<b>3 667 280.69</b>
<b>Other Operating costs</b>						
The costs of external suppliers			4 840 506.64	4 840 506.64	0.00	
The costs form Group suppliers			-516 655.69	-516 655.69	516 655.69	0.00
Total segment costs			4 323 850.94	4 323 850.94	516 655.69	<b>4 840 506.64</b>
<b>Result</b>						
Profit (loss) from operating activities of the segment						<b>3 784 160.49</b>
<b>Financial income</b>						
Sales to external customers			1 571 239.30	1 571 239.30		0.00
Internal sale			9 192 074.52	9 192 074.52	-9 192 074.52	0.00
Total segment revenue			10 763 313.82	10 763 313.82	-9 192 074.52	<b>1 571 239.30</b>
<b>Financial costs</b>						
The costs of external suppliers			7 782 188.81	7 782 188.81		0.00
The costs form Group suppliers			6 890 726.11	6 890 726.11	-6 890 726.11	0.00
Total segment costs			14 672 914.92	14 672 914.92	-6 890 726.11	<b>7 782 188.81</b>
<b>Result</b>						
Profit (loss) on business activities						<b>-2 426 789.01</b>
<b>Result</b>						
Gross profit (loss)						<b>-2 426 789.01</b>
<b>Tax</b>			2 715 501.62	2 715 501.62		<b>2 715 501.62</b>
<b>Result</b>						
Net profit (loss) of the segment						<b>-5 142 290.63</b>

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	[%]
	1st Quarter	share	1st Quarter	share
Poland	267 646 915	51.8%	264 740 820	53.2%
Abroad	248 911 845	48.2%	233 343 141	46.8%
<b>Total</b>	<b>516 558 761</b>	<b>100%</b>	<b>498 083 961</b>	<b>100%</b>

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	[%]
	1st Quarter	share	1st Quarter	share
Poland	267 646 915	51.8%	264 740 820	53.2%
Czech Republic	19 598 348	3.8%	18 035 779	3.6%
Slovakia	10 463 502	2.0%	11 204 608	2.2%
Slovenia	18 926 353	3.7%	18 795 537	3.8%
Croatia	274 933	0.1%	0	0.0%
Hungary	130 355 551	25.2%	114 210 235	22.9%
Germany	51 966 133	10.1%	61 516 206	12.4%
Romania	17 327 026	3.4%	9 580 775	1.9%
<b>Total</b>	<b>516 558 761</b>	<b>100%</b>	<b>498 083 961</b>	<b>100%</b>

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 1st Quarter	[%] share
Automotive	51 463 717	10.0%
Call center	31 543 310	6.1%
Other services	10 609 960	2.1%
Industry and other	8 957 881	1.7%
Financial and Insurance Services	6 910 114	1.3%
Other services	6 733 030	1.3%
Automotive	6 625 690	1.3%
Electronics	6 280 286	1.2%
Industry and other	4 342 622	0.8%
Electronics	4 100 782	0.8%

