

# EXTRACT

## FROM THE RESTRUCTURING PLAN

WORK SERVICE S.A.

DRAWN UP IN THE COURSE OF THE PROCEDURE FOR THE  
APPROVAL OF THE ARRANGEMENT FOR PARTIAL ARRANGEMENT

### **Creditors covered by the partial arrangement:**

**BNP Paribas Bank Polska S.A.** with its registered office in Warsaw and address at ul. Kasprzaka 10/16, 01-211 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register (KRS) under KRS number 0000011571, with REGON number 010778878 and NIP number 5261008546;

**Bank Millennium S.A.** , with its registered office in Warsaw and address at ul. Stanisława Żaryna 2A , 02-593 Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under KRS number 0000010186, with REGON number 001379728 and NIP number 5260212931;

**Santander Bank Polska S.A.**, with its registered office at Al. Jana Pawła II 17, 00-854 Warsaw, entered into the register of entrepreneurs maintained by the District Court of the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under KRS number 0000008723, with REGON number 930041341 and NIP number 8960005673;

**Powszechna Kasa Oszczędności Bank Polski S.A.** with its registered office in Warsaw and address at ul. Puławska 15, 02-515 Warsaw, entered into the register of entrepreneurs kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under KRS number 0000026438, with REGON number 016298263 and NIP number 5250007738.

Also referred to collectively as "**Lenders**" in this plan

## The legal framework for the debtor's activities:

Company name: Work Service SA

Legal form: Spółka Akcyjna (Joint stock company)

Address: 53-413 Wrocław, ul. Gwiaździsta 66

Tel. +48(71) 37 10 900 Fax +48 (71) 37 10 938

E-mail [work@workservice.pl](mailto:work@workservice.pl) [www.workservice.pl](http://www.workservice.pl)

The Work Service S.A. ("Company" or "Work Service") was established by a notarial deed of 12th December 2000, drawn up in the Oleśnica Notary Office (Rep. A No. 7712/2000). The Company is entered in the National Court Register, in the Register of Entrepreneurs maintained by the District Court of Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under the KRS number 0000083941. The Company was entered in the register of entrepreneurs of the National Court Register on 28th January 2002. Work Service SA is a successor of Work Service Spółka z o.o.

As at the date of this plan the company has the following authorities:

### THE MANAGEMENT BOARD:

Thibault Lefebvre – President of the Management Board  
Iwona Szmitkowska – Vice President of the Management Board  
Nicola Dell'Edera – Vice President of the Management Board

### THE SUPERVISORY BOARD:

Maurizio Uboldi - Chairman of the Supervisory Board  
Dario Dell'Osa - Deputy Chairman of the Supervisory Board  
Davide Toso - Member of the Supervisory Board  
Antonio Carvelli - Member of the Supervisory Board  
Federica Polo - Member of the Supervisory Board  
Francesca Garofolo - Member of the Supervisory Board  
Maria Luisa Cammarata - Member of the Supervisory Board  
Donato Di Gilio - Member of the Supervisory Board  
Marcus Preston - Member of the Supervisory Board

## I. Description of the debtor's company and information on the current and future state of supply and demand in the market sector in which the company operates (Article 10 section 1(1) of the Restructuring Law)

Work Service is Poland's largest HR company providing innovative human resources solutions - specialising in HR consulting services as well as restructuring in the area of HR, recruitment and employee outsourcing. Work Service is the first company in the personnel services sector listed on the Warsaw Stock Exchange. Since 2016, thanks to dual listing, our shares have also been listed on the London Stock Exchange.

The Work Service Group consists of several business and financially independent centres based in the Czech Republic, Slovakia, Hungary, Romania, Slovenia and Poland. All of these centres are characterized by:

- relatively independent cash flow management;
- relatively independent contract and business management;
- lack of significant operational, business and contractual links between the centres.

This study focuses on the analysis of both Work Service S.A. and, to some extent, the Polish part of the Work Service group ("Work Service Poland"), which is concentrated around the parent company Work Service S.A. and several other Polish entities cooperating in Poland (both in the area of trade management or cash management).

