



**WORK  
SERVICE**



WORK SERVICE Capital Group

# SUMMARY INTERIM QUARTERLY REPORT

for the first quarter of 2020

compiled in line with the International Financial Reporting Standards  
as endorsed by the European Union

Wrocław, July 23, 2020

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# Consolidated selected financial data

SPECIFICATION	01.01.- 31.03.2020	01.01.- 31.03.2019	01.01.- 31.03.2020	01.01.- 31.03.2019
<b>Work Service Capital Group</b>	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 EUR</b>	<b>000 EUR</b>
Sales revenue	358 803	424 931	81 615	98 871
EBITDA (operating profit + depreciation and amortisation)	4 396	17 427	1 000	4 055
Profit on sales	4 691	5 352	1 067	1 245
Operating profit (EBIT)	1 072	14 208	244	3 306
Gross profit (loss)	9	17 789	2	4 139
Net profit (loss)	-4 698	13 816	-1 069	3 215
Net cash flows from operating activities	-3 535	-25 504	-804	-5 934
Net cash flows from investing activities	-3 155	6 065	-718	1 411
Net cash flows from financing activities	9 314	6 941	2 119	1 615
Total net cash flows	2 624	-12 498	597	-2 908
Number of ordinary shares of the Company for the calculation of earnings per share	65 590 638	65 094 823	65 590 638	65 094 823
Earnings per share	-0,07	0,21	-0,02	0,05
Number of diluted shares for the calculation of diluted earnings per share	66 332 644	65 836 829	66 332 644	65 836 829
Diluted profit per share	0,07	0,21	-0,02	0,05
	<b>31.03.2020</b>	<b>31.12.2019</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Assets	732 884	668 214	160 992	156 913
Liabilities and provisions for liabilities	649 790	578 178	142 739	135 770
Long-term liabilities	17 704	17 768	3 889	4 172
Short-term liabilities	577 272	508 308	126 809	119 363
Equity	83 094	90 036	18 253	21 142
Share capital	6 559	6 559	1 440	1 540
Supplementary capital	353 711	353 211	77 699	82 943

The presented financial data for the period 01.01.2020-31.03.2020 applies to the entire Capital Group: continued and discontinued operations and comparable data for 2019.

## Selected separate financial data

SPECIFICATION	01.01.- 31.03.2020	01.01.- 31.03.2019	01.01.- 31.03.2020	01.01.- 31.03.2019
<b>Work Service SA</b>	<b>000 PLN</b>	<b>000 PLN</b>	<b>000 EUR</b>	<b>000 EUR</b>
Sales revenue	75 214	83 252	17 108	19 371
EBITDA (operating profit + depreciation and amortisation)	-1 326	4 646	-302	1 081
Profit on sales	-3 828	-6 677	-871	-1 554
Operating profit (EBIT)	-3 437	2 125	-850	494
Gross profit (loss)	-4 564	6 094	-1 038	1 418
Net profit (loss)	-4 564	6 094	-1 038	1 418
Net cash flows from operating activities	-1 251	-36 803	-285	-8 563
Net cash flows from investing activities	2 860	-83	651	-19
Net cash flows from financing activities	1 609	37 021	366	8 614
Total net cash flows	3 218	135	732	31
	<b>31.03.2020</b>	<b>31.12.2019</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Assets	512 507	502 978	112 582	116 923
Liabilities and provisions for liabilities	469 892	455 800	103 221	105 956
Long-term liabilities	60 563	59 354	13 304	13 797
Short-term liabilities	394 621	380 514	86 686	88 455
Equity	42 615	47 178	9 361	10 967
Share capital	6 559	6 559	1 441	1 524
Supplementary capital	283 164	283 164	62 202	65 825

# Consolidated financial statements of the Capital Group

## Consolidated report from the financial standing of the Capital Group

as at March 31, 2020

Presented data for archival periods include data comparable to the report as at 31.03.2020, i.e. as at 31.03.2020 and as at 31.12.2019, discontinued operations include Antal Group, which was also consolidated in that period.

	as at 31.03.2020	as at 31.12.2019	as at 31.03.2019
<b>FIXED ASSETS</b>	<b>382 972 346,76</b>	<b>384 727 078,40</b>	<b>453 569 642,31</b>
Intangible assets	26 115 346,41	26 525 375,02	32 349 353,94
Goodwill	281 848 281,08	281 848 281,08	351 079 132,09
Property, plant and equipment	16 680 637,71	18 294 439,39	23 675 631,49
Investment properties	2 379 296,40	2 390 231,55	2 690 484,05
Financial assets	364 958,81	351 374,34	214 664,93
Deferred tax assets	54 415 193,61	54 603 298,46	43 554 342,28
Prepayments	1 057 606,86	661 004,31	0,00
<b>CURRENT ASSETS</b>	<b>349 911 654,14</b>	<b>283 487 142,12</b>	<b>392 348 243,49</b>
Inventories	6 558 893,40	7 462 767,36	7 183 821,42
Trade and other receivables	293 507 286,40	231 558 202,28	299 275 715,97
Other financial assets	3 086 190,49	1 084 257,76	35 871 407,11
Other short-term assets	0,00	0,00	0,00
Cash and cash equivalents	39 762 182,25	38 139 438,36	42 961 732,02
Prepayments	6 997 101,59	5 242 476,36	7 055 566,96
<b>Assets classified as available for sale</b>	<b>0,00</b>	<b>0,00</b>	<b>13 948 435,20</b>
<b>TOTAL ASSETS</b>	<b>732 884 000,90</b>	<b>668 214 220,52</b>	<b>859 866 321,00</b>
<b>EQUITY</b>	<b>83 094 332,54</b>	<b>90 036 359,28</b>	<b>128 354 837,47</b>
Share capital	6 559 063,80	6 559 063,80	6 509 482,30
Supplementary capital	353 711 142,06	353 211 033,43	234 683 774,85
The other reserve capital (funds)	-92 776 850,89	-92 276 850,89	-92 106 141,79
Profit (loss) brought forward	-185 104 517,02	-67 801 051,69	-43 121 796,87
Net profit (loss)	-6 020 473,09	-117 279 375,35	12 869 597,09
Foreign exchange differences	-24 944 216,65	-22 736 333,60	-16 144 633,43
Capital held by non-controlling shareholders	31 670 184,33	30 359 873,58	25 664 555,31
<b>LIABILITIES</b>	<b>649 789 668,36</b>	<b>578 177 861,24</b>	<b>725 548 886,94</b>
<b>Provisions for other liabilities and other charges</b>	<b>43 411 406,78</b>	<b>40 642 999,62</b>	<b>32 255 172,60</b>
Deferred tax liabilities	3 780 684,07	3 868 849,44	4 468 792,30
Provision for pensions and similar benefits	9 874 963,59	11 556 757,32	11 499 407,39
Other current provisions (short-term)	29 755 759,11	25 217 392,86	16 286 972,90
<b>Long-term liabilities</b>	<b>17 704 278,40</b>	<b>17 767 549,55</b>	<b>173 487 468,82</b>
Long-term loans and borrowings	627 792,40	374 271,95	114 406 640,70
Issue of debt securities	0,00	0,00	44 298 780,34
Other financial liabilities	7 493 884,82	7 513 099,63	12 248 338,46
Other liabilities	9 582 601,18	9 880 177,97	<b>2 533 709,33</b>
<b>Short-term liabilities</b>	<b>577 271 865,29</b>	<b>508 308 207,25</b>	<b>502 158 317,82</b>
Liabilities in respect of the issue of debt securities	45 679 119,21	45 396 882,91	0,00
Other financial liabilities	11 263 050,29	11 951 056,67	18 465 657,50
Loans and borrowings	145 677 524,81	135 714 592,25	39 057 979,85
Trade liabilities	25 712 272,13	27 930 312,16	47 336 549,76
Advances for supplies received	752 314,41	1 863 218,27	39 072,15

Liabilities in respect of taxes, customs duties, insurance and other benefits	239 836 187,65	179 460 879,05	155 964 234,89
Payroll liabilities	59 842 042,08	57 220 612,83	72 192 229,91
Other liabilities	48 371 054,29	48 765 048,90	168 883 534,39
Special funds	138 300,41	5 604,23	219 059,37
<b>Accruals</b>	<b>11 402 117,89</b>	<b>11 459 104,81</b>	<b>17 647 927,70</b>
<b>Liabilities from assets classified as held for sale</b>	<b>0,00</b>	<b>0,00</b>	<b>13 948 435,20</b>
<b>TOTAL LIABILITIES</b>	<b>732 884 000,90</b>	<b>668 214 220,52</b>	<b>859 866 321,00</b>

## Consolidated total income statement of the Capital Group

for 3 months ended on July 31, 2020

The presented financial data concern continued operations for a 3-month period ended on 31 March 2020 and a 3-month period ended on 31 March 2019.

The table below also presents the result on discontinued operations:

- financial data of discontinued operations for the period 01.01.2020-31.03.2020 no discontinued operations in 2020,
- financial data of discontinued operations for the period 01.01.2019-31.03.2019 include Antal Group, which was also consolidated in that period.

CONTINUED OPERATIONS	01.01.2020- 31.03.2020	01.01.2019- 31.03.2019
<b>Revenue</b>	<b>358 802 519,07</b>	<b>414 829 952,50</b>
Net trade revenue	359 947 881,01	413 918 331,75
Change in receivables	-1 145 361,94	911 620,75
Manufacturing cost of products for entity's own needs	0,00	0,00
Net revenues from sales of goods and materials	0,00	0,00
<b>Costs of operations</b>	<b>354 111 788,97</b>	<b>410 357 200,27</b>
Amortisation and depreciation	3 324 019,69	3 134 580,80
Consumption of materials and energy	1 097 620,16	1 202 439,93
External services	28 661 439,01	36 362 297,30
Taxes and charges	593 774,33	1 123 642,63
Remuneration	265 092 789,74	299 133 452,06
Social security and other benefits	51 878 273,65	65 898 960,64
Other costs by type	3 463 872,38	3 501 826,90
Value of goods and materials sold	0,00	0,00
<b>Sales profit (loss)</b>	<b>4 690 730,11</b>	<b>4 472 752,23</b>
<b>Other operating revenue</b>	<b>8 282 169,82</b>	<b>19 270 502,71</b>
<b>Other operating expenses</b>	<b>11 900 601,69</b>	<b>10 386 840,81</b>
<b>Profit (loss) from operations</b>	<b>1 072 298,24</b>	<b>13 356 414,13</b>
<b>Finance income</b>	<b>6 827 129,61</b>	<b>8 604 815,43</b>
<b>Finance costs</b>	<b>7 890 769,46</b>	<b>3 929 714,17</b>
<b>Gross profit (loss)</b>	<b>8 658,39</b>	<b>18 031 515,39</b>
Income tax	4 706 912,41	3 966 610,75
<b>Net profit (loss) from continuing operations</b>	<b>-4 698 254,02</b>	<b>14 064 904,64</b>
<b>DISCONTINUED OPERATIONS</b>		
<b>Net profit (loss) on discontinued operations</b>		
<b>Net profit (loss)</b>	<b>0,00</b>	<b>-249 321,96</b>
Valuation of shares using the equity method	0,00	0,00
Minority profit (loss)	0,00	0,00
<b>Net profit falling to:</b>		
- <b>Shareholders of the dominating entity</b>	<b>-6 020 473,09</b>	<b>12 869 597,09</b>
- <b>Non-controlling shares</b>	<b>1 322 219,07</b>	<b>945 985,60</b>
<b>Net profit</b>	<b>-4 698 254,02</b>	<b>13 815 582,68</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss in subsequent periods:		
- none		
Items that may be reclassified to profit or be reclassified to profit or loss in subsequent periods:		
- Foreign entity foreign exchange differences	-2 207 883,06	-65 489,37
Total other comprehensive income	-2 207 883,06	-65 489,37
Comprehensive income for the period	-6 906 137,08	13 750 093,31
- Including income attributable to minority capitals	1 366 033,91	1 011 745,46
- Including income attributable shareholders of the dominating entity	-5 540 103,17	12 738 347,85
<b>Earnings per share from continuing and discontinued operations attributable to shareholders of the dominating entity during the year (in PLN)</b>		
From continuing operations:		
- basic	-0,07	0,21
- diluted	-0,07	0,21
From discontinued operations:		
- basic	0,00	0,00
- diluted	0,00	0,00

## Consolidated cash flow statement of the Capital Group

for 9 months ended on September 30, 2019

01.01.2020-31.03.2020 01.01.2019-31.03.2019

	01.01.2020-31.03.2020	01.01.2019-31.03.2019
<b>Net profit (loss)</b>	<b>-4 698 254,02</b>	<b>13 815 582,68</b>
<b>Total adjustments</b>	<b>1 163 520,97</b>	<b>-38 360 703,97</b>
Amortisation and depreciation	3 324 019,69	3 219 177,67
Foreign exchange (profit) losses	2 207 883,06	3 341 371,91
Interest and shares in profits (dividends)	2 241 844,36	-6 654 180,33
(Profit) loss on investment operations	-70 277,68	-4 238,77
Change in provisions	3 279 746,38	-15 542 033,99
Change in inventories	903 873,96	687 878,69
Change in receivables without income tax receivables	-72 063 749,40	12 620 507,82
Change in short-term liabilities, except for loans, borrowings and corporate income tax	65 748 398,42	-32 548 777,68
Change in prepayments, accruals and deferred income	-3 546 643,71	-4 312 831,76
Other adjustments	-861 574,12	832 422,48
<b>Net cash flows from operating activities</b>	<b>-3 534 733,05</b>	<b>-24 545 121,29</b>
<b>Cash flows from investing activities</b>		
<b>Inflows</b>	<b>1 064 779,70</b>	<b>6 389 001,07</b>
Disposal of intangible assets and property, plant and equipment	70 277,68	0,00
Disposal of investments in real property and intangible assets	0,00	0,00
From financial assets, including:	994 502,02	6 389 001,07
a) in related entities	0,00	0,00
Interest	0,00	6 389 001,07
b) in other entities	994 502,02	0,00
Interest	994 502,02	0,00
purchase of financial assets	0,00	0,00
Other investment inflows	0,00	6 389 001,07
<b>Outflows</b>	<b>4 219 680,59</b>	<b>1 282 022,23</b>
Purchase of intangible assets and property, plant and equipment	2 199 345,08	1 282 022,23
Investments in real property and intangible assets	0,00	0,00
For financial assets, including:	2 020 335,52	0,00
a) in related entities	0,00	0,00
purchase of financial assets	2 020 335,52	0,00
b) in other entities	13 806,28	0,00
purchase of financial assets	2 006 529,24	0,00
Other investment outflows	0,00	958 192,49
<b>Cash flows from investing activities</b>	<b>-3 154 900,90</b>	<b>5 106 978,84</b>
<b>Cash flows from financing activities</b>		
<b>Inflows</b>	<b>10 226 196,36</b>	<b>8 621 610,46</b>
Loans and borrowings	10 226 196,36	0,00
Issue of debt securities	0,00	0,00
Net inflows from stock issue	0,00	-425 332,64
Other financial inflows	0,00	9 046 943,10
<b>Outflows</b>	<b>912 384,78</b>	<b>1 680 419,92</b>
Purchase of shares (stocks)	0,00	0,00
Dividends and other payments to shareholders	0,00	0,00
Profit distribution other than payments to shareholders	0,00	0,00
Repayment of loans and borrowings	0,00	-4 917 699,26



Redemption of debt securities	0,00	0,00
Due to other financial liabilities	0,00	0,00
Payments of liabilities under finance lease agreements	537 698,53	400 570,84
Interest	282 236,30	4 819 886,95
Other financial outflows	92 449,95	1 377 661,39
<b>Net cash flows from financing activities</b>	<b>9 313 811,58</b>	<b>6 941 190,55</b>
Total net cash flows	2 624 177,64	-12 497 951,90
Balance sheet change in cash, including:	2 624 177,63	-12 497 951,90
change in cash due to exchange differences	0,00	0,11
Cash as at the beginning of the period	37 138 004,62	56 486 007,74
<b>Cash at the end of the period</b>	<b>39 762 182,26</b>	<b>43 988 055,84</b>
<b>Other adjustments include:</b>		
change in exchange differences	-2 207 883,06	-65 543,14
other changes in capital funds	0,00	-48 019,98
minority profit	1 322 219,07	945 985,60
FR adjustment carried forward	24 089,88	0,00
<b>Total</b>	<b>-861 574,12</b>	<b>832 422,48</b>

## Consolidated statement of changes in equity of the Capital Group

01.01.2020-31.03.2020	Share capital	Supplementary capital	Reserve capital	Previous years' result	Exchange differences	Net result	Equity attributable shareholders of the dominating entity	Capital held by non-controlling shareholders
<b>As at 31 December 2019</b>	<b>6 559 063,80</b>	<b>353 211 033,43</b>	<b>-92 276 850,89</b>	<b>-67 801 051,69</b>	<b>-22 736 333,61</b>	<b>-117 279 375,35</b>	<b>59 676 485,70</b>	<b>30 359 873,58</b>
Capital increase	-	-	-	-	-	-	-	-
Net profit (loss) for the financial year	-	-	-	-	-	-4 698 254,02	-6 020 473,09	-
Exchange differences due to the translation of financial statements of foreign entities	-	-	-	-	-2 207 883,06	-	-2 207 883,06	-
Distribution of the 2019 result:	-	-	-	-	-	-	-	-
Adjustment of the 2019 result	-	108,63	-	-24 089,98	-	-	-23 981,36	-
Minority result	-	-	-	-	-	-	-	1 322 219,07
Profit carried forward	-	-	-	-117 279 375,35	-	117 279 375,35	-	-
Internal transfers	-	500 000,00	-500 000,00	-	-	-	-	-
KCP-Kariera.pl annulment of the contract	-	-	-	-	-	-	-	-11 908,32
<b>As at 31 March 2020</b>	<b>6 559 063,80</b>	<b>353 711 142,06</b>	<b>-92 776 850,89</b>	<b>-185 104 517,02</b>	<b>-24 944 216,65</b>	<b>-4 698 254,02</b>	<b>51 424 148,21</b>	<b>31 670 184,33</b>