## SEPARATE FINANCIAL STATEMENTS OF WORK SERVICE SA

### Statement of Financial Position of Work Service SA as at 31 March 2018

ASSETS	as at 31.03.2018	as at 31.12.2017
<b>FIXED ASSETS</b>	<b>610 822 195.35</b>	<b>611 949 308.99</b>
Intangible assets	39 135 473.98	39 450 632.65
Tangible fixed assets	10 276 603.32	11 053 239.92
Investment real estates	2 495 938.00	2 495 938.00
Other financial assets	487 023 544.67	487 023 544.67
Other long-term assets	674 420.08	674 420.08
Other long-term financial assets	60 000 000.00	60 000 000.00
Deferred income tax assets	11 122 033.02	11 122 033.02
Accruals	94 182.28	129 500.65
<b>CURRENT ASSETS</b>	<b>254 016 444.50</b>	<b>247 718 494.17</b>
Inventories	6 742 733.11	6 607 556.70
Trade and other receivables	104 509 157.82	113 749 802.02
Other financial assets	117 089 968.75	103 113 003.81
Other short-term assets	945 601.16	945 601.09
Cash and cash equivalents	571 757.15	536 784.50
Accruals	2 934 209.56	1 542 729.1
Assets for sale	21 223 016.95	21 223 016.95
<b>TOTAL ASSETS</b>	<b>864 838 639.85</b>	<b>859 667 803.16</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>	<b>220 951 027.60</b>	<b>227 959 174.20</b>
Share capital	6 509 482.30	6 509 482.30
Supplementary capital	221 677 892.72	285 678 830.86
Net profit (loss)	-7 236 347.42	-64 229 138.96
<b>LIABILITIES AND RESERVES</b>		
<b>Provisions for liabilities</b>	<b>3 709 617.00</b>	<b>3 611 171.36</b>
Deferred income tax provision	1 187 349.53	1 187 349.53
Provisions for retirement and similar benefits	1 011 049.60	1 011 049.60
Other provisions (short-term)	1 511 217.87	1 412 772.23
<b>Long-term liabilities</b>	<b>3 975 634.68</b>	<b>3 959 831.67</b>
<b>1. To related entities</b>	<b>0.00</b>	<b>0.00</b>
<b>2. To other entities</b>	<b>3 975 634.68</b>	<b>3 959 831.67</b>
Long-term loans and credits	0.00	0.00
Liabilities from issuance of debt securities	0.00	0.00
Other financial liabilities	3 975 634.68	3 959 831.67
Other liabilities	0.00	0.00
<b>Short-term liabilities</b>	<b>636 202 360.57</b>	<b>624 118 071.78</b>
<b>1. To related entities</b>	<b>190 541 255.23</b>	<b>176 651 724.21</b>
<b>2. To other entities</b>	<b>445 661 105.34</b>	<b>447 466 347.57</b>
Liabilities from issuance of debt securities	43 872 448.48	44 285 509.42
Other financial liabilities	4 768 022.96	5 227 443.50
Credits and loans	216 367 927.39	216 560 390.34
Trade payables	12 558 659.71	10 128 851.11
Liabilities for taxes, duties, insurance and other benefits	66 147 636.18	64 787 926.99
Liabilities for remuneration	19 422 653.66	21 550 129.43
Other liabilities	82 523 756.96	84 926 096.78
<b>3. Special funds</b>	<b>0.00</b>	<b>0.00</b>
Accruals	0.00	19 554.15
<b>TOTAL LIABILITIES</b>	<b>864 838 639.85</b>	<b>859 667 803.16</b>

## Statement of comprehensive income of Work Service SA for the period of 3 months ended 31 March 2018

	01.01.2018- 31.03.2018	01.01.2017- 31.03.2017
<b>Revenue</b>	<b>143 309 996.62</b>	<b>144 969 325.04</b>
Net revenue from sales of products	143 198 079.73	144 970 300.34
Change in the balance of products	111 916.89	-975.30
Manufacturing cost of products for internal purposes	0.00	0.00
Net revenues from sales of goods and materials	0.00	0.00
<b>Operating expenses</b>	<b>144 759 462.63</b>	<b>150 464 228.78</b>
Amortisation and depreciation	1 666 519.39	1 247 647.54
Consumption of materials and energy	450 862.11	544 733.66
External services	30 617 716.89	32 634 534.35
Taxes and charges	214 307.76	218 929.05
Payroll	92 729 809.82	95 910 903.43
Social security and other benefits	18 318 777.44	18 769 574.11
Other costs by type	761 469.22	1 137 906.64
Value of goods and materials sold	0.00	0.00
<b>Profit (loss) on sales</b>	<b>-1 449 466.01</b>	<b>-5 494 903.74</b>
<b>Other operating income</b>	<b>2 492 286.64</b>	<b>3 886 249.05</b>
<b>Other operating expenses</b>	<b>2 619 575.51</b>	<b>2 144 228.42</b>
<b>Operating profit (loss)</b>	<b>-1 576 754.88</b>	<b>-3 752 883.11</b>
<b>Finance income</b>	<b>1 934 199.15</b>	<b>7 260 851.55</b>
<b>Finance costs</b>	<b>7 593 791.69</b>	<b>9 837 146.34</b>
<b>Gross profit (loss)</b>	<b>-7 236 347.42</b>	<b>-6 329 177.90</b>
Income tax	0.00	0.00
<b>Net profit (loss)</b>	<b>-7 236 347.42</b>	<b>-6 329 177.90</b>
<b>Other comprehensive income</b>		
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		
<b>Other comprehensive income in total</b>		
Comprehensive income for the period	<b>-7 236 347.42</b>	<b>-6 329 177.90</b>
- of which attributable to shareholders of the parent entity	<b>-7 236 347.42</b>	<b>-6 329 177.90</b>
<b>Profit per share from continuing and discontinued operations attributable to shareholders of the parent entity during the year (in PLN)</b>		
From continuing operations:		
- basic	<b>-0.11</b>	<b>-0.10</b>
- diluted	<b>-0.11</b>	<b>-0.10</b>
From discontinued operations		
- basic	0	0
- diluted	0	0