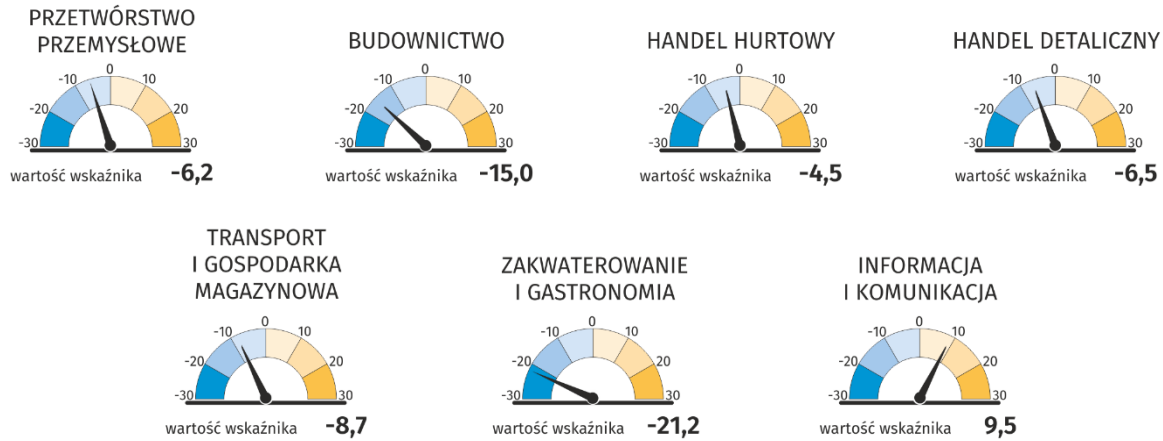
**Information on material liabilities, their sources of financing and forecasts due to the above described links of Work Service with other Polish entities was presented collectively for Work Service Poland.**

### **A. Current state of demand in the market sector in which the Debtor operates;**

Due to the exceptional situation which prevails in Poland as a result of the SARS-CoV-2 coronavirus pandemic, we can observe dynamic changes in various areas of activity. This is mainly related to the introduction of preventive measures throughout the European Union to halt the development of coronavirus and protect the labour market.

## Impact of the COVID-19 pandemic on the economic situation according to the Central Statistical Office (data from September 2020)

### OGÓLNY KLIMAT KONIUNKTURY

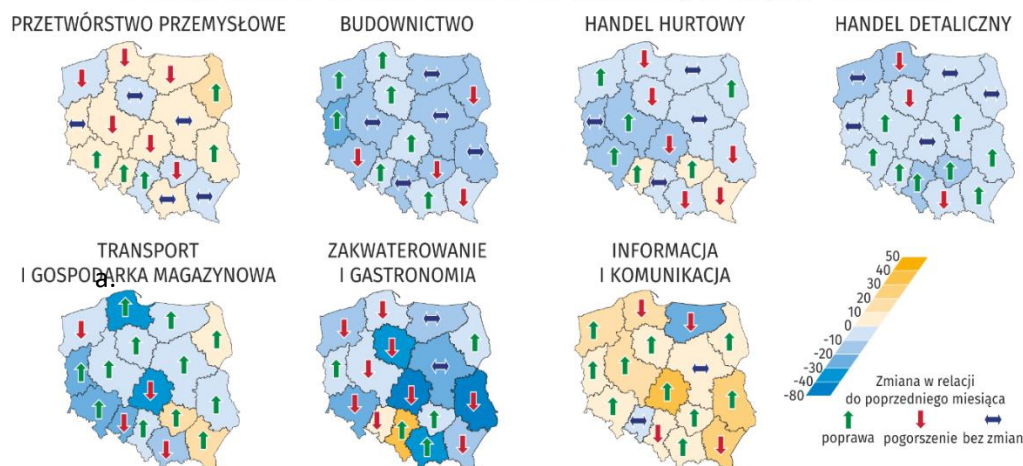


Ogólny klimat koniunktury	General economic situation climate
Wartość wskaźnika	Index value
Przetwórstwo przemysłowe	Industrial processing
Budownictwo	Construction
Handel hurtowy	Wholesale trade
Handel detaliczny	Retail trade
Transport i gospodarka magazynowa	Transport and warehouse management
Zakwaterowanie i gastronomia	Accommodation and catering
Informacja i komunikacja	Information and communication

/Source <https://stat.gov.pl/obszary-tematyczne/koniunktura/koniunktura/koniunktura-w-przetworstwie-przemyslowym-budownictwie-handlu-i-uslugach-wrzesien-2020-roku,3,94.html>

In September this year, the indicator for the overall economic situation climate in most of the presented areas of the economy remains at a similar level or better than in the previous month. However, it is positive only in the information and communication and financial and insurance activities sections.