**Consolidated statement of changes in equity (comparatives)**

01.01.2019-31.12.2019	Share capital	Supplementary capital	Reserve capital	Previous years' result	Exchange differences	Net result	Equity attributable shareholders of the dominating entity	Capital held by non-controlling shareholders
<b>As at 31 December 2018</b>	<b>6 509 482,30</b>	<b>236 084 819,51</b>	<b>-92 106 141,79</b>	<b>-52 622 554,11</b>	<b>-15 119 961,09</b>	<b>8 147 732,57</b>	<b>90 893 377,39</b>	<b>24 718 569,71</b>
Capital increase	49 581,50	-	-	-	-	-	49 581,50	-
Net profit (loss) for the financial year	-	-	-	-	-	-117 279 375,35	-117 279 375,35	-
Exchange differences due to the translation of financial statements of foreign entities	-	-	-	-	-7 616 372,52	-	-7 616 372,52	-
Distribution of the 2018 result:	-	10 855,11	-	-	-	-	10 855,11	-
Adjustment of the 2018 result	-	-102 025,59	23 836,95	-8 502 459,68	-	-	-8 580 648,32	-
Including WSSA adjustment of liabilities to ZUS*	-	-	-	-1 502 121,43	-	-	-	-
Including WS Deutschland asset adjustment for deferred tax**	-	-	-	- 6 981 246,25	-	-	-	-
Minority result	-	-	-	-	-	-	-	5 641 303,87
Profit carried forward	-	-1 401 044,66	-	9 548 777,23	-	-8 147 732,57	-	-
Structural changes	-	-	-	352 450,48	-	-	352 450,48	-
Cancellation of the valuation of the Prohuman option	-	94 948 356,00	-	-16 455 081,00	-	-	78 493 275,00	-
Adjustment of option valuation	-	23 670 007,06	-	-	-	-	23 670 007,06	-
Other	-	66,00	-194 546,05	-122 184,60	-	-	-316 664,65	-
<b>As at 31 December 2019</b>	<b>6 559 063,80</b>	<b>353 211 033,43</b>	<b>-92 276 850,89</b>	<b>-67 801 051,69</b>	<b>-22 736 333,61</b>	<b>-117 279 375,35</b>	<b>59 676 485,70</b>	<b>30 359 873,58</b>

\*- correction results from the balance of ZUS calculation liabilities to ZUS Agreement

\*\*- correction results from accounting error and correction of this in 2019

# Additional information about the Summary Report of the Capital Group for Q1 2020

## 1. General information about the Work Service Capital Group

### 1.1. Dominating Entity

Work Service SA is the dominating entity in the Work Service Capital Group. The registered office of the Dominating Company is in Wrocław, ul. Gwiaździsta 66. The company was established by notarial deed dated 12 December 2000 prepared in a Notary Office in Oleśnica (Repertory 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, the 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 the National Court Register on 28 January 2002.

Work Service SA is the successor of Work Service Spółka z o.o.

The core business of the Company according to the Polish Business Classification (PKD 7820Z) consists of the activity related to the recruitment and provision of personnel.

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

Company name, address of the registered office and telecommunication numbers:

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

Work Service SA operates under the Polish law. The legal basis for the Company's activity: the Code of Commercial Companies and regulations of the General Meeting, Supervisory Board and Management Board.

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

Business profiles of companies being a part of the Capital Group:

- temporary work — offering work for temporary employees;
- staff recruitment, personnel counselling;
- personnel and payroll services;
- outsourcing.

The consolidated statements are based on the report of the Dominating Company compiled in line with the International Financial Reporting Standards approved by the European Union and restated financial statements of subordinated companies. The consolidated financial statements were adjusted by amounts of mutual revenues, costs, unrealised margin and settlements resulting from transactions between Group entities.

### STRATEGIC DESCRIPTION

The summary unit statement of the Dominating Company and the consolidated financial statement of its Capital Group were compiled on the assumption of the continuity of business of the Dominating Company and the companies belonging to the Capital Group in an unchanged form and scope for at least 12 months as of the date of the financial statements.

The factors and events as described in this chapter have allowed to significantly reduce the Company's debt and continue its operations on the promising personnel services market.

## I. ASSESSMENT OF FINANCIAL AND STRATEGIC SITUATION BY THE MANAGEMENT BOARD OF WORK SERVICE S.A.

**In the opinion of the Management Board, in 2019 and in several months of 2020, the Capital Group made significant restructuring progress.**

**At the same time, in the opinion of the Management Board, the Capital Group is still in a difficult situation until the actual reception of financing from the investor in the context of the capital increase or other strategic options and the full repayment of all existing public-law liabilities related to the agreements concluded with the Social Security Institution, existing credit and bond liabilities and other public-law and other liabilities.**

**At the date of publication of these financial statements, we shall address the risks which are still present:**

**1) A risk of a potential investor's withdrawal from a planned transaction (at the date of publication of this report, the Management Board of Work Service S.A. does not have such information that the investor would discontinue to be interested in the transaction in the execution of the investment contract but cannot be assumed to have been executed until its full closure);**

**2) A risk associated with high liabilities - if the investor waives the investment agreement, there is a risk that the Work Service Group will not be able to find possible new sources of financing in the short term to cover liabilities (public-law, debt, others);**

**3) A risk associated with the protracted COVID-19 pandemic — the final effects of the situation**

**cannot be precisely assessed on the market in which the Issuer Group is present at the date of publication of this report; These circumstances show that there is significant uncertainty that may arouse significant doubts as to the possible continuation of the activity by the Company and by the Capital Group.**

**In conclusion, the Management Board shall make every effort to ensure that the above activities can be fully implemented and the restructuring of the Company's and the Capital Group's debt started in 2018 can be completed effectively. Additionally, the Directors are aware that not all factors influencing the success of the debt restructuring process executed by the Company and the Capital Group, including the processes of obtaining financing and sale of group's assets enabling to reduce the debt, depend on the efforts and decisions of the Directors.**

## II. DESCRIPTION OF MATERIAL EVENTS AND FACTORS INFLUENCING THE CURRENT FINANCIAL AND CAPITAL SITUATION OF THE CAPITAL GROUP

The Work Service Capital Group has faced huge restructuring challenges in recent quarters and years. In the opinion of the Issuer's Management Board, many repair processes were completed or advanced. As a result, our assessment of ability to continue the activity is subject to a further gradual improvement. Apart from the positive events, at the turn of the 1st and 2nd quarters of 2020, new risks, as described in this chapter, have also emerged, related to the current global pandemic of COVID-19, which was outside our control. This situation, apart from a significant risk factor associated with the significant reduction in sales in 2020, also offers some opportunities and possibilities discussed further in this chapter.

According to the Management Board, among important factors influencing the current strategic, financial and capital condition of the Group, there were, among others:

- The current status of the investment agreement concluded with an international professional investor and the relevant provisions of this agreement making the financing available for Work Service in a total amount of up to PLN 210 million in the event of the implementation of certain suspensive conditions;
- Information on the new 4-year instalment schemes concluded with the Social Insurance Institution;
- Information on the potential reduction of a part of the debt to the bondholders and the Polish banks;
- Information on bridge financing received and deinvestments realized;
- Information related to the impact of the COVID-19 pandemic on the Group's situation in 2020.

When assessing the situation of Work Service S.A. these factors and events should be considered as a whole. At the same time, the Management Board of Work Service S.A. takes the view that the continuation of the started and advanced activities in the area of acquisition of financing and debt reduction will allow the situation of Work Service to further stabilize and, in consequence, continue its development and activities on the HR market.

### 1) Signing the investment agreement on 3 February 2020 with Gi INTERNATIONAL S.R.L. ("Investor"), fully owned by Gi Group SpA.

In the opinion of the Management Board of Work Service, signing this agreement was very important to stabilize the strategic situation of Work Service and gives hope for the the reduction of debt burden of our Group.

The Investor's group is an international industry entity providing temporary and permanent employment, recruitment services. At the same time, Gi Group SpA is one of the world's leading companies providing services for the development of the labour market. In addition, in our opinion, the offer of services of the Work Service Capital Group in Central and Eastern Europe complements the offer of Gi Group SpA in this part of the world.

The potential Investment will be realized when certain suspensive conditions are met within a specified time limit, as described later in this paragraph, some of which were already fulfilled at the date of publication of this report.

The investment agreement concluded with Gi INTERNATIONAL S.R.L. is related to the decision taken by the Management Board of Work Service on 21 March 2019 to initiate a review of the strategic options with a view to selecting the most favourable way of implementing the long-term strategy of the Work Service Capital Group. The intention of the Company's Management Board was to obtain additional funding in 2020. The capital raised from investors would enable the improvement of working capital and finance the significant liabilities of the Capital Group.

The investment assumes co-financing of the Company by the Investor for a total amount up to PLN 210,200,000.00 ("Financing") and assumes:

(a) granting by the Investor or entities designated by him ("Funding Entities") of separate bridge loans to the Company or related entities with a total amount of PLN 20,000,000.00 to finance the current activities of companies in the Company's capital group ("Bridge Loan"). The Parties will establish terms and conditions for securing a repayment of the bridge loan under a separate agreement, but these terms and conditions will not deviate from the standards applicable in such agreements. In point 4 of this chapter, current information is presented on amounts already paid under Bridge Loans;

(b) granting by the Investor or the Funding Entities of financing to the Company in the amount of PLN 108,700,000.00 to repay the Company's liabilities and transaction costs and to finance the Company's current operations;

(c) paying the remaining amount of Financing, i.e. PLN 81,500,000.00 as defined in the agreements on the reduction of bank and bond debt.

The part of Investment, referred to in points (b) and (c) above, shall be made subject to the following conditions ("Suspensive Conditions"):

- (i) the Investor will obtain consents of the relevant anti-trust bodies to the acquisition of control over the Company and its related entities;
- (ii) the Company will agree with the banks on the restructuring of the Company's existing debt toward banks on terms acceptable for the Investor, providing for a reduction in the bank's debt to the Issuer in an average amount of 44.1% of the current debt, while the reduction value shall not be different for individual banks;
- (iii) the deadline for the execution of the closure within the meaning of the Call Option Agreement and the Cooperation Agreement between the Company and Profólió Projekt Tanácsadó KFT and Human Investors KFT on 3 July 2019 and the duration of the call option included in the aforementioned Agreement, will not be extended;
- (iv) the Company will enter into agreement with the bondholders on the restructuring of the Company's existing debt toward the bondholders for the issue of W, X and Z-series bonds, on terms acceptable to the Investor, providing for a reduction in the Company's debt to the bondholders of 70% of the current debt, while the debt will be repaid once by the Company, with the exception of the debt arising from the issue of SHB-series bonds];
- (v) the Investor or the entity designated by him has been granted the right to acquire from the shareholders at least 55.89% of the Company's shares at a maximum purchase price of PLN 0.30 (thirty groszy) for each share; Subsequently, on 25 February 2020, the Management Board of Work Service S.A. received information on the conclusion by Gi INTERNATIONAL S.R.L., the total owner of which is Gi Group SpA ("Investor") with key shareholders of the Company ("Shareholders") holding together 36,658,780 shares of the Company representing 55,89% of the total number of votes ("Shares"), of agreements granting the Investor the right to acquire from shareholders at least 55,89% of shares of the Company for the purchase price of PLN 0,21 (twenty-one groszy) for each Share.
- (vi) the Investor will conduct a due diligence on the Company's capital group with a result that is satisfactory to the Investor;
- (vii) the Company's Supervisory Board agrees to make the investment; and
- (viii) the Parties to the Agreement shall negotiate and conclude a Financing agreement.

In the event of a failure to meet all conditions by 30 June 2020, each party to the Agreement shall be entitled to withdraw from the Agreement in accordance with the terms set out therein.

In addition, under the investment agreement, the parties undertook to take steps to increase the share capital of the Company within 12 months of the date of signing the Agreement, through the issue of new shares of the Company, which will be offered to the Investor for an issue price of PLN 0,39 per share.

### **Concluding by the Issuer of Annex no. 1 to the Investment Agreement and extension of the deadline for payment of bridge financing**

On 30 June 2020, the Company and the Investo Gi International S.R.L concluded the Annex no. 1 to the Investment Agreement, pursuant to which the final date for the fulfilment of all Conditions Precedent specified in the Investment Agreement and the final date for closing the transaction with the Investor was extended to 31 July 2020.

Simultaneously, on 30 June 2020 the Banks agreed to conclude the Annex and to pay out the Bridge Financing after 30 June 2020, but not later than 31 July 2020.

## **2) Conclusion of new longer-term instalment settlements with a Social Security Institution;**

**In the opinion of the Management Board of Work Service, the new settlements, in addition to the signed investment agreement, were an important factor in determining the Work Service situation in the area of debt servicing capacity toward the Social Insurance Institution (ZUS).**

Following a decrease in the level of credit debt in 2018 (in connection with the sale transaction of the Exact Group described in the Report of the Capital Group for 2018), in 2019 the Capital Group continued restructuring operations, concluding instalment settlements with ZUS, which in 2019 charged the Group's current liquidity. The Work Service Group was unable to maintain its obligations under these settlements and, in consequence, these settlements were terminated. As a consequence, the Management Board of Work Service began its efforts and negotiations with ZUS aimed at concluding longer instalment settlements in order to reduce the monthly settlement instalment. Grupa Work Service prepared new assumptions related to the instalment arrangements on the basis of the schedule of gaining financing as part of the ongoing process of strategic options review and the Management

Board of Work Service initiated efforts and negotiations with the national Insurance Institution (ZUS) oriented towards the conclusion of such new longer instalment arrangements so as to reduce the monthly instalment and terminate previous arrangements.

As a result on 23 April 2020, the Issuer concluded an instalment settlement with ZUS concerning the outstanding social security contributions (including relevant interest) of PLN 60,793,747.64. In addition, the Issuer's subsidiary – industry Personnel Services Sp. z o.o. with its registered office in Wrocław (hereinafter: "IPS") also entered into an instalment settlement with ZUS concerning the outstanding social security contributions (including related interest) of PLN 10,065,383.60. In accordance with the instalment settlements, the premium commitments will be repaid in 48 instalments from June 2020 to May 2024 in the case of the Issuer and in 48 instalments from March 2020 to February 2024 in the case of IPS. The repayment plan shall include periods with lower instalments, financed from current cash flows and periods with relatively higher instalments.

### **3) Change in the maturity date of the Work Service S.A. loans and advancing discussions with the banks consortium on the redemption of part of liabilities of Work Service S.A. and conclusion a conditional agreement with the bondholders of Work Service S.A. to sell series W, X and Z bonds assuming 70% of discount.**

#### **A. Status of arrangements with the bondholders**

On 24 January 2020, the Management Board of Work Service S.A. received information about the positive conclusion of negotiations on key business conditions of a possible transaction with the Issuer's bondholders ("Bondholders") entitled from issued series W bonds, series X and series Z with a total nominal value of PLN 35,250,000.00 ("Bonds"). Under the negotiated terms and conditions referred to above, all the Bondholders have obtained internal consent regarding the possible sale of their Bonds in a transaction between the Company and the Investor, assuming a 70 % discount (or redemption) on the amount of the debt, provided that, among others, they receive a one-off payment of 30 % of the value of the Bond debt, i.e. PLN 10,575,000.00 after the execution of transaction with the Investor.

**On 22 June 2020, a conditional agreement for the sale of W, X and Z series bonds between the Company and mBank Spółka Akcyjna, Millennium Otwarty Fundusz Inwestycyjny, Millennium Specjalistyczny Fundusz Inwestycyjny Otwarty, Investor Parasol Fundusz Inwestycyjny Otwarty and Noble Funds Fundusz Inwestycyjny Otwarty ("Bondholders"), under which the Company shall purchase all W, X and Z series bonds issued by the Issuer with a nominal value of PLN 35,250,000.00 for 30% of their value, i.e. for a total price amounting to PLN 10,575,000.00 (in words: ten million five hundred and seventy-five thousand PLN) plus interest on all Bonds determined under the terms of the Bond issue ('the Agreement').**

The Agreement was concluded subject to the suspensive condition that the Investor purchased least 50 % (in words: fifty per cent) and 1 (in words: one) share in the Issuer's share capital ("Control Acquisition") and the expiry of 15 (in words: fifteen) business days from the date of Control Acquisition ("Condition Precedent"). Under the Agreement, each of the Bondholders will be able to withdraw from the Agreement until 30 September 2020 if the events set out in the Agreement have been fulfilled, among others, if the Condition Precedent has not been met by 31 August 2020.

#### **B. Status of agreements with Polish banks**

On 13 February 2020, the Management Board of Work Service S.A. received information about the conclusion of non-binding negotiations on changes to the terms of financing of the Issuer. The assumed change will result in a reduction of the Company's liabilities relative to Polish banks in an average amount of 44.1% of the existing debt (i.e. total of PLN 48,664,350.00), while according to the findings, the scope of change (including the value of reduction) and the arrangements for repayment of the remaining parts of the debt may be different for individual banks.