**Statement of Cash Flows of Work Service SA for the period of 3 months ended 31 March 2018**

	01.01.2018-31.03.2018	01.01.2017-31.03.2017
<b>A. Cash flow on operating activity</b>		
I. Net profit (loss)	-7 236 347.42	-6 329 177.90
II. Total adjustment	20 641 607.05	-13 781 103.11
1. Depreciation	1 666 519.39	1 247 647.54
2. Profit (Loss) due to exchange rate differences	-293 919.45	-5 497 054.63
3. Interest and participation in profits (dividends)	2 922 273.00	4 193 845.39
4. Profit (loss) on investment activities	0.00	0.00
5. Change in reserves	98 445.64	285 121.52
6. Change in inventory	-135 176.48	-30 787.86
7. Change in receivables	9 240 644.20	1 750 271.11
8. Change in current liabilities, except for loans and credits	8 290 336.17	-16 158 924.40
9. Change in accruals	-1 375 716.24	200 577.40
10. Other adjustments	228 200.82	228 200.82
<b>III. Net cash flows from operating activities (I-II)</b>	<b>13 405 259.63</b>	<b>- 20 110 281.01</b>
<b>B. Cash flow on investment activity</b>		
I. Incomes	92 406 121.32	0.00
1. Disposal of intangible fixed assets	0.00	0.00
2. Disposal of investment property and intangible assets	0.00	0.00
3. From financial assets, including:	92 406 121.32	0.00
a) in related entities	92 399 065.83	0.00
b) in other entities	7 055.49	0.00
- disposal of financial assets	0.00	0.00
- dividends and profit sharing	0.00	0.00
- Repayment of long-term loans	0.00	0.00
- interest	7 055.49	0.00
- Other income from financial assets	0.00	0.00
4. Other investment income	0.00	0.00
II. Expenditures	104 174 848.23	38 528 326.08
1. Acquisition of intangible and tangible fixed assets	574 724.12	1 434 850.15
2. Investments in real estate and intangible assets	0.00	0.00
3. For financial assets, including:	103 600 124.11	37 093 475.93
a) in related entities	103 196 151.75	33 498 131.42
b) in other entities	403 972.36	3 595 344.51
- acquisition of financial assets	0.00	0.00
- long-term loans granted	403 972.36	3 595 344.51
4. Other investment expenses	0.00	0.00
<b>III. Net cash flows from investing activities (I-II)</b>	<b>-11 768 726.91</b>	<b>-38 528 326.08</b>