### OGÓLNY KLIMAT KONIUNKTURY GOSPODARCZEJ W WOJEWÓDZTWACH



Ogólny klimat koniunktury gospodarczej w województwach	General economic situation climate in voivodships
Zmiana relacji do poprzedniego miesiąca	Changes in comparison with the previous month
Poprawa, pogorszenie, bez zmian	Improvement, deterioration, no change
Przetwórstwo przemysłowe	Industrial processing
Budownictwo	Construction
Handel hurtowy	Wholesale trade
Handel detaliczny	Retail trade
Transport i gospodarka magazynowa	Transport and warehouse management
Zakwaterowanie i gastronomia	Accommodation and catering
Informacja i komunikacja	Information and communication

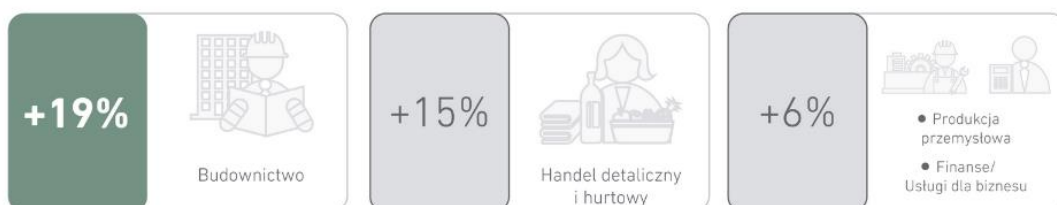
source <https://stat.gov.pl/obszary-tematyczne/koniunktura/koniunktura/koniunktura-w-przetworstwie-przemyslowym-budownictwie-handlu-i-uslugach-wrzesien-2020-roku,3,94.html>

In September this year, a significant improvement can be seen in transport and storage as well as in construction and trade. A significant deterioration can be observed in the hotel and catering industry. Companies which were not able to adapt quickly to the dynamically changing situation on the market - noted a significant drop in revenue, which resulted in the suspension of operations or their final closure. In the second quarter of 2020, the number of bankruptcies of business entities increased by 19.8% compared to the same quarter last year.

## **B. The future state of supply and demand in the market on which the Debtor operates;**

### **The employment forecast for the fourth quarter of 2020. By industry**

Najwyższe wyniki:



Najniższe wyniki:



Najwyższe wyniki	Top results
Budownictwo	Construction
Handel hurtowy i detaliczny	Wholesale and retail trade
Produkcja przemysłowa	Industrial production
Finanse / usługi dla biznesu	Finance / business services
Najniższe wyniki	Lowest results
Inne usługi	Other services

Inne obszary produkcji	Other areas of production
Restauracja / hotele	Restaurants / hotels

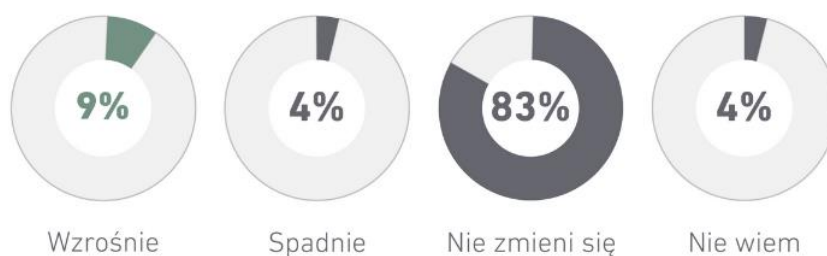
/ source: <https://www.manpowergroup.pl/raporty-rynku-pracy/>

The Manpower Group report presents recruitment plans for companies in seven market sectors. By analysing the data year over year, employers in three of the seven sectors will be looking for more employees. The report also shows that the construction industry reports the strongest results, (with a Net Employment Outlook of +19%) indicating an increase in job opportunities in this segment. Additionally, an increase of +15% can be observed in the retail and wholesale trade sector.