On 31 March 2020, the Company concluded with Bank BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders") annex 5 ("Annex") to the loan agreement of 18 November 2015 ("Loan Agreement"). Pursuant to the Annex, the final repayment date was extended to until 6 April 2020. Signing of the Annex was intended to enable the Company and the Lenders to conclude on-going advanced negotiations on the long-term restructuring of the Company's debt.

On 6 April 2020, the Company concluded with Bank BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. annex 6 ("Annex") to the loan agreement dated 18 November 2015 ("Loan Agreement"). Under this Annex, the date of final repayment of loans was extended until 31 July 2020. Signing of the Annex was



intended to further enable the Company and the Lenders to conclude the ongoing advanced negotiations on the long-term restructuring of the Company's debt.

Together with the conclusion of the Annex, the Company concluded working negotiations with Lenders on the commercial and legal conditions for the long-term restructuring of the Loan Agreement ("Term Sheet"). Further restructuring of the Loan Agreement currently requires final credit and corporate approvals, subsequent signing of Term Sheet and agreement of a full legal documentation implementing the restructuring of the Loan Agreement.

On 24 April 2020, a preliminary restructuring agreement ("Agreement") was signed between the company and the Polish banks ("Parties"). The Agreement contains arrangements regarding the terms of the Restructuring, including in particular the partial repayment and the partial reduction of the Company's debt to Banks due to the loan agreement of 18 November 2015 connecting of the Company with Banks (subsequently amended by annexes) ("Loan Agreement"), in the amount of PLN 110,350,000.00 ("Existing Bank Debt") by 50% in respect of principal receivable, i.e. up to the principal receivable amount PLN 55,175,000.00 ("Repayment Amount"), on terms agreed with each Bank ("Reduction").

The Reduction will be made on the basis of agreement between the Company and the Banks, which will govern the detailed terms and conditions of the Restructuring, for preparation and negotiation of which the Company and the Banks, in connection with the signed agreement, will proceed in the upcoming days ("Agreement") and after fulfilling the following suspensive conditions for the entry into force of the Agreement:

- a) the purchase by the Investor of at least 50% of the Company's shares plus one Company share,
- b) repayment by the Company and its Polish subsidiaries of liabilities due to the Tax Office and ZUS as a result of payments by the Investor of agreed financing (but excluding liabilities included in the settlement with ZUS),
- c) total repayment or acquisition by the Company or the Investor or an entity related to the Company or the Investor of the Company's SHB, W, X and Z series bonds, or redemption of the Company's liabilities toward the Bondholders of those bonds (with the repayment or purchase price not higher than 30% subject to SHB series bonds, in which case full repayment is permitted),
- d) granting by Gi Group S.p.A., a company formed in accordance with Italian law, with its registered office in Milan, ("Guarantor") to each of the Banks of a conditional guarantee under Polish law enforceable in the Republic of Italy ("Guarantee"), providing security for repayment to the Banks of the Repayment Amount, including interest, commissions and other side claims (under the terms and conditions set out in a separate document agreed between the Guarantor and the Banks).

In accordance with the agreement, the deadline for the date of suspensive conditions and the entry into force of the Agreement shall be 31 July 2020

The amount of the repayment will be payable to the Banks in equal quarterly instalments and its repayment has been spread over three years, the first payment being due by 30 September 2020, and last until 30 June 2023. Any interest on the repayment amount will be calculated at WIBOR3M + 200 bps annually.

In accordance with the Agreement, the Agreement will also contain a number of provisions making the Company's liabilities to banks under the loan Agreement more flexible, including a modified catalogue of breaches that may result in early repayment of obligations and the Company's obligations to Banks.

In addition, under the Agreement, once the Guarantor has granted the Guarantee, Banks will be required to release most of the securities established for Banks under the Loan Agreement, except for pledges on the shares of ProHuman 2004 Kft, which will be maintained until the loans have been repaid.

On 9 July 2020 negotiations between the Company, GI Group S.P.A. and the Banks, concerning the detailed documentation specifying the conditions for the restructuring of the Issuer's debt to the Banks resulting from the credit agreement of 18 November 2015, have been completed, with later amendments, concluded between, among others, the Banks and the Company ("Loan Agreement") ("Restructuring Agreement").

As a result of the implementation of the Restructuring Agreement, the target debt restructuring shall be carried out on the basis of a partial agreement, which the Company and the Banks plan to conclude in subsequent weeks or months as part of the procedure to approve the agreement within the meaning of the Restructuring Law ("Agreement").

The Restructuring Agreement shall provide for partial repayment and partial reduction (haircut) under the Agreement of the Bank's receivables towards the Company under the Loan Agreement in the amount of the principal receivable of approximately PLN 110,350,000.00 ("Existing Bank Debt") to the amount corresponding to 50% of the principal receivable ("Repayment Amount"), as well as, among others, redemption of the whole of interest on the principal receivable under the Loan Agreement. The Repayment Amount shall be repaid by the Company to the Banks in amounts corresponding to quarterly instalments in accordance with a fixed repayment schedule, whereby the first payment shall take place by 30 September 2020 and the last by 30 June 2023. Interest on the Repayment Amount will be charged in the amount of WIBOR 3M + 200 bps per year.

The Restructuring Agreement shall enter into force upon fulfilment of in particular the following conditions precedent ("Conditions Precedent"):

(a) conclusion by GI Group S.P.A. ("New Guarantor") with each of the Banks a conditional surety under Polish law, enforceable in the Italian Republic ("Surety Agreement") as security for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks;

(b) conclusion of an Annex no. 8 to the Loan Agreement, introducing the principles and scope of repayment set out in the Restructuring Agreement ("Annex no. 8");

(c) the Investor's acquisition of at least 50% of the Company's shares plus one Company share;

(d) the settlement by the Company and its Polish subsidiaries of their due liabilities to the Tax Office and the Social Insurance Institution (ZUS) on the basis of the agreed financing provided by the Investor or conclusion by the Company and its Polish subsidiaries with the Tax Office or the Social Insurance Institution (ZUS) of arrangements with respect to unpaid public-law liabilities;

(e) repayment with redemption or purchase at a discount of the Company's Series SHB, W, X and Z bonds, where the amount of repayment or purchase price shall not be higher than 30% of their nominal value, subject to the SHB series bonds, in which case full repayment shall be allowed,

(f) confirmation by the New Guarantor the entry into force of the Surety Agreement and submission of a statement on voluntary submission to enforcement under Article 777 of the Civil Procedure Code for the benefit of each Bank ("New Guarantor's Statements") and a similar agreed document under Italian law;

(g) presentation to the Banks by the Investor or an entity from the Investor's group to prove that the Investor has sufficient funds to finance the acquisition of shares in the Company and to provide the Company and its subsidiaries with financing;

(h) no unagreed amendments to the Investment Agreement, material breach, invalidity, termination or other withdrawal by the Investor from transactions provided for in the Investment Agreement;

(i) submission by the Company in favour of the Banks of statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements").

The Restructuring Agreement specifies a catalogue of circumstances allowing for its termination by the Banks at various stages of the restructuring process, e.g. in the event of failure to comply with all Conditions Precedent by a specified date. Moreover, under the terms and conditions agreed in the Restructuring Agreement, the Company, in specific circumstances, may be obliged to pay to the Banks an additional commission or contractual penalty in case of sale of shares in ProHuman 2004 Kft, as well as to make an early repayment of the remaining Repayment Amount.

The Restructuring Agreement also specifies the Company's obligations and liabilities due to the Banks under the Loan Agreement, including a modified (in the Company's opinion significantly reduced and more flexible) catalogue of breaches that may lead to an obligation to repay the Repayment Amount early.

Following the entry into force of the Restructuring Agreement, the Banks' receivables under the Loan Agreement will be secured by a surety established on the basis of the Surety Agreement (together with the New Guarantor's Statements), a pledge on shares in ProHuman 2004 Kft and the Company's Statements ("Collaterals"). After that date, the Banks shall be obliged to release all other collaterals established for the benefit of the Banks under the Loan Agreement, including in particular collaterals of subsidiaries and pledges on their shares and assets.

On 9 July 2020 the Company concluded with BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders" or "Banks") an Annex No. 8 ("Annex") to the Loan Agreement of 18 November 2015, of which the Company informed in current report No. 43/2015 ("Loan Agreement"). The conclusion of previous annexes to the Loan Agreement concerned, among others, current reports no. 34/2017, no. 7/2018, no. 82/2018, no. 86/2018, no. 15/2020, no. 17/2020 and no. 28/2020.

The Annex introduces to the Loan Agreement the provisions defined in the cooperation agreement in the scope of debt restructuring, the conclusion of which the Company informed in current report no. 42/2020 ("Restructuring Agreement"), in particular the principles and scope of repayment of the Company's receivables due to the Banks under the Loan Agreement in the principal amount of approximately PLN 110,350,000.00 ("Existing Bank Debt") up to an amount corresponding to 50% of the principal amount (the "Repayment Amount"), as well as, among others, reduction of the whole part of interest on the principal amount deferred under the Loan Agreement.

Amendments to the Loan Agreement defined in the Annex come into force on the date of fulfilment of all conditions precedent

specified in the Restructuring Agreement ("Day of Entry into Force"). Furthermore, on the Day of Entry into Force, the Lenders shall release the collaterals established for the benefit of the Lenders by each of the Guarantors (within the meaning of the Loan Agreement), and the Guarantors shall cease to be parties to the Loan Agreement.

Moreover, the Company also informs that the following documents related to the Restructuring Agreement have been signed today: i.e.

(a) Gi Group S.P.A. ("New Guarantor") and the Banks have concluded a conditional guarantee under Polish law, enforceable in the Italian Republic ("Surety Agreement"), constituting a collateral for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks);

(b) The New Guarantor has submitted statements of voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code for the benefit of each Bank and a similar document under Italian law agreed with the Banks ("New Guarantor's Statements"); and

(c) The Company has submitted for the benefit of the Banks statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements").

At the same time, the Issuer informs that in connection with the conclusion of the Annex and the Surety Agreement and submission of the New Guarantor's Statements and the Company's Statements, some of the conditions precedent to the entry into force of the Restructuring Agreement have been fulfilled, of which the Company informed in current report no. 42/2020.

#### 4) Provision of bridge financing from the Investor's group to Polish entities

In the implementation of the investment agreement described in paragraph 1 of this chapter, the bridge financing was partly made available to the Work Service Group in the following amounts and dates:

- 1) PLN 7,093,913.00 on 27 February 2020 to Sellpro Sp z o.o.
- 2) PLN 3,500,000.00 on 18 May 2020 to Work Service S.A.

In addition, after the balance sheet date, the Investor's group made available the financing (loans) sold on a conditional basis to the German group in the following amounts:

- EUR 95,000 on 19 February 2020
- EUR 120,000 on 20 March 2020
- EUR 170,000 on 09 April 2020
- EUR 180,000 on 17 June 2020

The funding paid made it possible to improve the liquidity of the Work Service Group during the transaction period and was allocated in a substantial part to the partial repayment of public-legal liabilities.

#### 5) Gradual reorganization of the capital group and the reduction of the number of entities.

**The activities of the Management Board of Work Service S.A. described in this section are mainly related to the restructuring of the group comprising activities aimed at deinvesting non-profitable or non-core entities (temporary work). As a consequence, significant changes have taken place in the course of 2019 and in the period of several months of 2020 (until the date of publication of this financial statement):**

- **repayment of acquisition liabilities to FIEGE Logistik Stiftung & Co. KG in several instalments in 2019 and thereafter concluding a conditional contract for sales of German companies on 5 June 2020;**
- **by the end of 2019, completing deinvestments from Antal Sp z o.o. group.**
- **measures have been taken to reduce the involvement of Polish entities in cross-border services (transfer of Polish employees to France and Belgium and partly Germany) due to the reduced efficiency and profitability of this activity and the already particularly low profitability of business during the COVID-19 pandemic**

- **withdrawal from the sale of Czech and Slovak entities in connection with the restructuring of bonds, described in paragraph 3 of this chapter.**

**In addition, the purchase option for Prohuman 2004 kft was cancelled on 6 April 2020, resulting from arrangements under the investment agreement described in this chapter (one of suspensive conditions of this agreement). ;**

#### **A. Termination of the purchase option for Prohuman 2004 kft.**

##### **Signing of call option and co-operation agreement**

*This paragraph sets out the key terms of the agreement concluded on 3 July 2019 between the Company and the following Hungarian companies: Human Investors Kft. ("HI", Profólió Projekt Tanácsadó Kft. ("Profólió") and Prohumán 2004 Kft. ("Prohumán")*

This agreement sets out in detail the terms of the transaction for the future sale of 100% of shares in Prohumán ("Prohumán Sales Process"). The Prohumán Sales Process refers to the sale to HI company (a company formed by managers related to Profólió and Prohumán) or another entity designated by HI ("Buyer"): (i) all Prohumán shares held by the Company, which represent 80.22% of Prohumán's share capital ("Principal Shares") and (ii) all or part of the remaining Prohumán shares held by Profólió, which constitute 19.78% of Prohumán's share capital ("Profólió Shares").

Pursuant to the Agreement, a right of call option was established for the Buyer in respect of the Principal Shares ("Call Option") under which the Buyer may unilaterally acquire the Principal Shares. The Call Option has been set for a fixed period of two (2) years from the date of signing the Agreement ("Date of Signing"), with the possibility of early termination in the cases set out in the Agreement.

The sale price of the Principal Shares ("Purchase Price of the Call Option") consists of a cash payment and repayment of all loans granted by Prohumán to the Company ("Prohumán Loans") under loan agreements ("Prohumán Loan Agreement") plus interest (settlement amount of intra-group liabilities).

At the same time, the Company signed an Annex to the Prohumán Loan Agreement extending the maturity of Prohumán Loans until 31 December 2021 and allowing the repayment of Prohumán Loans in accordance with the Agreement. The entry into force of this Annex to the Prohumán Loan Agreement was subject to the entry into force of the Agreement and to the delivery of the originals of the notarial submission to the enforcement of the Company with regard to the claims arising from the Prohumán Loan Agreement.

The exercise of the Call Option and the completion of the sale shall be subject to the prior fulfilment of the conditions set out in the Agreement.

Pursuant to the Agreement, the termination of the Prohumán Sales Process by HI will be completed by 31 March 2020, with the possibility of extending this deadline, subject to the terms of the Agreement ("Extension of Deadline").

Profólió will cooperate with HI in the Prohumán Sales Process, including the sale of Profólió Shares or parts thereof (to the extent that Buyer will not buy the entire Profólió Shares) and will be a party to the sales contract ("Prohumán Sales Agreement").

If the conditions for the Extension of the Deadline are not met, the Company may terminate the Call Option by written notice to HI by 30 April 2020 at the latest. If the Company does not complete the Call Option by 30 April 2020 at the latest, then, under the terms of the Agreement, the deadline for the completion of the Prohumán Sales Process will be automatically extended. If this period is extended but the sale of Prohumán will not take place within this extended period, the Company may terminate the Call Option at any time after that extended period. HI may at any time terminate the Call Option.

If the above transaction fails in accordance with the schedule described above, the parties agreed on the terms and conditions for the mutual settlement and subsequent sale of Prohumán. On the date of the termination of the Call Option by either of the above parties ("Closing Cancellation Date"), the Issuer will be entitled to exclusively manage the sale of the Principal Shares and the shares of Profólió to an external buyer ("Second Sale of Prohumán") in accordance with the Agreement of 23 October 2017 and its amendments ("QSPA"). The second sale of Prohumán will start within 9 months of the date of the Closing Cancellation Date. As a result of the Second Sale of Prohumán: (i) the Company, (ii) a subsidiary of the Company, in which the Company is the sole shareholder (to which the Company may unilaterally transfer rights and obligations under the QSPA subject to payment of the purchase price) or (iii) an external buyer selected by the Company (to which certain rights and obligations under the QSPA may be unilaterally transferred by the Company subject to payment of the purchase price), will acquire Profólió shares for the purchase price which will be reduced by PLN 4 million compared to the purchase price specified in the QSPA without interest on this price

during the second sale of Prohumán and will be payable in full in cash in accordance with the QSPA (as amended) ("Profólió Share Purchase Price").

The payment to Profólió of the Profólió Share Purchase Price by the Company or an external buyer chosen by the Company will be made at the same time as the payment and transfer of the principal shares and will not occur earlier than: (i) within 12 months of the start of the Second Sale of Prohumán and (ii) within 21 months of the Closing Cancellation Date ("Prohumán Second Sale Date"). Under certain conditions, Prohumán Second Sale Date will be automatically extended by 3 (three) months. If the payment of the Profólió Share Purchase Price is not made before or on the date of the Second Sale of Prohumán, the Second Sale of Prohumán will be considered as unsuccessful.

In this case, the purchase price of Profólió Shares will be payable by the Company in 4 (four) equal quarterly instalments.

Therefore, Profólió and the Company signed an Annex to the QSPA ("Annex to QSPA") in the event of a failure of the Second Sale of Prohumán. The Annex to the QSPA defines the way in which the shares are sold ("Third Sale of Prohumán"), in four instalments of the "First Instalment Implementation" will take place on the last working day of the three-month period from the date of entry into force of the Annex to the QSPA; "Second Instalment Implementation" will take place on the last working day of the six-month period from the date of entry into force of the Annex to the QSPA; "Third Instalment Implementation" will take place on the last working day of the 9-month period from the date of entry into force of the Annex to the QSPA, and "Fourth Instalment Implementation" will take place on the last working day of the 12-month period from the date of entry into force of the Annex to the QSPA. Each of these instalments corresponds to 1/4 (one quarter) of the Profólió Shares Purchase Price and represents 4.945% of Prohumán's registered capital. Each instalment shall be paid in accordance with the conditions set out in the amendment to the QSPA.

