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H1'18 HIGHLIGHTS

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The Company is going through **advanced restructuring process** on levels of (1) Strategic Assets Management, (2) Debt/Liquidity as well as on (3) Operational Efficiency.

H1'18 Results are being impacted by **(1) costs of debt and costs of liquidity gap, (2) non recurring disinvestments costs and (3) non-cash auditors write offs from previous years.**

Sale of Exact Systems is in execution phase with expected conclusion and financial inflows in October 2018.



Work Service is **growing on key markets of Poland, Hungary, Czech and Slovakia** with continuous ability to attract new customers.

Cross-Border strategy is proven to work, doubling it's volumes on Polish stronghold market and expanding in other countries covered by the Group.

Work Service will sell Hungarian assets in order to unwind debt levels and quit all earn-out liabilities. M&A advisors has been already selected.

As a part of Exact Systems transaction **WS Germany will be 100% taken over** with unblocked path to full reengineering of this business unit.

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H1'18 FINANCIAL RESULTS

Comprehensive Income

H1'18 vs. H1'17 (continued business only, like for like)

Specification [t PLN]	H1 2017	H1 2018	Dynamic 2018/2017	H1 2018 ADJUSTED
Revenues	1 026 509	1 047 198	2,0%	
Net revenues from sales of products	1 025 823	1 047 524	2,1%	
Variation in stocks of products	686	-327		
Operating costs	1 018 287	1 047 921	2,9%	
Depreciation	5 065	5 959	17,6%	
Consumption of materials and energy	2 954	2 690	-8,9%	
Outside services	106 472	130 083	22,2%	
Taxes and charges	1 251	1 498	19,7%	
Remuneration	717 608	733 386	2,2%	
Social insurance and other benefits	173 028	162 323	-6,2%	
Other generic expenses	11 909	11 984	0,6%	
Profit (loss) on sales	8 221	-723	-108,8%	
Other operating incomes	7 791	15 432	98,1%	
Other operating costs	11 412	37 902	232,1%	
Profit (loss) on operating activities	4 600	-23 193		3 407
Financial incomes	6 924	3 304	-52,3%	
Financial costs	25 043	20 573	-17,8%	
Gross profit (loss)	-13 519	-40 463		
Income tax	4 529	6 079	34,2%	
Net profit (loss)	-18 049	-46 542		

Source: The Company

Group revenues from **sales grew by 2.0%** on comparable structure of assets (continued business only). at the same time costs increased by 2.9%.

Topline is driven by mix of **positive results on core CEE markets**: Poland, Czech, Slovakia and Hungary and **negative dynamics in Germany**.

Group **profitability was impacted heavily** by non-cash auditors write offs, liquidity gap costs and costs of disinvestments (**26.6m PLN in total**).

As a result Company reported **loss on operating activities**.

NON-CASH AUDITOR'S WRITE OFFS	-17.7
Work in progres from previous years	6.7
Impairment write offs	3.6
Receivables write offs	7.4
LIQUIDITY GAP COSTS	-6.9
Penalties for Hungarian earn-out	5.0
Tax Executions & Collections	0.9
PRFON subsidy not granted	1.0
OTHER NON-RECURRING	-2.0
M&A disinvestments costs	2.0

H1'18 EBIT impacted heavily by non-cash auditor's write off's as well as non recurrent disinvestment and liquidity gap costs at the amount of 26.6m PLN. Excluded all above The Company registered **3.4m PLN** positive EBIT on continued business.

Statement of Cash Flow

H1'18 vs. H1'17

As at Jun 30th [t PLN]	2017	2018
Net profit (loss)	-77 547	-32 480
Total adjustments	73 375	35 988
Cash flows from operating activities	-4 172	3 507
Inflows	129 399	2 544
Outflows	75 369	20 601
Cash flows from investing activities	54 030	-18 057
Inflows	61 333	16 708
Outflows	110 921	10 414
Cash flows from financing activities	-49 588	6 294
Increase (decrease) of cash and its net equivalents	271	-8 256
Cash balance at the beginning of the period	104 615	61 115
Cash balance at the end of the period	104 885	52 859

Source: The Company

Cash flow from operating activities was **positive in H1'18** compared to previous year as a proof of improved cash generation ability from core business.