In Poland, employment prospects remain positive, with the highest rate in the South-Western region (+7%), followed by similar results across the entire northern, central and southern part, with a 6% increase. The lowest rate is seen in the North-Western and eastern regions (3%).

The forecast for Poland is one of the highest among 43 analysed markets. Poland is the seventh country in global terms where it will be the easiest to find a job in the coming quarter, according to the Central Statistical Office report.

### Employment in Poland, according to employers.



<i>Wzrośnie</i>	<i>Will increase</i>
<i>Spadnie</i>	<i>Will decrease</i>
<i>Nie zmieni się</i>	<i>Will not change</i>
<i>Nie wiem</i>	<i>I do not know</i>

/Source: <https://www.manpowergroup.pl/raporty-rynku-pracy/>

According to employers' forecasts, 9% of them declare that they would like to hire new employees in the fourth quarter of the year, 4% are thinking about reducing the number of jobs, 83% are not planning any changes, and 4% do not know what the end of the year will bring.

## II. Analysis of the causes of the debtor's difficult economic situation (Article 10 section 1(2) of the Restructuring Law).

In previous years Work Service Poland has faced a number of serious problems, including

- 1) Lack of profitability at the operating level
- 2) Relatively high credit, bond and acquisition obligations, a significant part of which matured in Q4 2018.
- 3) A crisis of confidence among a diverse range of stakeholders.

As a result of the problems identified, it was decided to gradually change the strategic objectives from 2017 onwards, focusing on those of a defensive nature.

Therefore, Work Service Poland has gone through a restructuring path including the following objectives:

- i) maintaining the status of a leading and profitable temporary work agency in Poland
- ii) fully rebuild confidence in the Company, its managers and employees, and above all in the revised operating model of Work Service Poland
- iii) changing the payment dates (instalment) of existing debt and reducing losses;
- iv) reviewing policy options and, in particular, raising debt repayment financing.

In connection with the above objectives, the following have been implemented, among others:

- a programme to reduce business service costs, which significantly improved Work Service Poland's operational performance in the period just before the COVID-19 pandemic began
- activities aimed at retaining as many important, strategic clients as possible, who constitute Work Service Poland's market position
- divestments of three large groups/entities independent from Work Service Poland's operations and business (ITK, Exact, Antal), which allowed, among others, to reduce a large part of bank debt in Q4 2018 and partly contributed to the liquidity of Work Service Poland in the dates of divestments of these entities.
- actions aimed at stabilising relations with banks, Bondholders, Factors - Work Service has significantly improved its relations with these institutions by

concluding further annexes aimed at stabilising and gaining time to jointly achieve the success of financial restructuring.

- spreading the repayment of public-law liabilities to Social Insurance Institution (ZUS) and the tax authority into instalments, which was done by concluding instalment arrangements with ZUS and obtained tax decisions on spreading the repayment of tax liabilities into instalments;
- obtaining by the Company the financing necessary to repay the restructured debt to the Lenders (in the amount agreed with the Lenders and resulting from the partial arrangement) and to repay the public-law liabilities.

The financial results of the capital group of Work Service (“Capital Group”) are presented below, broken down into financial data of continuing and discontinued operations. The financial data relates to the period of 6 months ended 30th June 2020 and the period of 6 months ended 30th June 2019. Financial data of discontinued operations:

- for the period from 01.01.2020 to 30.06.2020 include the German group, i.e. financial data of Work Service GMBH & Co.KG and entities controlled by Work Service GMBH & Co.KG;

- for the period from 01.01.2019-30.06.2019 also includes the German group described above and additionally the financial data of Antal Sp. z o.o. and the financial data of entities controlled by Antal Sp. z o.o.