The parties provided in the Agreement for contractual penalties for a breach of the Agreement in the amount from PLN 100,000 to PLN 40,000,000 depending on the nature and significance of the breach.

The parties have fixed interest in the Agreement at 10 % in the event of non-compliance with payments calculated from the due date until the actual date of payment.

The Agreement shall be governed by Hungarian law. The other terms of the Agreement shall not depart from the terms and conditions applicable to such agreements.

Funds acquired from the sale of the Principal Shares will be spent, as follows: (i) for a complete repayment of the loan granted to the Company pursuant to the loan agreement of 18 November 2015 (subsequently annexed) concluded with BNP Paribas S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A., which the Company reported in current reports, e.g. No. 43/2015, 34/2017, 7/2018, 82/2018 and 86/2018, amounting to about PLN 110 mln (ii) for further debt adjustment and the reduction of liabilities of the Issuer's Capital Group.

### **Termination of the Call Option on 6 April 2020**

On April 6, 2020, Work Service S.A. terminated the Call Option in respect of all Prohumán 2004 Kft shares ("Prohumán"), held by Work Service S.A., representing 80.22 % of Prohumán's share capital ("Call Option").

According to the agreement described in the previous section, the sale of Prohumán by HI, under the Call Option was completed, was to be completed by 31 March 2020, with the possibility of extending this deadline, subject to the terms of the agreement.

As the terms of the extension of this period have not been fulfilled, Work Service S.A. was entitled to terminate the Call Option until 30 April 2020, which was executed by Work Service S.A. In the presented agreement, the parties agreed on the terms of further sale of Prohumán in the case of a failure of the Call Option transaction. Therefore, from April 6, 2020, Work Service S.A. is entitled to exclusively manage the sale of 100% of the Prohumán shares held by the Company and Profólió under the so-called second sale of Prohumán.

**The absence of an extension of the Call Option period was one of the suspensive conditions of the investment agreement concluded on 13 February 2020 between Work Service S.A. and Gi International S.r.l.**

### **B. Repayment of acquisition liabilities to FIEGE Logistik Stiftung & Co. KG followed by sales of Work Service GmbH & Co. KG**

In 2019, Work Service S.A., through the intragroup loan, repaid by the end of the year the remaining acquisition liabilities for a 100% controlled by Work Service S.A. subsidiary Work Service GmbH & Co.KG.

On 5 June 2020, the subsidiaries of Work Service S.A., i.e. work Service SPV Sp. z o.o. with its registered office in Wrocław (KRS: 0000499130) as seller 1, Work Service International Sp. z o. o. with its registered office in Wrocław (KRS: 0000261009) as seller 2 (together as "Sellers") and Work Service S.A. as guarantor, concluded with Gi Group Deutschland GmbH based in Düsseldorf (HRB 70863 in the German Commercial Register), being a subsidiary of Gi INTERNATIONAL S.R.L., which is wholly owned by Gi Group SpA, as a buyer ("Buyer"), a conditional agreement for the sale of equity rights in Work Service GmbH & Co. KG with its registered office in Düsseldorf (number 23071 in the German Commercial Register) ("Company") ("Agreement" or "Transaction").

Under the Agreement, the Seller has undertaken to sell respectively 74% and 26% of its Company's equity rights, with a total nominal value of EUR 100,000.00, representing a total of 100% of the Company's equity rights ("Equity Rights"). The sale price of the Equity Rights was set at PLN 4,500,000.00 ("Price").

The agreement was concluded subject to certain suspensive conditions, in particular the consent of the Issuer's capital group banks to release the pledge on the Company's equity rights and subsequent effective release of the above pledge. In addition, under the Agreement, the Issuer will provide a general guarantee in respect of all obligations of the Sellers under the Agreement. The remaining provisions of the Agreement shall not depart from the terms and conditions of agreements of such type, in particular as regards the provisions concerning the prohibition of competitive activities, the statements and assurances made by the Sellers and the principles of liability of the parties.

In addition, upon closing the Transaction, the Buyer will promptly repay to the Issuer amounts resulting from the inter-group liabilities of the Company and its subsidiaries in the amount of approximately PLN 3,000,000.00.

The total value of the transaction will be PLN 7,500,000.00 and will consist of the price and the amount of the intra-group liabilities.

**The planned sale of German entities was one of the elements of Work Service's restructuring activities within the Issuer's capital group and also the effect of the planned investment of Gi Group S.p.A. in the Capital Group.**

### **C. Withdrawal from the sale of Czech and Slovak entities in connection with the restructuring of bonds described in paragraph 3 of this chapter.**

On 10 December 2018, the Company fully implemented the conditional agreement concluded on 6 December 2018 and completed the restructuring and refinancing of the bonds. Under the terms of the bond issue conditions, the Company committed to restructuring activities including, among others, the start of the sales process of Work Service Czech Republic s.r.o., Work Service Slovakia, s.r.o., Work Service SK, s.r.o., Work Service Outsourcing Slovakia s.r.o. within the specified schedule.

**In view of the ongoing bond restructuring described in point 3 of this chapter, the sale process of Czech and Slovak entities at the date of this report is not active.**

## **6) financial data for the first quarter 2020**

The presented financial data concern continued operations for a 3-month period ended on 31 March 2020 and a 3-month period ended on 31 March 2019.

The table below also presents the result on discontinued operations:

- financial data of discontinued operations for the period 01.01.2020-31.03.2020 no discontinued operations in 2020,
- financial data of discontinued operations for the period 01.01.2019-31.03.2019 include Antal Group.

<b>CONTINUED OPERATIONS</b>	<b>01.01.2019-31.12.2019</b>	<b>01.01.2018-31.12.2018</b>
<b>Revenues</b>	<b>358 802 519,07</b>	<b>414 829 952,50</b>
Net revenues from sales of products	359 947 881,01	413 918 331,75
Variation in stocks of products	-1 145 361,94	911 620,75
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>354 111 788,97</b>	<b>410 357 200,27</b>
Depreciation	3 324 019,69	3 134 580,80

Consumption of materials and energy	1 097 620,16	1 202 439,93
Outside services	28 661 439,01	36 362 297,30
Taxes and charges	593 774,33	1 123 642,63
Remuneration	265 092 789,74	299 133 452,06
Social insurance and other benefits	51 878 273,65	65 898 960,64
Other generic expenses	3 463 872,38	3 501 826,90
Value of goods and materials sold	0,00	0,00
<b>Profit (loss) on sales</b>	<b>4 690 730,11</b>	<b>4 472 752,23</b>
Other operating incomes	8 282 169,82	19 270 502,71
Other operating costs	11 900 601,69	10 386 840,81
<b>Profit (loss) on operating activities</b>	<b>1 072 298,24</b>	<b>13 356 414,13</b>
Financial incomes	6 827 129,61	9 666 654,62
Financial costs	7 890 769,46	4 991 553,36
<b>Gross profit (loss)</b>	<b>8 658,39</b>	<b>18 031 515,39</b>
Income tax	4 706 912,41	3 966 610,75
<b>Net profit (loss) from continued operations</b>	<b>-4 698 254,02</b>	<b>14 064 904,64</b>

<b>DISCONTINUED OPERATIONS</b>	<b>01.01.2019-31.12.2019</b>	<b>01.01.2018-31.12.2018</b>
Net revenues from sales of products	0,00	10 101 206,95
Operating costs	0,00	9 222 035,99
Other operating incomes	0,00	12 770,00
Other operating costs	0,00	40 715,49
Financial incomes	0,00	22,97
Financial costs	0,00	1 093 640,67
Gross profit (loss)	0,00	-242 392,23
Income tax	0,00	6 929,72
Profit for the financial year from discontinued operations	0,00	-249 321,96

#### **Comment on financial data of the continued operations.**

As a consequence of the conclusion of annex 4 to the loan agreement in December 2018 after the sale of the Exact group and the partial repayment of the debt to Polish banks and the stabilization of the debt situation in the area of bonds, the Management Board of the Company planned to focus its attention on the core operating activity.

**However, as a result of the problems related to the still large debt in the Group, a deep crisis of confidence of the entire market, customers, offices, banks and various institutions toward Work Service has begun, which has exacerbated the difficulties of managing business.**

**Therefore, we are observing two important trends:**

- 1) Adjustment of the scale of activity (decrease in revenue);**
- 2) In parallel with the adjustment of the scale of activity, a gradual reduction of operating costs.**

The problem of the lack of profitability, especially of Polish companies, was addressed in 2019 by a faster than planned correction of the business operating costs. The intention of the Management Board of Work Service in the previous financial year was to achieve a balance by the end of the first quarter of 2020 so that sales revenues less direct costs of obtaining them (mainly salaries and other costs related to the hiring of temporary staff), could cover the general costs of the management and administration in the hitherto unprofitable entities.

**This objective has not yet been fully achieved and is a further challenge for the Management Board in the upcoming months of 2020, which is now somewhat more difficult to achieve due to the COVID-19 pandemic described in point 7 of this chapter. At the same time, in the opinion of the Management Board, the tool for achieving this objective is changing**

– the Company and its entities to a greater extent plan to focus on the recovery of sales revenue (with a restructured cost base) rather than on further significant adjustments of the business operating costs. These costs will continue to be adjusted, due to the COVID-19 pandemic, but after a possible transaction with the investor, further reduction will not be the main business objective.

The Management Board of the Company notes that despite the COVID-19 pandemic described in paragraph 7 of this chapter, the Company continues to operate on the prospective market for HR services and after completion of operations in the area of operational and financial restructuring and the entry into the Group of an international professional investor, it will focus only on rebuilding trust and on the return to higher levels of sales revenue, which, because of the leverage effect, can help the group to achieve better financial results in the future.

After the support received from an international industry investor, Work Service should remain, particularly in Poland, a leading and medium-term viable player in the HR market.

The Management Board of the Company notes that as a result of operating activity continued in the first quarter of 2020 (as presented in point 4), a number of atypical events were identified, including:

**I. Events and factors of an atypical nature improving operating result in a total amount of PLN 1,4 million, including:**

1. Recognized other atypical operating income in the total amount of PLN 1,4 million, including:
  - Recognized other operating income due to the reversal of the restructuring reserves in total amount of approximately PLN 0.7 million;
  - Recognized other operating income related to the adjustment of the value of assets in the balance sheet in the total amount of PLN 0.7 million.

**II. Events and factors of an atypical nature that deteriorate the operating result in a total amount of PLN 2,4 million, including, among others:**

1. costs of foreign services related, among others, to (i) advice (covered and not covered by restructuring reserves), (ii) settlement of cooperation with subcontractor and (iii) other in total amount of about PLN 1,4 million;
2. Recognized atypical other operating costs in the amount of PLN 1 million, including, among others:
  - Other operating costs related to adjustment or delay of payment of public-legal liabilities and other legal costs in the total amount of approximately PLN 1 million.

In view of the above (balance of points I and II in total), the impact of the identified atypical events taken into account in operating activity in point 6A is negative and amounts to approximately PLN 1 million.

The comparative data for the first quarter of 2019 for the continued operations presented in point 2 also include atypical events that decrease operating profit in the total amount of PLN 7.47 million. These events were also presented in the published Capital Group report for 2019.

The data presented above relates only to the Polska Group.

## 7) Information on the impact of COVID-19 on Work Service

The work Service Group's activities depend heavily on the financial condition of a diversified portfolio of clients representing different sectors of the economy, some of which may be affected by the recession caused by the effects of the COVID-19 pandemic.

The Issuer expects that the effects may have a negative impact on the situation of the Issuer and its subsidiaries, among others, in relation to:

(i) possible late payments from certain customers, which may result in an increase in receivables and a temporary reduction in the proceeds from the sale of invoices to the invoices; and



(ii) a temporary reduction in the level of sales revenue due to a decrease in orders.

The Work Service Group noted a decline in orders mainly in May and June 2020, but expects an increase in the number of orders in the coming months. At the same time, at the date of publication of this report, the Work Service is unable to assess more accurately the impact of the pandemic on sales revenues of 2020 (decrease in relation to the planned pre-pandemic sales budget).

Currently, Work Service S.A. is undertaking the following actions:

(i) Seeks contracts from sectors where demand may be reported despite potential recession, in particular logistics, food and medical industries,

(ii) Continues to reduce the operating costs by adjusting them to the scale of the business,

(iii) Negotiates new more favorable payment terms resulting from the obligations of the Issuer toward certain contractors,

(iv) carries out active monitoring and, where necessary, more resolute than hitherto recovery of its debts.

In relation to uncertainty about the length of the period of potential recession, it is not possible to estimate precisely its impact on the results and financial condition of the Work Service Group at the date of this report.

The Company's Management Board considers that the changes observed are a challenge for the Work Service Group primarily in the short and medium term. In the long term, the Work Service business model is tailored to support customers in flexible employee solutions, including during periods of possible economic downturn.

**Directors of Work Service SA as at March 31, 2020:**

- Iwona Szmitkowska – President
- Jarosław Dymitruk – Vice-President

There were no changes in the composition of the Management Board of Work Service SA in Q1 2020.

**Composition of the Supervisory Board of Work Service SA as at March 31, 2020:**

- Przemysław Schmidt – Chairman of Supervisory Board
- Marcus Preston – Vice-Chairman of the Supervisory Board  
(delegated to fulfil the duties of the Member of the management Board)
- Pierre Mellinger – Member of the Supervisory Board
- Paweł Ruka – Member of the Supervisory Board
- Tomasz Bujak – Member of the Supervisory Board
- Piotr Żegleń – Member of the Supervisory Board
- Tomasz Wojtaszek – Member of the Supervisory Board
- Robert Oliwa – Member of the Supervisory Board
- Andrzej Witkowski – Member of the Supervisory Board

On 22 June 2020, the Supervisory Board adopted a resolution pursuant to § 16 section 2 letter c) the Company's Articles of Association, regarding the delegation of the Vice-President of the Supervisory Board - Mr. Marcus Preston to perform the duties of a Member of the Company's Management Board from 22nd June 2020 for a period of two months.

The following business entities were a part of the Work Service Capital Group as at March 31, 2020:

#### Companies in which Work Service SA holds direct capital share

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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
Work Service International Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	06.07.2006	100.00%	100.00%	Full
WS Support Sp. z o.o.	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%	Non-consolidated
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. Murkowska 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	100.00%	100.00%	Full
Work Service Czech s.r.o.	Anglická 140/20, Vinohrady, 120 00 Praha 2	30.01.2004	100.00%	100.00%	Full
Work Service East Lcc	Kharkov, ul. Sumska 50, Kharkov area, Kharkov voivodship, Ukraine	03.02.2017	100.00%	100.00%	Full

#### Companies related through Work Service International Sp. z o. o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service Slovakia s.r.o.	831 03 Bratislava, Škultétyho 1	04.09.2007	53.50%	53.50%	Full
Workport24 GmbH	An den Treptowers 1 D-12435 Berlin	19.08.2011	100.00%	100.00%	Non-consolidated

#### Companies related through Industry Personnel Services Sp. z o.o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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 through Work Service Slovakia s.r.o.