<b>C. Cash flow on financial activity</b>		
I. Incomes	63 713 779.19	92 213 893.52
1. Net incomes on issue of shares and other capital instruments and additional payments to capital	0.00	0.00
2. Credits and loans	63 713 779.19	92 213 893.52
3. Issuance of debt securities	0.00	0.00
4. Other financial income	0.00	0.00
II. Expenditures	65 315 339.26	33 367 319.45
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	60 514 004.54	8 550 000.00
5. Redemption of debt securities	0.00	20 000 000.00
6. Due to other financial liabilities	0.00	0.00
7. Payment of liabilities on account of financial leasing contracts	902 572.62	623 474.06
8. Interest	3 898 762.10	4 193 845.39
9. Other financial expenses	0.00	0.00
<b>III. Net cash flows from financial activities (I-II)</b>	<b>-1 601 560.07</b>	<b>58 846 574.07</b>
<b>D. Net cash flow total (A.III. + B.III + C.III)</b>	<b>34 972.65</b>	<b>207 966.98</b>
E. Balance sheet change in cash and cash equivalents. including:	34 972.65	207 967.28
- change of cash resources due to exchange rate differences	0.00	0.00
F. Cash resources at the beginning of period	536 784.50	161 019.56
<b>G. Cash resources at the end of period. including</b>	<b>571 757.15</b>	<b>368 986.84</b>
- with restricted availability	0.00	0.00



### Statement of changes in equity of Work Service SA

01.01.2017–31.12.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity
<b>As at 1 January 2018</b>	<b>6 509 482.30</b>	<b>285 678 830.86</b>	<b>-64 229 138.96</b>	<b>227 959 174.20</b>
Net profit (loss) for the financial year	0.00	0.00	-7 236 347.42	-7 236 347.42
Managers programme	0.00	228 200.82	0.00	228 200.82
Distribution of result for 2017 to supplementary capital	0.00	-64 229 138.96	64 229 138.96	0.00
<b>As at 31 March 2018</b>	<b>6 509 482.30</b>	<b>221 677 892.72</b>	<b>-7 236 347.42</b>	<b>220 951 027.60</b>

01.01.2017–31.12.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity
<b>As at 1 January 2017</b>	<b>6 509 482,30</b>	<b>287 458 678,33</b>	<b>-2 692 650,75</b>	<b>291 275 509,88</b>
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
<b>As at 31 December 2017</b>	<b>6 509 482,30</b>	<b>285 678 830,86</b>	<b>-64 229 138,96</b>	<b>227 959 174,20</b>

01.01.2017-31.03.2017	Share capital	Other capital / supplementary capital	Retained earnings	Equity capital
<b>As at 1 January 2017</b>	<b>6 509 482.30</b>	<b>287 458 678.33</b>	<b>-2 692 650.75</b>	<b>291 275 509.88</b>
Net profit (loss) for the financial year	0.00	0.00	-6 329 177.90	-6 329 177.90
Managers programme	0.00	228 200.82	0.00	228 200.82
Distribution of result for 2016 to supplementary capital:	0.00	-2 692 650.75	2 692 650.75	0.00
<b>As at 31 March 2017</b>	<b>6 509 482.30</b>	<b>284 994 228.40</b>	<b>-6 329 177.90</b>	<b>285 174 532.80</b>

## OVERVIEW OF THE INTERIM REPORT

### 1. Significant achievements or failures of the Company in the first quarter 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, including the profit/loss from continued and discontinued operations for the period 01.01.2017-31.03.2017 and for the period 01.01.2018-31.03.2018. In the comparative data, the Group also included the results of the companies from the IT Kontrakt Group sold in the second quarter of 2017.

Selected items of the profit and loss account (in PLN) from discontinued and continued operations	2018	2017	Growth 2018/2017
Sales revenue	629 707 524.05	655 061 577.74	-3.87%
Operating expenses	609 793 425.13	628 835 962.84	-3.03%
Sales profit (loss)	19 914 098.92	26 225 614.90	-24.07%
Operating profit (loss)	20 168 089.92	25 217 782.95	-20.02%
EBITDA	24 720 479.67	29 336 776.50	-15.74%
Gross profit (loss)	14 164 515.71	16 860 874.65	-15.99%
Net profit (loss)	9 274 841.42	12 394 988.18	-25.17%

Source: Work Service Capital Group

The table below presents the selected items of the profit and loss account from continued operations for the Work Service Capital Group (without Exact Group, IT Kontrakt and Proservice Group) for the period 01.01.2017-31.03.2017 and for the period 01.01.2018-31.03.2018. In connection with the planned sale Exact Systems Group was presented as discontinued operations, despite the fact that as at the balance sheet date it is still in the Work Service Group and its result is consolidated.