Cash outflow from investing activities was next tranche of pre payment for Exact Systems **acquisition of QLS** (Portugal) paid in Q1'18.

Balance Sheet

H1'18 vs. Q4'17

As at [t PLN]	Dec 31st 2017	Jun 30th 2018
FIXED ASSETS	440 695	432 473
Intangible assets	44 887	40 481
Goodwill	354 334	352 293
Tangible fixed assets	16 997	14 717
Real property investments	2 690	2 690
Other financial assets	30	25
Other long-term assets	1 051	641
Other long-term financial assets	204	210
Deferred tax assets	20 348	21 356
Prepayments	154	59
CURRENT ASSETS	493 204	437 773
Inventory	16 702	9 653
Trade and other receivables	385 753	346 999
Other financial assets	30 812	26 608
Other short-term assets	1 238	893
Cash and other pecuniary assets	50 824	42 837
Prepayments	7 873	10 783
ASSETS CLASSIFIED FOR SALE	177 269	194 359
TOTAL ASSETS	1 111 167	1 064 605

Source: The Company
Continued Business

As at [t PLN]	Dec 31st 2017	Jun 30th 2018
EQUITY	144 974	93 401
Share capital	6 509	6 509
Supplementary capital	232 874	112 553
Capital from the valuation of options	-53 774	-53 774
Net profit (loss)	-96 290	-32 480
Exchange rates balance	-15 785	-15 646
Minority Interest	71 440	76 239
LIABILITIES AND PROVISIONS FOR LIABILITIES	878 782	856 890
Long-term liabilities	49 821	50 110
Long-term credits and loans	931	1 527
Deferred income tax liabilities	2 266	2 169
Other provisions	1 786	1 751
Other liabilities	44 839	44 663
Short-term liabilities	828 961	806 780
Trade and other liabilities	529 451	504 883
Short-term credits and loans	271 966	271 346
Other provisions	27 543	30 551
LIABILITIES CLASSIFIED FOR SALE	87 411	114 315
TOTAL LIABILITIES	1 111 167	1 064 605

H1'18 Operational Highlights

Performance on core business and core markets



H1'18 TOP NEW CUSTOMERS



Core business grew by **6.3% on revenue** and **margin (adjusted) by 7.0%**.
Ukraine employment grew to **4.800 FTE** end of June 2018 compared to 2.500 previous year.



Revenues grew by **13.4%**, margin by **8.7%**.
 Positive results in all acquisitions (domestic, Slovenia and Romania).



Revenues grew by **7.9%**, margin by **13.9%**.
 Increasing share of **cross-border** business (mainly Poland->Czech).



Margin grew by **18.9%** while revenues decreased due to margin mix changes.
 Increasing share of **cross-border in permanent recruitment** model (Serbia->Slovakia).



Best H1 take off since 2015. Promising pipeline for 2nd half of the year.

Tier 1 FMCG (NEW)	Tier 1 White Goods (NEW)	Tier 1 Automotive (NEW)
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THE VALUE OF SPECIALIZED TALENTS



H1'18 OTHER DEVELOPMENTS



Key Message and Q&A

Work Service Group is consequently executing adopted in Q4'17 **Strategy WS2020**:

- **Focusing on core business of flexible employment forms in Central and Eastern Europe** – all markets growing, excellent conditions and prognosis
- Expanding in **cross border employee exchange services segment** with tremendous growth of Ukraine employees to Poland from ~2.500 end of June previous year to ~4.800 end of June this year, Ukraine employees launched on second biggest market Hungary
- Reorganizing group assets, **Exact Systems transaction to be finished in October 2018**, sale of Hungarian assets launched and announced
- **Restructuring financing and structure of liabilities** with inflows from Exact Systems transaction mainly to **deleverage the Company**

The Strategy is expected to decrease covenant level below 2.5, to continue double digit growth and to improve EBIT margin by 20bps-30bps every year, all by the end of 2020.