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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 through Prohuman 2004 Kft**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
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
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, 1st 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, 1st 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, 1st 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, 1st District, Bucharest, Romania	28.02.2017	80.00%	80.00%	Full

**Companies related through Naton kadrovsko svetovanje d.o.o.**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Naton Ljudski potencial d.o.o.	Zvonimirova 2/III, 100000 Zagreb, Croatia	03.12.2015	100.00%	100.00%	Full

**Companies related through Work Express Sp. z o.o.**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Outsourcing Solutions Partner Sp. z o.o.	ul. Murckowska 14, 40-265 Katowice	02.01.2014	100.00%	100.00%	Full
Support and Care Sp. z o.o.	ul. Warszawska 1, 42-350 Koziegłowy	02.01.2014	100.00%	100.00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
IT Kontrakt GmbH	An den Treptowers 1 D-12435 Berlin	05.04.2012	100.00%	100.00%	Full
Work Service 24 GmbH	An den Treptowers 1 D-12435 Berlin	23.08.2011	100.00%	100.00%	Full
Work Service Deutschland GmbH	Mainzer Strasse 178, 67547 Worms	26.06.2014	100.00%	100.00%	Full
Work Service Outsourcing Deutschland GmbH	Domhof 8, 48268 Greven	26.06.2014	100.00%	100.00%	Full
Work Service GP GmbH	Gauermannngasse 2 1010 Vienna	24.03.2014	100.00%	100.00%	Full

Enloyd GmbH	Berlin, An den Treptowers 1, 12435	21.11.2014	100.00%	100.00%	Full
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**Companies related through Work Service SPV Sp. z o.o.**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service GmbH & Co.KG	c/o CMS Hasche Sigle, Breite Str. 3, 40213 Düsseldorf	26.06.2014	100.00%	100.00%	Full

**Companies related through Work Service Deutschland GmbH**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Work Service Fahrschule GmbH	Domhof 8, 48268 Greven	29.07.2015	100,00%	100,00%	Full

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

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Kariera.pl Sp. z o.o.	53-413 Wrocław, ul. Gwiaździsta 66	03.11.2016	49.00%	49.00%	Full

**Companies related through Profield 2008 Kft**

Company name	Registered office	Date of obtaining control	Percentage of share capital held by the subsidiary	% Share of the subsidiary in the total number of votes at the General Meeting	Consolidation method
Finance Care Hungary Pénzügyi Tanácsadó Kft	H-1146 Budapest, Hungária krt. 140-144, HU25790722	08.11.2016	100.00%	100.00%	Full

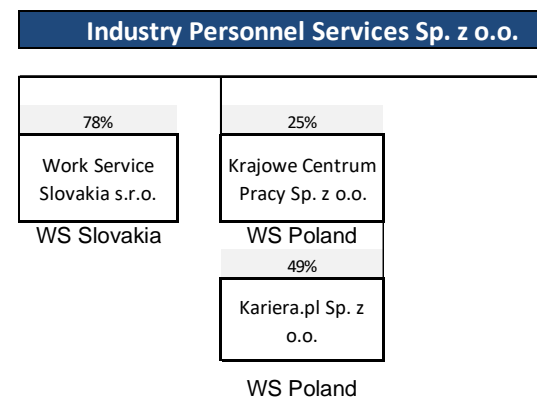
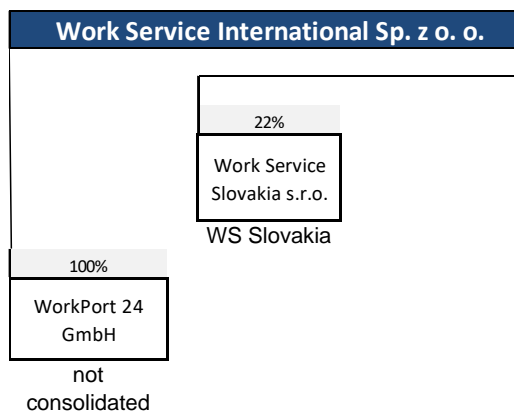
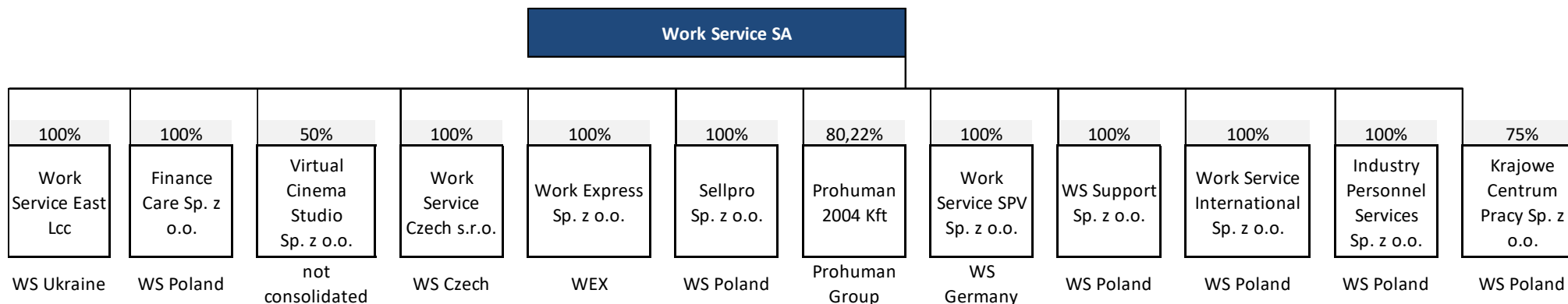
**Disclosures concerning material subjective appraisals and assumptions (and changes of such appraisals and assumptions), adopted during assessment:**

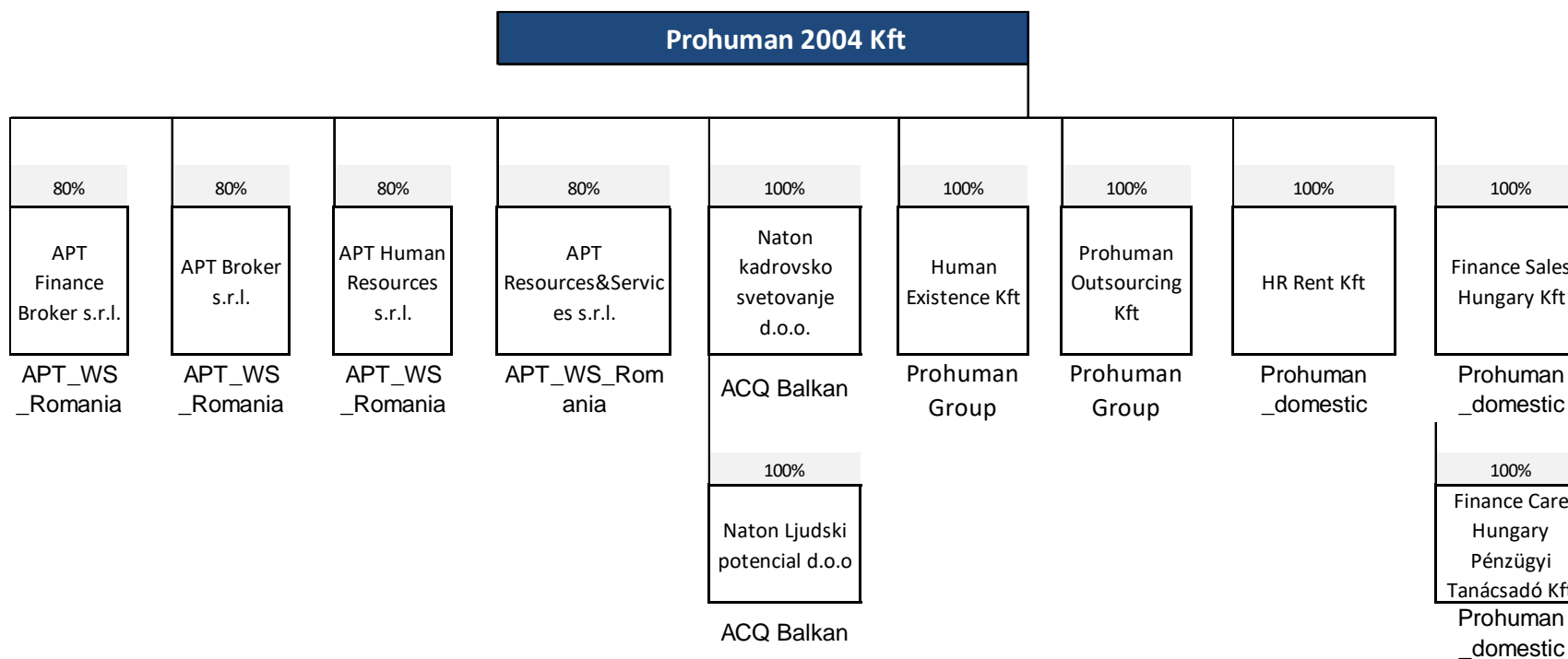
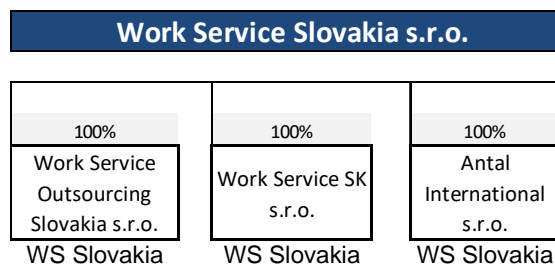
Related entities of the Parent Company are the entities included in the consolidated financial statements, i.e. all Capital Group companies except for Virtual Cinema Studio sp. z o.o and WorkPort24 GmbH.

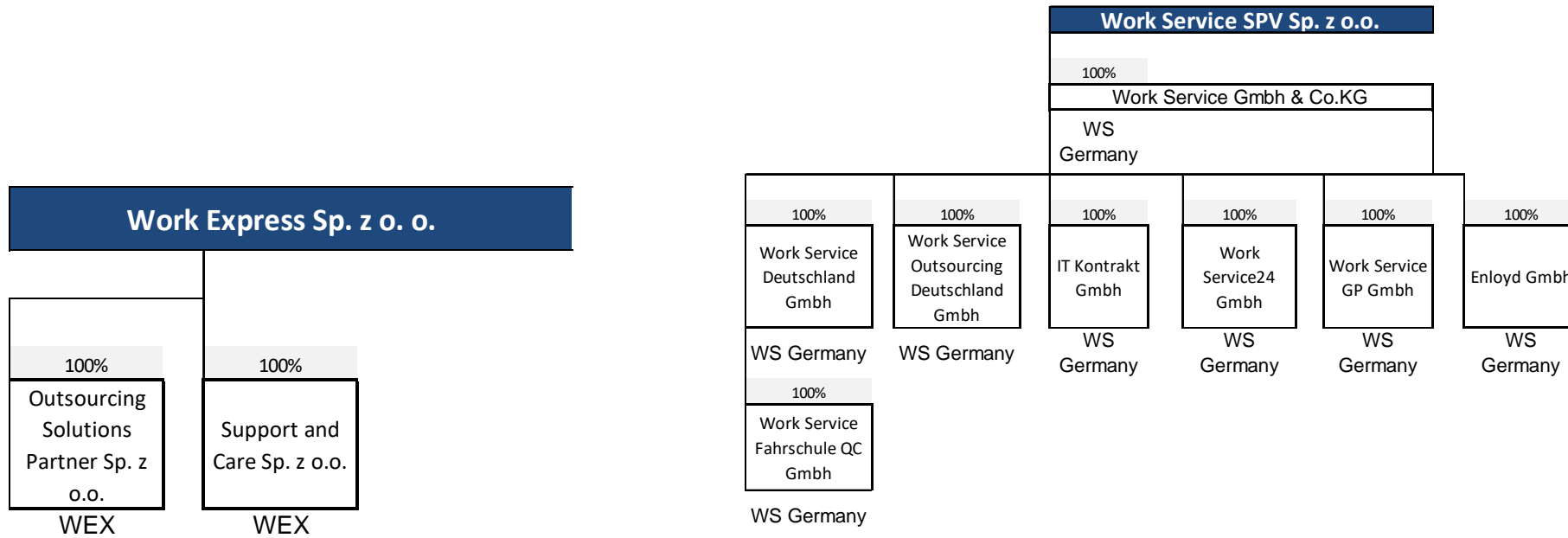
Due to the fact that Work Service SA does not have control over Virtual Cinema Studio sp. z o.o., (since it holds only 50% of the voting rights according to art. 5 and 6 IFRS 10), does not consolidate it.

As for WorkPort24 GmbH, the application of the materiality principle referred to § 31 of IAS 1 excludes this company from consolidation under the equity method as a related entity.

Structure of the Work Service Capital Group as at 31.03.2020









### 1.3. Subject matter of the activity of companies being a part of the Work Service Capital Group

Work Service Capital Group renders human resource management services. It specialises in the search for and recruitment of skilled workers, personnel consulting, outsourcing of functions related to HR management and supporting processes in enterprises and offers solutions based on the use of agency work employment contracts. The Capital Group conducts business in all parts of the country via its regional offices and representatives and also abroad: in Europe and Asia. The activity of the Work Service Capital Group is based on the ability to combine the needs of enterprises relating to employment costs and structure optimisation with resources available in the labour market, i.e. the number of professionally active people, their qualifications and labour cost.

**Work Service SA** – is the Dominating Company in the Work Service Group. Its activity is based on the rendering of the following services: temporary work, personnel consulting, recruitment, competence evaluation, outplacement, human resource management and salary calculation.

**Finance Care Sp. z o.o.** — as part of cooperation with insurance companies and banks, Finance Care provides outsourcing services for these entities.

**Industry Personnel Services sp. z o.o.** - carries out tasks related to the execution of projects involving the management of parts of or entire production plants.

**Sellpro Sp. z o.o.** - renders services related to recruitment and provision of workers, business and management consulting, activity related to databases, market research.

**WS Support Sp. z o.o.** - the Company conducts business covering end-to-end cleaning services for healthcare institutions, other public utility buildings and private facilities.

**Work Service International Sp. z o.o.** – renders services related to temporary work and recruitment of workers in international markets.

**Work Service Czech s.r.o.** – renders services related to temporary work, outsourcing and recruitment of workers in the Czech market.

**Work Service Slovakia s.r.o.** - the company is indirectly subordinated to Work Service SA through Industry Personnel Services Sp. z o.o., which is the majority partner and Work Service International Sp. z o.o. (that holds the rest of shares in Work Service Slovakia s.r.o.). The scope of service offered by the Company in Slovakia is equivalent to those offered by the Dominating Company in the domestic market.

**Work Service Outsourcing Slovakia s.r.o.** – the equity of the company was fully assumed by Work Service Slovakia s.r.o. The company conducts business, among other things, related to personnel consulting, compilation and sales of research and analyses of labour markets.

**Work Service24 GmbH** – a company indirectly subordinated to Work Service SA, 100% owned by Work Service GmbH & Co. KG. The headquarters of the company Hoppergarten near Berlin. The company conducts business involving job agency (including headhunting services and recruitment), hiring out of workers (temporary work), compilation and sales of research and analyses of labour markets.

**IT Kontrakt GmbH** – a company indirectly subordinated to Work Service SA. The company dedicated to the service of the German market.

**Krajowe Centrum Pracy Sp. z o.o.** - the purpose of the company is to offer specialised solutions relating to both permanent and temporary employment, recruitment of specialists also on foreign markets, the outsourcing of functions typical for the raw material and energy industry.

**Work Express Sp. z o.o.** – the company directly subordinated to the Dominating Company, with 100% shares held by Work Service SA. As a temporary employment agency, it offers end-to-end organisation of the employment process for temporary workers. Another line of business of the company consists of job agency and personnel consulting services. The third activity area consists of the process outsourcing services. Taking advantage of its knowledge and experience gained when rendering temporary employment services to enterprises from the TSL sector, the firm has created innovative solutions for clients in the following industries: IT, consumer electronics, clothing, food, heavy industry and online shops.

**Outsourcing Solutions Partner Sp. z o.o.** – a company indirectly subordinated to Work Service SA. 100% of shares of the company belong to Work Express Sp. z o.o. (100% subordinated to Work Service SA).

**Support and Care Sp. z o.o.** (LogistykaPL Sp. z o.o.) - a company indirectly subordinated to Work Service SA. 100% of shares of the company belong to Work Express Sp. z o.o. (100% subordinated to Work Service SA).

**Prohuman 2004 Kft** - a company directly subordinated to the Dominating Company, with 80.22% shares held by Work Service SA. The company is one of the largest job centres on the Hungarian market. Prohuman has been active on the Hungarian market of personnel services since 2004. The Company is a part of the Prohume Group comprising five firms active in different areas (end-to-end HR services, merchandising, sales promotions, marketing events, telemarketing).

**Prohuman Outsourcing Kft.** - indirectly subordinated to Work Service SA. The company is 100% owned by Prohuman 2004 Kft (subordinated to Work Service SA in 80.22%).

**Work Service SPV Sp. z o.o.** - 100% subordinated to Work Service SA. Its establishment is related to the implementation of provisions contained in the agreement with Fiege Logistik Stiftung & Co. KG with the office in Greven, Germany.

**Enloyd GmbH** – the company's business is equivalent to that of Antal Sp. z o.o. on the German market. The company's equity was fully assumed by Work Service GmbH&Co.KG. The company was registered on 23.03.2015.

**Antal International s.r.o.** (Slovakia) – the company's business is equivalent to that of Antal Sp. z o.o. on the Slovak market. The equity of the company was assumed in full by Work Service Slovakia s.r.o, which is indirectly subordinated to Work Service SA.

**Work Service Fahrschule QC GmbH** – a company indirectly subordinated to Work Service SA. The core business consists of specialist training for workers from the sector of logistics. The activity of the company focuses on the improvement of worker skills by making it possible for them to acquire additional licenses necessary to operate machinery and equipment used in the logistic sector. The company also executes driving courses for categories C+E for internal workers and for external clients.

**Human Existence Kft.** – a company indirectly subordinated to Work Service SA. The company is 100% owned by Prohuman 2004 Kft (subordinated to Work Service SA in 80.22%). The company offers the leasing of temporary workers and outsourcing. It operates in the north-eastern part of Hungary.

**Work Service Fahrschule QC GmbH** – a company indirectly subordinated to Work Service SA. The business profile of the company consists of the job agency, the lease of workers (temporary work) and, in particular, activity in the sector of logistics. The company combines logistic know-how with knowledge of human resources and implements intelligent staff solutions for commerce and logistics. The company operates on the German market.

**Work Service GmbH & Co. KG** – a company indirectly subordinated to Work Service SA. Work Service SPV Sp. z o.o. holds 100% shares in the company.

**Work Service Outsourcing Deutschland GmbH** – a company indirectly subordinated to Work Service SA. The company offers services related to the outsourcing of processes with a particular focus on logistics. The company operates on the German market. Its uniqueness consists of the training and guaranteed development of workers according to clients' needs. The training takes place in more than 100 locations of the firm or in the cooperation with its partners in Germany.

**Work Service GP GmbH** – a company under the Austrian law. The company is the general partner of Work Service GmbH & Co. KG.

**HR-Rent Kft.** – the company renders temporary work services in Hungary and abroad (Austria, Germany).

**Finance Sales Hungary Kft (Profield 2008 Kft).** – the company renders end-to-end agency services related to various financial products, i.e. financial service outsourcing.

**Naton kadrovsko svetovanje d.o.o. (Slovenia)** – the oldest HR agency in Slovenia. It occupies the second or third place depending on its size and on the number of temporary workers in Slovenia.

**Naton Ljudski potencijali d.o.o. (Croatia)** – the firm operates in the territory of Croatia specialising, in particular, in the pharmaceutical sector.

**Work Service SK s.r.o.** - a company indirectly subordinated to Work Service SA through Work Service Slovakia s.r.o. The scope of service offered by the Company in Slovakia is equivalent to those offered by the Dominating Company.