Selected items of the profit and loss account (in PLN) from continued operations	2018	2017	Growth 2018/2017
Sales revenue	516 558 760.53	498 083 961.14	3.71%
Operating expenses	512 987 946.13	493 126 574.70	4.03%
Sales profit (loss)	3 570 814.40	4 957 386.44	-27.97%
Operating profit (loss)	3 538 141.62	3 784 160.48	-6.50%
EBITDA	6 472 826.11	6 218 597.88	4.09%
Gross profit (loss)	-2 463 859.73	-2 426 789.02	-1.53%
Gross profit (loss) from continued operations	-5 870 558.00	-5 142 290.63	-14.16%

In the first quarter of 2018, the Work Service Group posted higher profit/loss from continued operations than this generated in the corresponding period of 2017. Unlike previous years, this was mainly a result of the Group buoyant organic growth with a limited impact of acquisitions.

In the first quarter of 2018, the Work Service Group posted the following profit/loss from continued operations:

- Sales revenue at PLN 516,559 thous vis-à-vis PLN 498,083 thous. in 2016, which shows a growth of almost 4%. This development has been primarily based on a solid organic growth and would be definitely higher after excluding the drop in sales in Germany by almost 16%. The largest sales increases were achieved on the Hungarian, Polish and Czech markets.
- The increase in the scale of operations also translates into the results achieved by the Capital Group which increased at the EBITDA level by over 4%
- EBITDA from continuing operations and discontinued operations totaled PLN 24.7 million in the first quarter of 2018 and decreased by PLN 4.6 million compared to the analogous period of 2017 due to deconsolidation of the IT Kontrakt Group (comparative data include the results of the IT Kontrakt Group sold in the second quarter of 2017) and the lower results of the Proservice Group.

- Profit from discontinued operations is shown in the table below

	01.01.2018-31.03.2018	01.01.2017-31.03.2017
Net revenues from sales	113 148 763.53	156 977 616.60
Other operating income	957 264.04	830 514.06
Operating costs	96 805 479.00	135 709 388.14
Other operating costs	670 600.26	665 120.06
Financial income	1 389 597.08	7 576.84
Financial costs	2 164 577.12	2 153 535.63
Gross profit (loss)	15 854 968.28	19 287 663.67
Income tax	1 482 976.02	1 750 384.86
Profit from discontinued operations for the financial year	14 371 992.26	17 537 278.82
Profit from disposal of the ITK Group	0.00	0.00
Net loss from revaluation to fair value	-773 407.18	0.00
Loss on sale of other assets	0.00	0.00
Profit attributable to non-controlling shareholders	3 160 334.26	1 701 940.74
<b>Profit from discontinued operations for the financial year</b>	<b>11 985 065.18</b>	<b>15 835 338.08</b>

## 2. Description of factors and events, in particular of an unusual nature, having a significant impact on the financial results

There were no events of unusual nature which would exert a material influence on the financial performance in the first quarter of 2018.

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

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

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

### 4.1 Issuance of non-equity securities

In the first quarter of 2018 the Company Work Service SA did not issue non-equity securities. Other Companies of Work Service Capital Group also did not make such an issuance.

### 4.2 Issuance of equity securities

In the first quarter of 2018 the Company Work Service SA did not issue equity securities. Other Companies of Work Service Capital Group also did not make such an issuance.

## 5. Information on paid (or declared) dividend, in total and per share, broken down into ordinary and preference shares

At the date of this report there is no information on payment (or payment declaration) of dividends.

## 6. Events that occurred after the date on which the condensed consolidated financial statements for 1st quarter of 2018 were prepared, not included in this report, and which may significantly affect the future financial results of the Capital Group

The Management Board of Work Service S.A. (the "Issuer" or the "Company"), in reference to current reports no. 77/2016 and 7/2018, informed 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 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. will repay approximately 50% of inter-company receivables towards the Issuer, for which funds will be 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 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 Mr Piotr Ambrozowicz to perform the duties of Vice-president of the Management Board of Work Service S.A.