<b>CONTINUING OPERATIONS</b>	<b>01.01.2020-30.06.2020</b>	<b>01.01.2019-30.06.2019</b>
<b>Revenue</b>	<b>580 533 588.80</b>	<b>755 785 100.72</b>
Net revenue from sales of products and services	583 631 315.83	755 219 950.45
Change in product condition	-3 097 727.03	565 150.27
Cost of manufacturing products for own needs		
Net revenue from sales of goods and materials		
<b>Operating costs</b>	<b>573 570 615.34</b>	<b>741 934 732.69</b>
Depreciation	6 252 514.16	7 065 315.73
Material and energy consumption	2 215 828.06	2 511 024.47
External services	46 123 999.61	64 085 405.35
Taxes and charges	933 330.05	1 764 875.77
Remuneration	435 221 716.77	544 983 927.27
Social security and other benefits	79 192 374.46	116 477 598.59
Other generic costs	3 630 852.23	5 046 585.52
Value of goods and materials sold	0.00	0.00
<b>Profit (loss) on sales</b>	<b>6 962 973.46</b>	<b>13 850 368.03</b>
Other operating income	21 227 079.36	40 618 296.87
Other operating expenses	20 827 026.60	26 185 657.95
<b>Profit (loss) on operating activities</b>	<b>7 363 026.23</b>	<b>28 283 006.95</b>



Financial income	6 613 946.27	1 000.50
Financial costs	13 766 157.84	6 970 356.97
<i>Gross Profit (loss)</i>	210 814.66	21 313 650.48
Income tax	10 405 258.46	7 174 893.74
<b>Net profit (loss) on continued operations</b>	<b>-10 194 443.80</b>	<b>14 138 756.73</b>

<b>DISCONTINUED OPERATIONS</b>	<b>01.01.2020-30.06.2020</b>	<b>01.01.2019-30.06.2019</b>
Revenue from the sale of services	39 020 152.32	84 476 349.17
Operating costs	44 973 834.47	89 812 378.27
Other operating income	1 930 955.08	261 230.06
Other operating expenses	100 168.49	245 417.57
Financial income	0.00	378.71
Financial costs	15 655 320.37	27 409 767.24
Profit (loss) before tax	-19 778 215.93	-32 729 605.13
Income tax	26 421.04	-6 982 672.51
Net profit for the financial year on discontinued operations	-19 804 636.97	-25 746 932.62

### III. Presentation of a proposed future strategy for running a debtor's business and information on the level and type of risk (Article 10 section 1[3] of the Restructuring Law).

As a consequence of the economic situation and the progress and achievements described in point II. of this Restructuring Plan, Work Service S.A. faces the latest challenges related to optimisation of its asset and capital structure.

The restructuring activities described in the previous section and the market potential of Work Service S.A. resulted in an interest on the part of an international industry investor, ultimately ending with an investment in Work Service S.A.

#### **Current objectives, risks and sources of funding**

##### **Strategy - partial arrangement with the Lenders as an important element in completing the restructuring plan**

A further strategy of action assumes, among other things:

- 1) the conclusion of the partial arrangement with the Lenders, which is the last stage of the restructuring process conducted by the Company.
- 2) repayment of the Company's restructured liabilities to the Lenders under the partial arrangement, adopted by those creditors in the proceedings for approval

of the arrangements (after its approval by the Court), and of material public law liabilities to ZUS and Tax Office.

- 3) activities aimed at business development in Poland, improvement of sales revenues and, consequently, financial results of both Work Service and Work Service Poland.

Work Service S.A. can distinguish a number of risks (external and internal) characteristic of its operations, market situation, course of competition, or concluded commercial and/or financial agreements. For the purposes of the partial arrangement, the main risks occurring on the date of signing this Restructuring Plan are:

- 1) Uncertainty as to the deadline for court approval in the restructuring proceedings of the arrangement with the Lenders, on the basis of which Work Service will be able to write off approximately half of its liabilities to the Lenders.
- 2) The risk related to the protracted COVID-19 pandemic - the order of this plan cannot precisely assess the final impact of the situation on the market on which the Work Service Group is present, therefore Work Service Poland's forecasts are presented in ranges (optimistic and pessimistic variant).
- 3) Other risk factors include, but are not limited to:

- a. Risk related to personal data protection.

Due to the nature of its business, the Group has a rich personal database of employees. In accordance with the Personal Data Protection Act of 29 August 1997 (consolidated text: Journal of Laws 2016, item 922), the information concerning such data is secret. However, there is a risk that as a result of theft, burglary or other undesired actions, unauthorized persons will gain access to the database.. In order to reduce the risk of making the database available to unauthorized entities, Work Service has created a technical infrastructure based on properly secured server room, electronic security systems and top-notch servers, which contributes to minimizing the aforementioned risk.