**Finance Care Hungary Pénzügyi Tanácsadó Kft.** - as a part of the cooperation with insurance companies and banks, the company provides outsourcing services to such entities on the Hungarian market.

**APT Resources&Services s.r.l.** - the firm was established in 1994. It mainly operates in the following industries: IT, banking and finance, engineering, retail trade, medicine and pharmaceuticals. It renders services related to temporary work, recruitment and selection of workers and HR outsourcing.

**APT Human Resources s.r.l.** - The core business of the firm consists of temporary work services, mostly for the following industries: food production, energy, finance and banking, insurance.

**APT Broker s.r.l.** - The firm renders financial agency services for the banking sector.

**APT Finance Broker s.r.l.** - The firm renders financial agency services for the banking sector.

**Work Service East Lcc** – the firm offers agency services relating to the employment of workers abroad.

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

**WorkPort24 GmbH** – the company's business covers the management of an online job portal for international employers and workers as an instrument of a job agency, sales of personnel services and a place for advertising, sales and marketing of personnel services as well as the execution of training and certification of workers according to the requirements of local labour markets.

## 2. Directors' statement of compliance with accounting rules

Directors of Work Service SA represent that, according to their best knowledge, these quarterly consolidated financial statements and individual statements of Work Service SA as well as the comparative data were compiled in line with accounting rules in force and that these statements truly, reliably and clearly reflect the economic and financial position of the Work Service Capital Group.

### 3. Applied accounting principles

The basis for the compilation of these interim summary financial statements consists of the Order of the Minister of Finance of 29 March 2018 on the current and periodical information submitted by issuers of securities and the conditions of regarding as equivalent of the information required under the laws of a non-member state (Dz. U. of 2018, item 757) these statements were compiled in line with the International Accounting Standard 34 Interim financial reporting announced in the form of regulations of the European Commission.

Certain entities belonging to the Group maintain their accounting ledgers in line with the accounting policy (rules) defined in the Act of 29 September 1994 on accounting ("the Act") as subsequently amended and with regulations issued on its basis ("Polish accounting standards"). The consolidated financial statements contain adjustments not contained in the accounting ledgers of entities belonging to the Group, introduced to make the financial statements of these entities IFRS compliant.

The consolidated financial statements as at 31 March 2020 were compiled on the basis of financial statements of entities being a part of the Capital Group in line with the historical cost principle.

Both the summary consolidated financial statements and the individual financial statements contain data as at 31 March 2020 and for the period from January 1, 2020 to March 31, 2020. Comparative data are presented as at 31 December 2019 for the consolidated statement of the financial standing, individual statement of the financial standing, consolidated statement of changes in equity and the individual statement of changes in equity and for the period from January 1, 2019 to March 31, 2019 for the consolidated total income statement, consolidated cash flow statement, consolidated statement of changes in equity and the individual total income statement, individual cash flow statement and individual statement of changes in equity.

Selected financial data in the initial part of the report were presented in EUR according to § 64 of the Decree of the Minister of Finance of 29 March 2018 (Dz. U. 2018, item 757). The exchange rate as of the last day was used for the calculation of balance sheet items and, for items of the income statement and cash flow statement, the average exchange rate for the period was used.

	Average EUR exchange rate in the period	EUR exchange rate as at the last day of the period
01.01-31.03.2020	4,3963	4,5523
01.01-31.12.2019	4,3018	4,2585
01.01-31.03.2019	4,2978	4,3013

Accounting rules (policy) adopted in these consolidated financial statements were applied in a continuous manner and comply with accounting rules applied in the last audited annual consolidated financial statements compiled according to the International Financial Reporting Standards (IFRS) approved by the European Union for the year ended on December 31, 2019 except for changes resulting from the entry into force of new standards, interpretations and modifications of standards.

#### Leasing

The Group as the lessee (since 2019)

For each agreement concluded on 1 January 2019 or afterwards, the Group decides whether there is the agreement or concludes a lease agreement. Lease has been defined as an agreement or a part of the agreement based on which the right to control the use of the identified asset is transferred (basic element of the assets) for a given period against remuneration. To this purpose, three fundamental aspects are analysed:

- does the agreement concern the identified asset which is expressly defined in the agreement or implicitly defined at the moment of making the asset available to the Group,
- does the Group have the right to obtain basically all economic benefits resulting from the use of the asset throughout the entire period of use in the scope specified in the agreement,
- does the Group have the right to manage the use of the identified asset throughout the entire period of use.

On the date of commencement the Group presents the asset on account of the right to use and the lease liability. The right to use is originally evaluated at the purchase price consisting of the initial value of the lease liability, initial direct costs, the estimate of anticipated costs on account of disassembly of the basic element of the assets and lease payments made on or prior to the date of commencement, reduced by lease incentives.

The Group amortises the right to use with the straight line method since the date of commencement until the end of the period of use of the right to use or until the end of the lease period, depending on which of these dates falls earlier. If legitimate premises occur, the right to use shall be subject to the impairment testing in accordance with IAS 36.

As on the date of commencement, the Group evaluates the lease liability in the amount of current value of lease payments to be paid using the interest rate of the lease, if it can be easily established. Otherwise, the final interest rate of the lessee shall be applied.

Lease payments included in the value of the lease liability consist of fixed lease payments, variable lease payments dependent on the index or the rate, the amounts of anticipated to be paid as the guaranteed residual value and payments related to the exercise of call options, if their exercise is rationally reliable.

In the successive periods, the lease liability is reduced by the payments made and increased by interest accrued. The evaluation of the lease liability is adjusted in order to reflect changes in the agreement and revaluation of the lease period, exercise of the call option, guaranteed residual value or lease payments dependent on the index or on the rate. In principle, the adjustment of the value of liability is presented as the adjustment of the element of the assets on account of the right to use.

The Group applies practical solutions referred to in the standard concerning short-term lease agreements and leases in which the element of the assets is of the low value. As far as such agreements are concerned, instead of presentation of the assets on account of the right to use and the lease liability, lease payments are presented in the result using the straight line method during the lease period.

The Group presents the rights to use in the same items of the statement of financial situation as basic elements of the assets, i.e. in tangible fixed assets.

#### **New IFRIC 23 "Uncertainty concerning the treatment of income tax"**

The interpretation to IAS 12 "Income Taxes" decides the approach to the situation when the interpretation of the provisions on income tax is not clear and it is impossible to definitively accept what solution will be accepted by tax authorities, including courts. Management should first assess whether its interpretation is likely to be accepted by tax authorities. If so, such an interpretation should be adopted for the preparation of the financial statements. If not, take into account the uncertainty of income tax amounts by the most probable or expected value method. An entity should assess any changes to the facts and circumstances affecting the determined value. If the value is adjusted, it is treated as a change in estimate in accordance with IAS 8.

The Group estimates that the impact of this standard is immaterial.

#### **4. Summary and explanation of differences between data disclosed in these summary consolidated financial statements and the data published in previous financial statements**

We did not adjust any data published before in these summary financial statements.

#### **5. Revenue and results attributable to individual segments of continued operations as of 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) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- c) for which the separate financial information is available.

According to IFRS requirements, operating segments should be identified based on internal reports on those elements that are regularly reviewed by persons allocating funds to the individual segments and evaluating their financial results.

It was assumed in the Capital Group that the basic division into operating segments is by types of business activities. The business of the Capital Group is conducted in separate subordinated companies. The significant majority of the Group's activity is related to temporary work. In this report, the Capital Group disclosed the information about the revenue broken into individual operating segments because the Directors of the Dominating Company analyse them in this arrangement.

Directors of the Dominating Entity separately monitor operational results of segments to make appropriate business decisions. The basis of the evaluation consists of the result of operations measured in the same manner as the result of operations in the consolidated financial statements after the elimination of transactions between segments (presented in tables enclosed below). Transactional prices applied for transactions between operating segments are determined at arm's length, just like for transactions with unrelated parties.

Accounting rules applied in the compilation of financial data for reporting segments comply with the Group accounting polity described in section 1.1.5 of the additional information about the consolidated financial statements for 2019 "Basic accounting rules".

The financing of the Group (including financial costs and revenue), income tax and the share in profits or losses of entities valued with the use of the equity method.

The Group does not apply an asymmetrical allocation of costs and revenue to reporting segments.

The Group presents the profit or loss values for each reporting segment; it does not present the sum of assets and liabilities for each reporting segment because these amounts are not regularly submitted to the main agency responsible for the making of operational decisions. The Group does not disclose the division of the revenue obtained from external clients into individual products and services because such information is unavailable and its acquisition cost would be excessive.

The Group does not disclose the distribution of amortisation costs among segments because such data are immaterial from the perspective of the conducted business and are not submitted for review by agencies responsible for the making of decisions.

Tables below present the revenue and costs of individual industry segments of the Group for the quarter of the year ended on March 31, 2020 and comparative data for the quarter ended on March 31, 2019.

The presented financial data for the period from 01.01 to 31.03.2020 relate to the continued operations of the Capital Group in 2019 and comparable data for 2019 are presented hereinbelow

**Continued operations 01.01.2020-31.03.2020**

	Temporary work	Other	Unallocated	Total	Exclusions	Total operations
<b>Revenue</b>						
Sales to external clients	324 905 016	33 897 503		358 802 519		<b>358 802 519</b>
Internal sales	23 857 702	6 243 294		30 100 996	- 30 100 996	-
Total revenue of the segment	348 762 717	40 140 798		388 903 515	- 30 100 996	<b>358 802 519</b>
<b>Costs</b>						
Costs from external suppliers	290 418 990	28 103 257		318 522 247		<b>318 522 247</b>
Costs from Group suppliers	23 730 887	448 205		24 179 092	- 24 179 092	-
Total costs of the segment	314 149 877	28 551 462		342 701 339	- 24 179 092	<b>318 522 247</b>
<b>Result</b>						
Profit/(loss) of the segment	34 486 026	5 794 246		40 280 272		<b>40 280 272</b>
<b>Unallocated costs</b>			41 369 615	41 369 615	- 5 780 073	<b>35 589 542</b>
<b>Other operating revenue</b>						
Sales to external clients			8 282 170	8 282 170	-	<b>8 282 170</b>
Internal sales			322 257	322 257	- 322 257	-
Total revenue of the segment			8 604 427	8 604 427	- 322 257	<b>8 282 170</b>
<b>Other operating expenses</b>						
Costs from external suppliers			11 900 602	11 900 602	-	<b>11 900 602</b>
Costs from Group suppliers			215 687	215 687	- 215 687	-
Total costs of the segment			12 116 289	12 116 289	- 215 687	<b>11 900 602</b>
<b>Result</b>						
Profit/(loss) of operations of the segment						<b>1 072 298</b>
<b>Finance income</b>						
Sales to external clients			6 827 130	6 827 130		<b>6 827 130</b>
Internal sales			2 667 452	2 667 452	- 2 667 452	-
Total revenue of the segment			9 494 582	9 494 582	- 2 667 452	<b>6 827 130</b>
<b>Finance costs</b>						
Costs from external suppliers			7 890 769	7 890 769		<b>7 890 769</b>
Costs from Group suppliers			3 141 888	3 141 888	- 3 141 888	-
Total costs of the segment			11 032 657	11 032 657	- 3 141 888	<b>7 890 769</b>
<b>Result</b>						
Profit (loss) on business activities						<b>8 658</b>
<b>Result</b>						
Gross profit (loss)						<b>8 658</b>
<b>Tax</b>						
			4 706 912	4 706 912		<b>4 706 912</b>
<b>Result</b>						
Net profit/(loss) of the segment						<b>- 4 698 254</b>

## Continued operations 01.01.2019-31.03.2019

	Temporary work	Other	Unallocated	Total	Exclusions	Total operations
<b>Revenue</b>						
Sales to external clients	374 577 248	40 252 704		414 829 952		<b>414 829 952</b>
Internal sales	24 393 289	4 506 590		28 899 879	- 28 899 879	-
Total revenue of the segment	398 970 538	44 759 294		443 729 832	- 28 899 879	<b>414 829 952</b>
<b>Costs</b>						
Costs from external suppliers	337 530 986	27 626 836		365 157 822		<b>365 157 822</b>
Costs from Group suppliers	24 363 080	878 767		25 241 846	- 25 241 846	-
Total costs of the segment	361 894 066	28 505 602		390 399 669	- 25 241 846	<b>365 157 822</b>
<b>Result</b>						
Profit/(loss) of the segment	37 046 262	12 625 868		49 672 130		<b>49 672 130</b>
<b>Unallocated costs</b>			49 883 165	49 883 165	- 4 683 787	<b>45 199 378</b>
<b>Other operating revenue</b>						
Sales to external clients			19 270 503	19 270 503	-	<b>19 270 503</b>
Internal sales			710 063	710 063	- 710 063	-
Total revenue of the segment			19 980 565	19 980 565	- 710 063	<b>19 270 503</b>
<b>Other operating expenses</b>						
Costs from external suppliers			10 386 841	10 386 841	-	<b>10 386 841</b>
Costs from Group suppliers			126 749	126 749	- 126 749	-
Total costs of the segment			10 513 590	10 513 590	- 126 749	<b>10 386 841</b>
<b>Result</b>						
Profit/(loss) of operations of the segment						<b>13 356 414</b>
<b>Finance income</b>						
Sales to external clients			9 666 655	9 666 655		<b>9 666 655</b>
Internal sales			6 550 645	6 550 645	- 6 550 645	-
Total revenue of the segment			16 217 300	16 217 300	- 6 550 645	<b>9 666 655</b>
<b>Finance costs</b>						
Costs from external suppliers			4 991 553	4 991 553		<b>4 991 553</b>
Costs from Group suppliers			5 681 322	5 681 322	- 5 681 322	-
Total costs of the segment			10 672 875	10 672 875	- 5 681 322	<b>4 991 553</b>
<b>Result</b>						
Profit (loss) on business activities						<b>18 031 515</b>
<b>Result</b>						
Gross profit (loss)						<b>18 031 515</b>
<b>Tax</b>			3 966 611	3 966 611		<b>3 966 611</b>
<b>Result</b>						
Net profit/(loss) of the segment						<b>14 064 905</b>

The revenue from external clients allocated to the country in which the entity has its headquarters (Poland) and the revenue allocated to all other countries in total where the entity generates its revenue is presented in the table below:

Net revenue	2020	[%]	2019	[%]
	Q1	share	Q1	share
Poland	130 448 649	36,4%	166 723 146	40,2%
Foreign	228 353 870	63,6%	248 106 806	59,8%
<b>Total</b>	<b>358 802 519</b>	<b>100,0%</b>	<b>414 829 952</b>	<b>100%</b>

The Group does not distinguish fixed assets located in the country where the entity has its headquarters and those located in all other countries where the entity maintains its assets. From the perspective of the Group, such a division is immaterial for the conducted business.

The sales structure of services rendered by the Work Service Capital Group with comparative data in a geographic arrangement on foreign markets.

COUNTRY	2020	share [%]	2019	share [%]
Poland	130 448 649	36,4%	166 723 146	40,2%
Czech Republic	13 690 377	3,8%	17 897 627	4,3%
Slovakia	5 070 045	1,4%	7 649 448	1,8%
Slovenia	13 415 090	3,7%	16 000 443	3,9%
Croatia	53 051	0,01%	235 779	0,1%
Hungary	136 667 176	38,1%	148 252 678	35,7%
Germany	22 189 132	6,2%	36 838 772	8,9%
Romania	37 268 999	10,4%	21 226 951	5,1%
Ukraine	0	0,0%	5 108	0,001%
<b>TOTAL</b>	<b>358 802 519</b>	<b>100,0%</b>	<b>414 829 952</b>	<b>100,0%</b>

Due to the fact that the business of the Dominating Company is homogeneous in terms of types of services provided, key customers and legal environment, the Company has defined all of its operations as the temporary work segment. Because of that, the Company does not distinguish reporting segments.