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.

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.

## 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, division, restructuring and discontinued operations.

#### Signature of the preliminary conditional 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.

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.

#### **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.

### **2. The position of the Management Board on the feasibility of previously published forecasts for the given year, in the light of the results presented in the report for the first quarter compared to the forecasted results.**

Work Service Capital Group did not publish forecasts of financial results 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 first quarter of 2016, 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, the company Work Service SA has not issued any preference shares, neither as to voting, nor as to the dividend. All shares of the Company are ordinary bearer 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 table below presents 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.

Shareholder	Number 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%
CitigroupGlobal Markets Limited	4 580 497	7.04%	4 580 497	7.04%
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	12 228 315	18.79%	12 228 315	18.79%
<b>Total</b>	<b>65 094 823</b>	<b>100.00%</b>	<b>65 094 823</b>	<b>100.00%</b>

#### 4. 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 first quarter of 2018, together with 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 year 2017, 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 t 2017	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	9 534 861	12 500	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 2017	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. Indication of the proceedings pending before the court, competent authority for arbitration or a public authority

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 first quarter 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.

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

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

No.	The surety on behalf of	Promissory note beneficiary	Surety subject	Date of agreement	Date of termination of the agreement	The amount covered by the surety (gross)
1.	Sellpro Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
2.	Finance Care Sp.z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
3.	Industry Personnel Services Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
4.	Work Service International	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	41 800 000.00
5.	Work Express	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex increasing the limit of 19.10.2015	Indefinite period	41 800 000.00
6.	Outsourcing Solutions Partner Sp. z o.o.	BNP PARIBAS Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex to the agreement of 7.11.2016	Indefinite period	41 800 000.00
7.	Industry Personnel Services Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 06.09.2016	31/08/2018	37 500 000.00
8.	Sellpro Sp. z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 06.09.2016	31/08/2018	37 500 000.00
9.	Finance Care Sp.z o.o.	BZWBK Factor Sp. z o.o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 24.08.2017	31/08/2018	37 500 000.00
10.	Industry Personnel Services Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	41 800 000.00
11.	Sellpro Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex increasing the limit of 27.12.2017	30/11/2018	41 800 000.00
12.	Finance Care	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	41 800 000.00
13.	Exact Systems S.A.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	41 800 000.00
14.	Automotive Assembly Systems Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	41 800 000.00
15.	Logistyka	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	10 000 000.00

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)
16.	Outsourcing Solutions Partner Sp. z o.o.	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	41 800 000.00
17.	Work Express	Bank Millennium S.A.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 27.12.2017	30/11/2018	10 000 000.00
18.	Work Express	Raiffeisen Bank Polska SA	Amount receivable under a factoring agreement	Annex increasing the limit of 04.02.2016	09/05/2019	37 000 000.00

Contingent liabilities				
Title of contingent liability	Type of security	31/03/2018	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	1 030 642 030.98	1 013 780 763.57	16 861 267.41
	pledge on receivables	0.00	0.00	0.00
Leasing security	A promissory note along with the bill declaration	6 263 301.51	6 917 928.40	654 626.49
	bill of exchange guarantee	0.00	0.00	0.00
Securing due performance of contracts	warranty	11 088 792.05	9 067 601.51	2 021 190.54

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 30<sup>th</sup> 2018, have been established

## 8. 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 quarter 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.

**9. 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 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.

At the end of first quarter of 2018 these rates were respectively:

- The debt ratio: 5.13
- debt coverage ratio: 2.10
- leverage ratio: 1.87

The same indicators without single write-downs on Proservice Group and other write downs as well as recognitions of transactions of purchase of shares in Prohuman in equities were respectively:

- The debt ratio: 3.64
- Debt coverage ration: 2.36
- Level ratio: 0.66.

The Group manages the available loan financing by diversifying its source, optimising its costs and choosing the source according to the purpose.