- b. Liquidity risk.

Offering services within the framework of the so-called flexible forms of employment, the Capital Group conducts comprehensive training to prepare employees to perform specific jobs. Then, these employees are directed to companies which have reported a demand for such services. Until payment for the service is received, Work Service incurs all costs resulting from the employment relationship (remuneration, insurance, etc.) of persons taking up employment. Companies hiring employees pay for the service within certain contractual payment terms. This business model requires effective management of net working capital and is prone to the risk of periodic decrease in liquidity, the level of which is significant.

In connection with the instalment arrangements concluded with the Social Insurance Institution (ZUS) and the Tax Office (US), Group companies have to repay arrears in

agreed instalments. If an appropriate level of working capital is not ensured, both the Company and the Group companies may be additionally exposed to the risk of losing liquidity.

c. Risk related to the social and economic situation in Poland and Europe.

The activity of the companies related to offering services on the labour market depends on the social and economic situation in Poland and abroad. The companies' financial results are particularly affected by such macroeconomic factors as: the level of corporate investment resulting in an increase in employment, the rate of GDP growth, the rate of salary growth, the level of interest rates and inflation, and with the progressing globalisation of economies, also foreign direct investment. A factor having a significant impact on the development of the industry in which the Group operates is the degree of absorption of funds from the European Union budget. In the event of a market collapse or downturn, there is a risk that demand for the product offered by the Group will decrease. Such risk is also generated by the COVID-19 pandemic, which reduces the economic activity of many of the Group's clients. Work Service performs an ongoing analysis of the market situation and adjusts strategic decisions accordingly, in particular in times of lower demand for the Group's services, the costs of business services are reduced.

d. Risk related to the activities of competitors.

The HR services market in Central and Eastern Europe (Poland, Czech Republic, Slovakia and Hungary) is attractive due to its size. Recognised global brands such treat the market of Central European countries as a strategic market and have been strongly competing with the Work Service Group for years..

e. Risk related to market volatility.

In recent years, there has been a dynamic development of the temporary employment market and the changing needs of this market. Entrepreneurs expect from the temporary employment agency prepared employees who are trained and do not require additional investment in the form of various types of training and courses. As a leading entity in Poland and the Central and Eastern European market, the Group has the appropriate technical background, knowledge and many years of experience, monitors, is able to predict and knows the needs of the market. Thanks to its knowledge of the characteristics of local and regional markets, the Work Service Group increases its competitiveness.

Through branches all over the country and Europe, it is able to react to changes in market trends. However, in the case of activities in the markets of European countries, attention should be paid to the possible occurrence of periodic changes caused, for example, by short presence in the markets concerned or cultural differences.

f. Risk related to changes in legal regulations.

The country's macroeconomic situation may necessitate changes in tax law, labour law, personal data protection, changes in the area of social security or commercial and business activities. Any change in regulations may result in an increase in the costs of the Group's operations, which in turn translates into financial results and may cause difficulties in assessing the consequences of future events or decisions. Additionally, the risk in this respect is reinforced by the fact that Work Service Group companies operate in several countries. The Management Board of the Group monitors legislative changes in the markets of its operations on an ongoing basis and reacts in advance to ensure that its operations are conducted in accordance with current local laws.

IV. Description of the methods and sources of financing, including the use of available capital, sale of assets to finance restructuring, financial obligations of shareholders and third parties, in particular banks or other lenders, the amount of public aid granted and claimed, and de minimis aid or de minimis aid in agriculture or fishing industry and demonstration of the need for it (Article 10 section 1(7) of the Restructuring Law).

### **Conclusion and subsequent entry into force of the Financing Agreement up to PLN 210 million as the main source of financing for the arrangement;**

On 10 August 2020 the Company concluded a financing agreement ("Financing Agreement") with GI International S.R.L., based in Milan, Italy. Under this agreement, the Company was granted financing in the total amount of PLN 210,000,000.00 (two hundred and ten million PLN) ("Financing").