The share of top 10 clients in the total revenue of the Work Service Capital Group

Sector	Q1 2020	Share %
Automotive	92 765 260	25,9%
Other services	62 175 798	17,3%
Industry other	53 202 707	14,8%
Call center	52 279 022	14,6%
Financial and Insurance Services	41 593 278	11,6%
Electronics	30 438 187	8,5%
FMCG	8 641 616	2,4%
Administration other	8 255 976	2,3%
Sales and distribution	5 174 399	1,4%
Medical services	4 238 459	1,2%



# Individual financial statements of Work Service SA

## Statement of financial position of Work Service S.A.

as at March 31, 2020

ASSETS	as at 31.03.2020	as at 31.12.2019	as at 31.03.2019
<b>FIXED ASSETS</b>	<b>385 019 616,52</b>	<b>386 694 355,07</b>	<b>591 498 078,35</b>
Intangible assets	15 169 872,19	15 547 471,09	33 278 162,03
Property, plant and equipment	12 671 060,06	13 957 264,56	18 737 594,15
Investment properties	2 379 296,40	2 390 231,55	2 495 938,00
Other non-current assets	306 844 967,05	306 844 967,05	504 342 984,67
Deferred tax assets	47 954 420,82	47 954 420,82	32 643 399,50
<b>CURRENT ASSETS</b>	<b>127 486 943,69</b>	<b>116 284 064,60</b>	<b>190 765 665,54</b>
Inventories	449 947,56	825 894,40	962 432,25
Trade and other receivables	67 432 681,32	57 669 660,85	88 726 992,46
Other financial assets	54 187 190,81	55 433 975,77	99 980 761,48
Cash and cash equivalents	4 555 622,23	1 337 855,65	436 060,91
Prepayments	861 501,77	1 016 677,93	659 418,44
Assets held for sale	0,00	0,00	0,00
<b>TOTAL ASSETS</b>	<b>512 506 560,21</b>	<b>502 978 419,67</b>	<b>782 263 743,89</b>
<b>EQUITY</b>	<b>42 614 686,17</b>	<b>47 178 328,45</b>	<b>234 767 538,88</b>
Share capital	6 559 063,80	6 559 063,80	6 509 482,30
Supplementary capital	283 163 833,96	283 163 833,96	222 164 352,92
Reserve capital	5 664 115,29	5 664 115,29	0,00
Net profit (loss)	(4 563 642,28)	(180 023 940,84)	6 093 703,66
Profit (loss) brought forward	(248 208 684,60)	(68 184 743,76)	0,00
<b>LIABILITIES AND PROVISIONS</b>	<b>469 891 874,04</b>	<b>455 800 091,22</b>	<b>547 496 205,01</b>
<b>Provisions for liabilities</b>	<b>14 707 058,54</b>	<b>15 654 106,14</b>	<b>14 501 344,91</b>
Deferred tax liabilities	2 568 813,63	2 568 813,63	3 792 972,93
Provision for pensions and similar benefits	651 462,99	651 462,99	617 796,51
Other current provisions (short-term)	11 486 781,92	12 433 829,52	10 090 575,47
<b>Long-term liabilities</b>	<b>60 563 361,32</b>	<b>59 354 471,74</b>	<b>177 795 164,05</b>
<b>1. To related entities</b>	<b>53 204 725,25</b>	<b>51 995 835,67</b>	<b>7 786 676,90</b>
<b>2. To other entities</b>	<b>7 358 636,07</b>	<b>7 358 636,07</b>	<b>170 008 487,15</b>
Long-term loans and borrowings	0,00	0,00	113 546 380,87
Issue of debt securities	0,00	0,00	44 298 780,34
Other financial liabilities	7 358 636,07	7 358 636,07	12 163 325,94
<b>Short-term liabilities</b>	<b>394 621 454,18</b>	<b>380 514 050,84</b>	<b>351 326 939,75</b>
<b>1. To related entities</b>	<b>111 052 159,43</b>	<b>104 960 647,07</b>	<b>159 328 927,62</b>
<b>2. To other entities</b>	<b>283 569 294,75</b>	<b>275 553 403,77</b>	<b>191 998 012,13</b>
Issue of debt securities	45 679 119,21	45 396 882,91	0,00
Other financial liabilities	8 401 306,12	8 229 882,26	14 770 567,39
Loans and borrowings	111 608 884,01	109 021 609,77	1 589 517,63
Trade liabilities	12 173 487,65	10 823 708,46	13 724 087,04
Liabilities in respect of taxes, customs duties, insurance and other benefits	90 250 310,30	87 079 950,82	68 443 640,56
Payroll liabilities	13 139 527,63	11 892 046,99	13 647 688,12
Other liabilities	2 316 659,83	1 846 301,18	79 822 511,39
<b>Accruals</b>	<b>0,00</b>	<b>277 462,50</b>	<b>3 872 756,30</b>
<b>Liabilities directly related to assets classified for sale</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>512 506 560,21</b>	<b>502 978 419,67</b>	<b>782 263 743,89</b>

## Total income statement of Work Service SA for 3 months ended on March 31, 2020

	01.01.2020-31.03.2020	01.01.2019-31.03.2019
<b>Revenue</b>	<b>75 213 742,20</b>	<b>83 858 052,04</b>
Net trade revenue	75 589 689,04	83 251 566,19
Change in receivables	(375 946,84)	606 485,85
Manufacturing cost of products for entity's own needs	0,00	0,00
Net revenues from sales of goods and materials	0,00	0,00
<b>Costs of operations</b>	<b>79 041 612,23</b>	<b>90 535 453,96</b>
Amortisation and depreciation	2 111 156,59	2 521 179,05
Consumption of materials and energy	291 618,04	409 217,65
External services	8 930 713,17	15 711 442,47
Taxes and charges	82 368,09	165 607,58
Remuneration	55 873 752,10	59 319 168,44
Social security and other benefits	11 441 288,18	12 011 503,15
Other costs by type	310 716,06	397 335,62
Value of goods and materials sold	0,00	0,00
<b>Sales profit (loss)</b>	<b>(3 827 870,03)</b>	<b>-6 677 401,92</b>
Other operating revenue	2 097 689,65	11 393 915,83
Other operating expenses	1 707 044,26	2 591 467,38
<b>Profit (loss) from operations</b>	<b>(3 437 224,64)</b>	<b>2 125 046,53</b>
Finance income	3 186 299,04	10 090 300,17
Finance costs	4 312 716,68	6 121 643,04
<b>Gross profit</b>	<b>(4 563 642,28)</b>	<b>6 093 703,66</b>
Income tax	0,00	0,00
<b>Net profit (loss)</b>	<b>(4 563 642,28)</b>	<b>6 093 703,66</b>
<b>Comprehensive income for the period</b>	<b>(4 563 642,28)</b>	<b>6 093 703,66</b>
Net profit (loss) attributable to shareholders:	(4 563 642,28)	6 093 703,66

## Work Service SA cash flow statements for 3 months

ended on March 31, 2020

	01.01.2020-31.03.2020	01.01.2019-31.03.2019
<b>A. Cash flows from operating activities</b>		
I. Net profit / (loss)	(4 563 642,28)	6 093 703,66
II. Total adjustments	3 312 604,78	-42 896 536,41
1. Amortisation and depreciation	2 111 156,59	2 521 179,05
2. Foreign exchange gains (losses)	(2 277 191,16)	3 341 371,91
3. Interest and shares in profits (dividends)	2 410 551,37	-6 456 810,92
4. Profit (loss) on investing activities	0,00	-5 000,00
5. Change in provisions	(947 047,60)	-10 302 241,72
6. Change in inventories	375 946,84	-257 642,40
7. Change in receivables	(9 771 993,41)	-1 529 792,50
8. Change in short-term liabilities, except for loans and borrowings	13 024 661,64	-24 696 659,47
9. Change in prepayments, accruals and deferred income	(122 286,34)	-6 307 585,51
10. Other adjustments	(1 491 193,15)	796 645,15
<b>III. Net cash flows from operating activities (I+II)</b>	<b>(1 251 037,50)</b>	<b>-36 802 832,75</b>
<b>B. Cash flows from investing activities</b>		
I. Inflows	11 105 094,69	0,00
1. Disposal of intangible assets and property, plant and equipment	0,00	0,00
2. Disposal of investments in real property and intangible assets	0,00	0,00
3. From financial assets, including:	11 105 094,69	0,00
a) in related entities	11 067 299,96	0,00
b) in other entities	37 794,73	0,00
- disposal of financial assets	0,00	0,00
- dividends and profit sharing	0,00	0,00
- repayment of long-term borrowings granted	37 348,80	0,00
- Interest	445,93	0,00
- other inflows from financial assets	0,00	0,00
4. Other investment inflows	0,00	0,00
II. Outflows	8 245 017,12	83 137,01
1. Purchase of intangible assets and property, plant and equipment	436 418,04	83 137,01
2. Investments in real property and intangible assets	0,00	0,00
3. For financial assets, including:	7 808 599,08	0,00
a) in related entities	7 804 059,58	0,00
b) in other entities	4 539,50	0,00
- purchase of financial assets	0,00	0,00
- long-term borrowings granted	4 539,50	0,00
4. Other investment outflows	0,00	0,00
<b>III. Net cash flows from investing activities(I-II)</b>	<b>2 860 077,57</b>	<b>-83 137,01</b>
<b>C. Cash flows from financing activities</b>		
I. Inflows	3 771 261,74	38 545 275,70
1. Net inflows from issue of shares and other equity instruments and additional contributions to equity	0,00	0,00
2. Loans and borrowings	2 589 605,24	30 302 346,98
3. Issue of debt securities	0,00	0,00
4. Other financial inflows	1 181 656,50	8 242 928,72
II. Outflows	2 162 535,23	1 524 459,22
1. Purchase of treasury shares	0,00	0,00

2. Dividends and other payments to shareholders	0,00	0,00
3. Outflows in respect of appropriation of profit other than payments to shareholders	0,00	0,00
4. Repayment of loans and borrowings	0,00	31 219,30
5. Redemption of debt securities	0,00	0,00
6. Due to other financial liabilities	1 353 080,36	0,00
7. Payments of liabilities under finance lease agreements	0,00	400 570,84
8. Interest	809 454,87	1 092 669,08
9. Other financial outflows	0,00	0,00
<b>III. Net cash flows from financing activities (I-II)</b>	<b>1 608 726,51</b>	<b>37 020 816,48</b>
<b>D. Total net cash flows (A.III.+B.III+C.III)</b>	<b>3 217 766,58</b>	<b>134 846,72</b>
E. Balance sheet change in cash, including:	3 217 766,58	134 846,72
- change in cash due to exchange differences	0,00	0,00
F. Cash as at the beginning of the period	1 337 855,65	301 214,19
<b>G. Cash at the end of the period (F+D), including</b>	<b>4 555 622,23</b>	<b>436 060,91</b>
- restricted access	159 717,34	0,00

## Work Service S.A. statement of changes in equity

01.01.2020-31.03.2020	Share capital	Supplementary capital	Reserved capital	Retained earnings	Financial result	Equity
<b>As at 1 January 2019</b>	<b>6 559 063,80</b>	<b>283 163 833,96</b>	<b>5 664 115,29</b>	<b>(68 184 743,76)</b>	<b>(180 023 940,84)</b>	<b>47 178 328,45</b>
Net profit (loss) for the financial year					(4 563 642,28)	(4 563 642,28)
Distribution of the 2019 result to supplementary capital				(180 023 940,84)	180 023 940,84	0,00
Issue of shares						
Distribution of result for 2019						
Other						
<b>As at 31 March 2020</b>	<b>6 559 063,80</b>	<b>283 163 833,96</b>	<b>5 664 115,29</b>	<b>(248 208 684,60)</b>	<b>(4 563 642,28)</b>	<b>46 826 212,13</b>

01.01.2019-31.12.2019	Share capital	Other capital / supplementary capital	Retained earnings	Equity
<b>As at 1 January 2019</b>	<b>6 509 482,30</b>	<b>288 827 883,25</b>	<b>-66 663 530,33</b>	<b>228 673 835,22</b>
Adjustment of retained profit/loss			(1 521 213,43)	(1 521 213,43)
<b>As at 31 December 2019 after adjustment</b>			<b>-68 184 743,76</b>	
Net profit (loss) for the financial year			(180 023 940,84)	(180 023 940,84)
Capital increase	49 581,50		66,00	49 647,50
<b>As at 31 December 2019</b>	<b>6 559 063,80</b>	<b>288 827 949,25</b>	<b>(248 208 684,60)</b>	<b>47 178 328,45</b>

01.01.2019-31.03.2019	Share capital	Supplementary capital	Reserved capital	Retained earnings	Financial result	Equity
<b>As at 1 January 2019</b>	<b>6 509 482,30</b>	<b>283 163 767,96</b>	<b>5 664 115,29</b>	<b>-79 136 302,17</b>	<b>12 472 771,84</b>	<b>228 673 835,22</b>
Net profit (loss) for the financial year					6 093 706,66	6 093 703,66
Managerial programme						
Distribution of the 2018 result to supplementary capital				12 472 771,84	-12 472 771,84	
MSSF 9 write-offs						
<b>As at 31 March 2019</b>	<b>6 509 482,30</b>	<b>283 163 767,96</b>	<b>5 664 115,29</b>	<b>-66 663 530,33</b>	<b>6 093 706,66</b>	<b>234 767 538,88</b>

# Explanation of the Interim Report of the Capital Group for Q1 2020

## 1. Material achievements of failures of the company in Q1 2020 with the list of major related events

The presented financial data for the period of 01.01.2020-31.03.2020 applies to the entire Capital Group: continued and discontinued operations and comparable data for 2019.

Selected items of the income statement (PLN)	2020 – 1Q	2019 – 1Q	Dynamics 2020/2019
Sales revenue	358 802 519	424 931 159	0,84
Costs of operations	354 111 789	419 579 236	0,84
Sales profit (loss)	4 690 730	5 351 923	0,87
Profit (loss) from operations	1 072 298	14 207 640	0,08
EBITDA	4 396 318	17 426 837	0,25
Gross profit (loss)	8 658	17 789 123	0,00
Net profit (loss)	-4 698 254	13 815 583	-

The table below presents selected items of the income statement relating to continued activities for the Work Service Capital Group for the following periods: 01.01.2020-31.03.2020 and comparable data for the period from 01.01.2019 to 31.03.2019.

Selected items of the income statement (PLN)	2019 – 3Q	2018 – 3Q	Dynamics 2019/2018
Sales revenue	358 802 519	414 829 952,50	0,86
Costs of operations	354 111 789	410 357 200,27	0,86
Sales profit (loss)	4 690 730	4 472 752,23	1,05
Profit (loss) from operations	1 072 298	13 356 414,13	0,08
EBITDA	4 396 318	16 490 994,93	0,27
Gross profit (loss)	8 658	18 031 515,39	0,00
Net profit (loss)	-4 698 254	14 064 904,64	-

In the first quarter of 2020, the Work Service Capital Group achieved financial results at a level higher than in the corresponding period of 2019, which was mainly due to the operational restructuring carried out (in particular, reducing the costs of operating companies) and was reflected in the improvement of sales results and in the consequences of operating results of entities consolidated in 2020.

Additionally, one-off events described in item 2 of this chapter were identified in the result of operations of Q1 2020.

## 2. Description of factors and events, especially untypical ones, that significantly influenced the generated financial results

Unusual events and factors are described in the "Additional information to the Condensed Group Report for the first quarter of 2020" in the item "Basic information about the Work Service Capital Group".

## 3. Explanations regarding the seasonality of cyclicity of activities of the Capital Group in the presented period

The current activity of the Work Service Capital Group is not seasonal.

#### 4. Information about the issue, repurchase and repayment of non-equity and equity securities

##### 4.1 Issue, repurchase and repayment of debt securities

Work Service SA did not issue any non-equity securities in Q1 2020.

##### 4.2 Issue of equity securities

Work Service SA did not issue any equity securities in Q1 2020.

#### 5. Information about the dividend disbursed (or declared) in total and per share, broken into ordinary and preferred shares

After approving the financial statements for 2019, the General Meeting of Shareholders did not decide to pay dividends and left the financial result in the Company.

#### 6. Events that occurred after the date of the summary consolidated financial statements and were not disclosed in these statements that can significantly influence future financial results of the Capital Group

##### Signing of Annex No. 8 to the Loan Agreement of 18 November 2015 and other documents specified in the Restructuring Agreement

On 9 July 2020 the Company concluded with BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders" or "Banks") an Annex No. 8 ("Annex") to the Loan Agreement of 18 November 2015, of which the Company informed in current report No. 43/2015 ("Loan Agreement"). The conclusion of previous annexes to the Loan Agreement concerned, among others, current reports no. 34/2017, no. 7/2018, no. 82/2018, no. 86/2018, no. 15/2020, no. 17/2020 and no. 28/2020. The Annex introduces to the Loan Agreement the provisions defined in the cooperation agreement in the scope of debt restructuring, the conclusion of which the Company informed in current report no. 42/2020 ("Restructuring Agreement"), in particular the principles and scope of repayment of the Company's receivables due to the Banks under the Loan Agreement in the principal amount of approximately PLN 110,350,000.00 ("Existing Bank Debt") up to an amount corresponding to 50% of the principal amount (the "Repayment Amount"), as well as, among others, reduction of the whole part of interest on the principal amount deferred under the Loan Agreement. Amendments to the Loan Agreement defined in the Annex come into force on the date of fulfilment of all conditions precedent specified in the Restructuring Agreement ("Day of Entry into Force"). Furthermore, on the Day of Entry into Force, the Lenders shall release the collaterals established for the benefit of the Lenders by each of the Guarantors (within the meaning of the Loan Agreement), and the Guarantors shall cease to be parties to the Loan Agreement. Moreover, the Company also informs that the following documents related to the Restructuring Agreement have been signed today: i.e.

(a) Gi Group S.P.A. ("New Guarantor") and the Banks have concluded a conditional guarantee under Polish law, enforceable in the Italian Republic ("Surety Agreement"), constituting a collateral for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks);

(b) The New Guarantor has submitted statements of voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code for the benefit of each Bank and a similar document under Italian law agreed with the Banks ("New Guarantor's Statements");

(c) The Company has submitted for the benefit of the Banks statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements"). At the same time, the Issuer informs that in connection with the conclusion of the Annex and the Surety Agreement and submission of the New Guarantor's Statements and the Company's Statements, some of the conditions precedent to the entry into force of the Restructuring Agreement have been fulfilled, of which the Company informed in current report no. 42/2020.

##### Conclusion of a cooperation agreement on debt restructuring between the Company and the Issuer's lending banks

On 9 July 2020 negotiations between the Company, GI Group S.P.A. and the Banks, concerning the detailed documentation specifying the conditions for the restructuring of the Issuer's debt to the Banks resulting from the credit agreement of 18 November

2015, have been completed, with later amendments, concluded between, among others, the Banks and the Company ("Loan Agreement") ("Restructuring Agreement").