Consequently, the Group uses different sources, such as:

- overdrafts
- investment loan
- bonds
- factoring

As at the balance-sheet date, the Group's debt resulting from loans and bonds as well as from the acquisition of minority stake in Prohuman 2004 Kft was classified as a long-term liability due to the contractual date of maturity during 12 months from the balance sheet date.

Similarly to the previous years, in the year of maturity of debt, the Group has conducted detailed negotiations with financial institutions on debt roll-over for subsequent multiannual periods.

Still, the success of the transaction depends on the positive decision of the financial institutions. Otherwise, the realisation of the Group's selected plans for the coming years may be hampered. For this reason, the Company has undertaken negotiations with many partners to diminish the risk and ensure the realisation of the objective before the date of maturity of the existing loan agreements and bonds.

Moreover, in order to facilitate the prospective positive outcome of negotiations and the debt roll-over, in 2017 and 2018 the Group undertook a number of activities with the aim of diminishing the Group's financial needs in future. These include the sales of shares in IT Kontrakt concluded in 2017 and the sales of shares in Exact Systems S.A., the preliminary agreement of which is described in this report under significant litigation.

The Group aims to achieve the full roll-over of the existing financial debt of the Company, following the conclusion of the transaction (and the consequent diminishing of needs for external financing sources).

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

On 21 May 2018 the Issuer concluded 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 Detailed information is presented in point: „Events that occurred after the date on which the condensed consolidated financial statements for 1st quarter of 2018 were prepared, not included in this report, and which may significantly affect the future financial results of the Capital Group.” of this statement.

#### 11. In case the condensed financial statements was subject to examination or revision by the entity authorised to audit financial statements, quarterly report contains appropriately: the opinion on the examination or report on the review of the condensed financial statements.

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

#### 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

In 1Q 2018, the items influencing the assets, liabilities, equity, net financial result or cash flow, which are unusual due to their type, amount and kind of influence, were not recognized.

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

In 1Q 2018, there were no material write-downs of inventories to net value obtainable and the reversal of such write-downs.

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

In 1Q 2018 there were no significant write-downs for impairment of intangible assets, tangible fixed assets, intangible fixed assets and other assets, and the reversal of such write-downs.

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

Provisions for other liabilities and charges	31.12.2017	Increase	Use	Reverse	31.03.2018
a) Long-term provisions, including:	1 786 043.76	36 279.15	10 499.46	17 000.00	1 794 823.45
- provision for retirement benefits and similar	447 552.42	4 034.61	0.00	0.00	451 587.03
- other (accruals)	1 338 491.34	0.00	10 499.46	-15 244.54	1 343 236.42
b) Short-term provisions, including:	27 543 486.94	7 279 434.38	3 318 751.28	1 576 002.06	29 928 167.97
- of unused annual leave	20 514 774.23	2 812 697.84	2 926 242.45	845 291.66	19 555 937.96
- other (accruals)	7 028 712.70	4 466 736.54	392 508.83	730 710.40	10 372 230.01
<b>Total provisions</b>	<b>29 329 530.70</b>	<b>7 315 713.53</b>	<b>3 329 250.74</b>	<b>1 593 002.06</b>	<b>31 722 991.42</b>

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

In 1Q 2018, there were no material changes in provisions and deferred tax assets.

	As on 31.03.2018	As on 31.12.2017
Deferred income tax assets	20 366 583.13	20 347 522.35
Deferred income tax liabilities	2 220 466.46	2 265 636.42

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

In 1Q 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 March 31, 2018.

## 19. Information on significant settlements resulting from court proceedings

In 1Q 2018, there were no significant settlements due to litigations.

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

In the financial statement for 1Q 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 1Q 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

In 1Q 2018, there was no information on material breach of provisions of a credit or loan agreement which were not subject to any remedies till the end of the reporting period.

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

In 1Q 2018, there was no change of the method of determining fair value of financial instruments evaluated in a fair value occurred.

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

In 1Q 2018, there were no changes in financial assets classification that may result from assets' purpose or usage change occurred.

**SIGNATURES:**

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