The amount of financing made available to the Company was negotiated with the investor - the Italian capital group Gi Group ("Investor") in the course of talks on the structure of the transaction (the Investor's entry into the Company) and with the Lenders in connection with the conclusion of the Restructuring Agreement (see comments below). Under the Financing Agreement, the Investor (GI International S.R.L.) provided the Company with funds allowing it to repay the restructured liabilities to the Lenders (i.e. liabilities covered by the partial

arrangement, in the amounts provided for in the arrangement) and a significant part of Work Service Poland's other financial needs. In addition to credit facilities, the financing made available to the Company allows the Company to repay its existing debt to the Social Insurance Institution, Tax Office (repayment of these liabilities is the subject of public instalment agreements and arrangements already concluded by the Company and the creditors) and to PFRON.

The conclusion of the Financing Agreement and the granting of financing to the Company by the Investor under the said agreement (e.g. for the repayment of the restructured liabilities to the Lenders) was one of the conditions of the Lenders' consent to the entry into force of the Restructuring Agreement.

### **Conclusion by the Company of the Restructuring Agreement with the Lenders, assuming cancellation of part of the credit liabilities**

**On 9th July 2020, the Company and the Lenders entered into a cooperation agreement on debt restructuring (“Restructuring Agreement”), setting forth detailed terms and conditions for the restructuring of the Company's debt to the Banks under the loan agreement of 18th November 2015, as amended, concluded between, among others, the Lenders and the Company (the "Loan Agreement")**

**On 28 August 2020, the Restructuring Agreement entered into force.**

Pursuant to the Restructuring Agreement, the Company and the Lenders have agreed on the rules of cooperation with respect to the restructuring of the Company's debt resulting from the loans granted by the Lenders ("**Loans**") - i.e. claims covered by a partial arrangement. The Restructuring Agreement sets out the manner of repayment of the Company's debt to the Lenders resulting from the Credits and agrees on the content of the arrangement (arrangements proposals) acceptable to the Lenders, which in accordance with the intention of the Company and the Lenders, is to be approved by the court in the proceedings for approval of the arrangement ("**Arrangement**") ("**Arrangement Approval Procedure**"). Pursuant to the Restructuring Agreement, if the Court accepts and subsequently approves the partial

agreement with the Lenders in the proceedings for approval of the arrangement, the terms of which were negotiated by the Company with the Lenders, the Company's debt under the Credits corresponding to 49.9998445% of the principal (principal) debt of the Credits (as at the date of the Restructuring Agreement - PLN 55,168,856.85) will be written off. As part of the performance of the Arrangement approved by the court, the Company will remain obliged to repay to the Lenders the debt corresponding to 50.0001555% of the principal debt (principal) of the Credits (as at the date of the Restructuring Agreement - PLN 55,169,200.00), in the manner indicated in the arrangement proposals.

The table below shows the need for liquid funds necessary for the execution of the arrangement during its execution in terms of repayment of the receivables covered by the arrangement.

(these funds have already been provided to the Company by the Investor).

<b>Deadline for repayment of arrangement instalments</b>	<b>Amount of the Payment of the Arrangement Instalments without interest</b>
30 September 2020.	PLN 5 516 920.00 (this instalment has already been paid in full by the Company)
31 December 2020.	PLN 5 516 920.00
31 March 2021.	PLN 5 516 920.00
30 June 2021.	PLN 5 516 920.00
30 September 2021.	PLN 4 137 690.00
31 December 2021.	PLN 4 137 690.00
31 March 2022.	PLN 4 137 690.00
30 June 2022.	PLN 4 137 690.00
30 September 2022.	PLN 4 137 690.00
31 December 2022.	PLN 4 137 690.00
31 March 2023.	PLN 4 137 690.00
30 June 2023.	PLN 4 137 690.00
	<b>PLN 55 169 200.00</b>

As already indicated above, the condition for the entry into force of the Restructuring Agreement, and thus the Lenders' consent to the partial arrangement, was the conclusion of the Financing Agreement by the Company and the granting to the

Company on the basis of the Financing Agreement by the Investor of the financing necessary to repay the (restructured) debt to the Lenders and also to repay other material liabilities of the Company. The Financing Agreement was concluded on 10th August 2020. Therefore, the financing provided for in the Financing Agreement was made available to the Company prior to the entry into force of the Restructuring Agreement and prior to the initiation of the procedure for approval of the partial arrangement with the Lenders.

**V. Projected profits and losses for the next five years based on at least two projections (Article 10 section 1(8) of the Restructuring Law).**

The supervisor of the arrangement points out that due to the wording of **Article 10 section 2 of the Restructuring Law**, given the nature of the debtor's enterprise, whose shares are listed on two markets of the WSE and the LSE, it is not necessary and reasonable to provide forecasts referred to in Article 10 section 1 point 8 of the Restructuring Law.

I justify this as follows:

1. First, it is a partial arrangement involving four of the several hundred creditors of the Debtor.
2. Secondly, the Debtor is already guaranteed the financing of the arrangement and it is not necessary to repay the arrangement from current revenues.
3. Thirdly, the Debtor has not published forecasts of future performance in its past operations. He avoided the undesirable effect of the forecasts on the listing of the Debtor's shares. In the circumstances of the preparation of the forecasts for this restructuring plan, the Debtor would have been obliged under capital market regulations to disclose the forecasts to the public, which, in the opinion of the supervisor, would not be reasonable given the impact of the forecasts on the share price of the company.

**VI. Full description and review of the planned restructuring measures and related costs (Article 10 section 1(4) of the Restructuring Law).**

The only restructuring measure planned and in the process of being implemented by the Company during the period covered by the restructuring based on this partial arrangement is the financial restructuring consisting in the conclusion of an

arrangement with the creditors (Lenders) whose claims were covered by the arrangement under the partial arrangement referred to in Article 180 of the Restructuring Law.

This restructuring measure entails the cost of the arrangement approval procedure amounting to approx. PLN 300,000.00 financed by the Debtor, which is the payer of the contracted restructuring consultancy services.

**VII. Timetable for implementation of the restructuring measures and deadline for implementation of the restructuring plan (Article 10 section 1(5) of the Restructuring Law).**

The company assumes that the restructuring will be carried out within 3 years of the date of the legally binding approval of the arrangement by the restructuring Court. The restructuring plan will be fully implemented and executed within this period. Debt restructuring - resulting from the arrangement will allow the Company to operate undisturbed and complete the implementation of the restructuring plan. The date of approval of the arrangement by the restructuring court is difficult to set in absolute dates.

- 1. **As of the effective date of the decision on the approval of the arrangement, there will be a redemption, in the part provided for in the arrangement, of unconditional receivables covered by the arrangement to the Lenders in the following amounts:**

Creditor	Part of the claim waived
BNP Paribas Bank Polska S.A.	PLN 22 846 187.90
Bank Millennium S.A,	PLN 11 415 754.33
Santander Bank Polska S.A,	PLN 11 399 464.47
Powszechna Kasa Oszczędności Bank Polski S.A,	PLN 11 443 024.49
	<b>PLN 57 104 431.19</b>

- 2. **The remaining repayments of the receivables covered by the arrangement will take place within the deadlines and under the conditions set out in the arrangement (as part of the schedule below) :**



Deadline for repayment	Amount of the Arrangement Repayment
30 September 2020.	PLN 5,516,920.00
31 December 2020.	PLN 5,516,920.00
31 March 2021.	PLN 5,516,920.00
30 June 2021.	PLN 5,516,920.00
30 September 2021.	PLN 4,137,690.00
31 December 2021.	PLN 4,137,690.00
31 March 2022.	PLN 4,137,690.00
30 June 2022.	PLN 4,137,690.00
30 September 2022.	PLN 4,137,690.00
31 December 2022.	PLN 4,137,690.00
31 March 2023.	PLN 4,137,690.00
30 June 2023.	PLN 4,137,690.00

In addition, interest will be payable on those dates in accordance with the terms of the arrangement.

As agreed by the Company with the Lenders in the Restructuring Agreement, and bearing in mind that in the proceedings for approval of the arrangement there is no ban on fulfilling the benefits resulting from the receivables covered by the arrangement (Article 252 of the Restructuring Law), the Company has already paid in full to the Lenders the first instalment payable by 30 September 2020.

Surnames

\_\_\_\_\_  
 Jerzy Sławek, qualified restructuring  
 consultant