As a result of the implementation of the Restructuring Agreement, the target debt restructuring shall be carried out on the basis of a partial agreement, which the Company and the Banks plan to conclude in subsequent weeks or months as part of the procedure to approve the agreement within the meaning of the Restructuring Law ("Agreement"). The Restructuring Agreement shall provide for partial repayment and partial reduction (haircut) under the Agreement of the Bank's receivables towards the Company under the Loan Agreement in the amount of the principal receivable of approximately PLN 110,350,000.00 ("Existing Bank Debt") to the amount corresponding to 50% of the principal receivable ("Repayment Amount"), as well as, among others, redemption of the whole of interest on the principal receivable under the Loan Agreement. The Repayment Amount shall be repaid by the Company to the Banks in amounts corresponding to quarterly instalments in accordance with a fixed repayment schedule, whereby the first payment shall take place by 30 September 2020 and the last by 30 June 2023. Interest on the Repayment Amount will be charged in the amount of WIBOR 3M + 200 bps per year. The Restructuring Agreement shall enter into force upon fulfilment of in particular the following conditions precedent ("Conditions Precedent"):

(a) conclusion by GI Group S.P.A. ("New Guarantor") with each of the Banks a conditional surety under Polish law, enforceable in the Italian Republic ("Surety Agreement") as security for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks;

(b) conclusion of an Annex no. 8 to the Loan Agreement, introducing the principles and scope of repayment set out in the Restructuring Agreement ("Annex no. 8");

(c) the Investor's acquisition of at least 50% of the Company's shares plus one Company share;

(d) the settlement by the Company and its Polish subsidiaries of their due liabilities to the Tax Office and the Social Insurance Institution (ZUS) on the basis of the agreed financing provided by the Investor or conclusion by the Company and its Polish subsidiaries with the Tax Office or the Social Insurance Institution (ZUS) of arrangements with respect to unpaid public-law liabilities;

(e) repayment with redemption or purchase at a discount of the Company's Series SHB, W, X and Z bonds, where the amount of repayment or purchase price shall not be higher than 30% of their nominal value, subject to the SHB series bonds, in which case full repayment shall be allowed,

(f) confirmation by the New Guarantor the entry into force of the Surety Agreement and submission of a statement on voluntary submission to enforcement under Article 777 of the Civil Procedure Code for the benefit of each Bank ("New Guarantor's Statements") and a similar agreed document under Italian law;

(g) presentation to the Banks by the Investor or an entity from the Investor's group to prove that the Investor has sufficient funds to finance the acquisition of shares in the Company and to provide the Company and its subsidiaries with financing;

(h) no unagreed amendments to the Investment Agreement, material breach, invalidity, termination or other withdrawal by the Investor from transactions provided for in the Investment Agreement;

(i) submission by the Company in favour of the Banks of statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements"). The Restructuring Agreement specifies a catalogue of circumstances allowing for its termination by the Banks at various stages of the restructuring process, e.g. in the event of failure to comply with all Conditions Precedent by a specified date. Moreover, under the terms and conditions agreed in the Restructuring Agreement, the Company, in specific circumstances, may be obliged to pay to the Banks an additional commission or contractual penalty in case of sale of shares in ProHuman 2004 Kft, as well as to make an early repayment of the remaining Repayment Amount. The Restructuring Agreement also specifies the Company's obligations and liabilities due to the Banks under the Loan Agreement, including a modified (in the Company's opinion significantly reduced and more flexible) catalogue of breaches that may lead to an obligation to repay the Repayment Amount early. Following the entry into force of the Restructuring Agreement, the Banks' receivables under the Loan Agreement will be secured by a surety established on the basis of the Surety Agreement (together with the New Guarantor's Statements), a pledge on shares in ProHuman 2004 Kft and the Company's Statements ("Collaterals"). After that date, the Banks shall be obliged to release all other collaterals established for the benefit of the Banks under the Loan Agreement, including in particular collaterals of subsidiaries and pledges on their shares and assets.



### **Concluding by the Issuer of Annex no. 1 to the Investment Agreement and extension of the deadline for payment of bridge financing**

On 30 June 2020, the Company and the Investo Gi International S.R.L concluded the Annex no. 1 to the Investment Agreement, pursuant to which the final date for the fulfilment of all Conditions Precedent specified in the Investment Agreement and the final date for closing the transaction with the Investor was extended to 31 July 2020.

Simultaneously, on 30 June 2020 the Banks agreed to conclude the Annex and to pay out the Bridge Financing after 30 June 2020, but not later than 31 July 2020.

### **Conclusion of a conditional agreement for the sale of W, X and Z series bonds between the Company and the bondholders**

On 22 June 2020 between the Company and mBank Spółka Akcyjna, Millennium Otwarty Fundusz Inwestycyjny, Millennium Specjalistyczny Fundusz Inwestycyjny Otwarty, Investor Parasol Fundusz Inwestycyjny Otwarty and Noble Funds Fundusz Inwestycyjny Otwarty ("Bondholders"), a conditional agreement on the sale of W, X and Z series bonds was concluded under which the Company shall purchase all W, X and Z series bonds issued by the Issuer ("Bonds") with a nominal value of PLN 35,250,000.00, for 30% of their value, i.e. for a total price amounting to PLN 10,575,000.00 (in words: ten million five hundred and seventy-five thousand zloty) augmented by interest on all Bonds agreed upon in the terms and conditions of the Bonds issue ("Agreement"). The agreement was concluded on the condition precedent that the Investor acquires at least 50% (fifty percent) and 1 (one) share in the Issuer's share capital ("Control Acquisition") and the expiry of 15 (fifteen) business days from the date of Control Acquisition ("Condition Precedent"). On the basis of the Agreement, in certain events each of the Bondholders will be able to withdraw from the Agreement until 30 September 2020, among others in case of failure to fulfil the Condition Precedent until 31 August 2020. The Issuer shall inform in subsequent current reports about the fulfilment or non-fulfilment of the Condition Precedent. At the same time, the Issuer informs that in connection with the conclusion of the Agreement has been met one of the conditions precedent to transactions with the Investor, specified in the Investment Agreement concluded between the Company and the Investor on February 13, 2020, about which conditions precedent the Issuer informed in currents report number 12/2020,12/2020K.

### **Delegating the Vice-Chairman of the Supervisory Board to temporarily perform the duties of a Member of the Management Board**

On 22 June 2020 the Management Board of Work Service S.A. (hereinafter referred to as: Issuer or Company) hereby informs that the Issuer's Supervisory Board adopted a resolution pursuant to § 16 section 2 letter c) the Company's Articles of Association, regarding the delegation of the Vice-President of the Supervisory Board - Mr. Marcus Preston to perform the duties of a Member of the Company's Management Board from 22nd June 2020 for a period of two months.

### **Conclusion of the conditional agreement for the sale of share rights in Work Service GmbH & Co. KG**

On 5 June 2020 Work Service SPV Sp. z o.o. with its registered office in Wrocław as seller 1, Work Service International Sp. z o. o. with its registered office in Wrocław as Seller 2 (jointly as "Seller") and Work Service S.A. as guarantor, concluded with Gi Group Deutschland GmbH with its registered office in Düsseldorf - being a subsidiary of GI INTERNATIONAL S.R.L., which is fully owned by Gi Group SpA., as the buyer ("Buyer"), a conditional agreement on the sale of the share rights in Work Service GmbH & Co. KG with its registered office in Düsseldorf.

Under the Agreement, the Sellers undertook to sell 74% and 26% of their share rights in the Company, respectively, with a total nominal value of EUR 100,000.00, representing in total 100% of the rights to shares in the Company ("Share Rights"). The selling price of the Share Rights was set at PLN 4,500,000,000.00 ("Price"). The agreement was concluded subject to the fulfilment of specific conditions precedent, in particular the consent of the banks of the Issuer's capital group to release the pledge on the share rights in the Company and the further actual release of the above-mentioned pledge. Furthermore, under the Agreement, the Issuer shall provide a general guarantee in respect of all obligations and liabilities of the Sellers arising from the Agreement. The remaining provisions of the Agreement do not deviate from the conditions applied in agreements of this type, in particular with regard to the provisions concerning the prohibition of competitive activity, statements and assurances of the Sellers and the liability rules of the parties. Additionally, after closing the Transaction, the Buyer will immediately repay to the Issuer the amounts resulting from intergroup liabilities of the Company and its subsidiaries in the amount of about PLN 3,000,000.00. The total value of the Transaction will amount to PLN 7,500,000.00 and consists of the Price and the amount of the repayment of intragroup liabilities.

### **Conclusion by the Issuer of an annex to the installment arrangement with the Social Insurance Institution (ZUS)**

On 2 June 2020 the Management Board of Work Service S.A. (the 'Issuer' or the 'Company') – with relation to current report no 23/2020 of 23/04/2020 regarding conclusion of the installment arrangements with ZUS by the Issuer and its subsidiary – informs that today it has received an information of signing by the ZUS of an annex no 1 to the installment arrangement, according to which, as a result of submitting corrections to declarations that are submitted to ZUS, amount of total outstanding social security contributions was reduced by PLN 99,825.39, i.e. to the amount of PLN 60,693,922.25.

### **Change of the terms and conditions of issue of series W, X, Z and SHB bonds**

On 29 May 2020 the Work Service S.A. and its bondholders concluded agreements under which the changes were made Redemption Date of W, X, Z and SHB series bonds as at September 30, 2020.

### **Expressing consent by the antitrust authority in Romania to take over control the Company by the Investor**

On 19 May 2020 the Management Board of Work Service S.A. ("Issuer" or "Company"), with reference to the Current Report No. 12/2020, 12/2020/K, 14/2020, 20/2020, 21/2020 and 24/2020 hereby informs that the Company received information that the antitrust authority in Romania has given its consent to take over control the Company by Gi INTERNATIONAL S.R.L., wholly owned by Gi Group SpA ("Investor").

Obtaining the consent of the relevant antimonopoly authorities for the Investor to take control over the Company and its affiliates is one of the conditions precedent to the transaction with the Investor, set out in the investment agreement concluded between the Company and the Investor on 13 February 2020.

### **Lenders' consent to extend the deadline for disbursement of bridge financing**

On 14 May 2020 Work Service S.A. Management Board ("Issuer" or "Company") with reference to current report no. 29/2020 informs that Bank BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders") agreed to pay out the bridge financing, about which the Company informed in the current report no. 28/2020 ("Bridge financing"), after 30 April 2020, but not later than 30 June 2020, i.e. in the period longer than the period agreed in the annex no. 7 to the credit agreement of 18 November 2015.

The disbursement of the Bridge Financing will be made in parts and the payment of the entire Bridge Financing will be completed within the next few weeks. The Issuer will inform in subsequent current reports about receipt of the last tranche of Bridge Financing.

### **Filing by the Company a request to the Lenders for consent to extend the deadline for payment of bridge financing**

On 30 April 2020 the Management Board of Work Service S.A. ("Issuer" or "Company" or "Borrower"), with reference to the Current Report No. 27/2020, informs that in connection with the ongoing arrangements regarding the detailed conditions of bridging financing, of which the Company informed in Current Report No. 28/2020 ("Bridging Financing"), the Company is still in talks with the investor in order to agree on the terms and the new deadline for Bridging Financing. Therefore, the Company applied to Bank BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polski S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders") with a request to extend the deadline for disbursement of Bridge Financing after April 30, 2020, i.e. longer than the deadline agreed by Annex No. 7 to the loan agreement of November 18, 2015, about which the Company informed in current report no. 28/2020.

In ongoing talks, the Company is requesting the payment of the Bridging Financing as soon as possible, however, it expects that it may be paid out in parts and that the completion of the whole of the Bridging Financing will be completed within the next few weeks. The Issuer will inform in subsequent current reports about the receipt of the last tranche of Bridge Financing.

### **Conclusion by the Issuer of Annex 7 to the Credit Agreement**

On 24 April 2020 The Company concluded with Bank BNP Paribas Bank Polska SA, Bank Millennium SA, Santander Bank Polska SA and Powszechna Kasa Oszczędności Bank Polski SA. ("Lenders") annex no. 7 ("Annex") to the credit agreement of 18 November 2015, of which the Company informed in current report no. 43/2015 ("Credit Agreement"). The conclusion of previous annexes to the Credit Agreement concerned, among others, current reports no. 34/2017, no. 7/2018, no. 82/2018, no. 86/2018, no. 15/2020 and no. 17/2020.

This Annex (similarly to the previous annex no. 6 of 6 April 2020) serves to amend the terms and conditions of the Credit Agreement in such a way as to enable the Company and the Lenders to complete the currently ongoing advanced negotiations on the long-

term restructuring of the Company's debt (information about which was provided by the Company in current reports no. 1/2020 and no. 10/2020), in the context of implementation of the provisions of the investment agreement of 13 February 2020. between the Borrower and a limited liability company under Italian law under the name of Gi INTERNATIONAL S.R.L. with its registered office in Milan ("Investor"), on the basis of which the Borrower and the Investor undertook, among other things, to take all actions in order to carry out the Transaction as a result of which, among other things, restructuring of the Lenders' receivables from the Credit Agreement and their partial repayment, taking into account the changes accepted by the Lenders, is envisaged; the Company informed about the conclusion of this agreement in current report no. 12/2020.

Pursuant to the Annex, among other things, there was an extension of the current deadline (24 April 2020) until 30 April 2020, for the payment of bridge financing in the amount of PLN 12,500,000 by the Investor to the Borrower or its on terms satisfactory to the Lenders; failure to meet this deadline constitutes an event classified a Breach of the Credit Agreement. The Annex also modifies the terms and conditions of interest payment, on the amounts of the used Credit, subject to the payment of the bridge financing indicated above.

### **Conclusion by the Issuer of a preliminary agreement with crediting banks covering arrangements related to the terms and conditions of debt restructuring of the Issuer**

On 24 April 2020 the preliminary agreement concerning Restructuring (the "Settlement") was concluded between the Company and the Banks (the „Parties”).

The Settlement contains arrangements as to the terms and conditions of the Restructuring, covering primarily partial repayment and partial reduction of the Company's receivables from the Banks under the credit agreement of 18 November 2015 between the Company and the Banks. (subsequently amended by annexes) ("Credit Agreement"), in the amount of PLN 110,350,000.00 (the "Existing Debt Towards Banks") by 50% in the scope of the main claim, i.e. up to the amount of PLN 55,175,000.00 ("Repayment Amount") on terms and conditions agreed with each of the Banks (the "Reduction").

The Reduction will be carried out on the basis of an agreement between the Company and Banks, regulating the detailed conditions and mode of Restructuring, which the Company and Banks will prepare and negotiate in connection with the signed Settlement in the coming days (the "Agreement") and after meeting in particular the following conditions precedent in force of the Agreement:

- a) acquisition by the Investor of at least 50% of the Company's shares plus one Company share,
- b) repayment by the Company and its Polish subsidiaries their due liabilities to the Tax Office and the Social Insurance Institution (ZUS) as a result of payments by the Investor of agreed financing (excluding, however, liabilities covered by the agreement with ZUS),
- c) total repayment or purchase by the Company or the Investor or an entity related to the Company or the Investor of the Company's bonds of the SHB, W, X and Z series or redemption of the Company's obligations towards the bondholders of these bonds (where the repayment level or purchase price will not be higher than 30%, subject to the SHB series bonds, in which case total repayment is allowed),
- d) granting by Gi Group S.p.A. a company formed in accordance with Italian law, based in Milan, ("Guarantor") for each of the Banks, a conditional surety under Polish law, enforceable in the Italian Republic ("Guarantee") as collateral for repayment to Banks Amount of Repayment with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the Guarantor and the Banks).

Pursuant to the Settlement, the deadline for the fulfilment of conditions precedent and entry into force of the Agreement will be July 31, 2020.

The Repayment Amount will be payable to the Banks in equal quarterly instalments, and its repayment has been spread over three years, with the first payment to be made by 30 September 2020, and the last by 30 June 2023.

Interest on the Repayment Amount will be charged at WIBOR 3M + 200 bps per year.

Pursuant to the Settlement, the Agreement will also contain a number of provisions making the Company's obligations towards the Banks under the Credit Agreement more flexible, including a modified catalog of violations that may result in the obligation to repay the Repayment Amount early and the Company's obligations towards the Banks.

In addition, according to the Settlement, after the Guarantor has granted the Guarantee, Banks will be obliged to release most of the collaterals established for the benefit of the Banks under the Credit Agreement, with the exception of pledges on the shares of ProHuman 2004 Kft, which will be maintained until the loans are repaid.

### **Expressing consent by the Company's Supervisory Board to a transaction within the meaning of the Investment Agreement**

On 24 April 2020 the Company's Supervisory Board adopted a resolution approving the transaction specified in the investment agreement concluded between the Company Gi INTERNATIONAL S.R.L., wholly owned by Gi Group SpA ("Investor") on February 13, 2020 ("Investment Agreement").

Obtaining the consent of the Company's Supervisory Board for the transaction is one of the conditions precedent to the transaction with the Investor, set out in the Investment Agreement.

### **Expressing consent by the antitrust authority in Czech Republic to take over control the Company by the Investor**

On 24 April 2020 the Management Board of Work Service S.A. ("Issuer" or "Company"), with reference to the Current Report No. 12/2020, 12/2020/K, 14/2020 and 20/2020 hereby informs that the Company received information that the antitrust authority in Czech Republic has given its consent to take over control the Company by Gi INTERNATIONAL S.R.L., wholly owned by Gi Group SpA ("Investor").

Obtaining the consent of the relevant antimonopoly authorities for the Investor to take control over the Company and its affiliates is one of the conditions precedent to the transaction with the Investor, set out in the investment agreement concluded between the Company and the Investor on 13 February 2020.

### **Conclusion of the installment arrangement with the Social Insurance Institution (ZUS) by the Issuer and its subsidiary**

On 23 April 2020, the Work Service S.A. entered into installment agreement with ZUS concerning outstanding social security contributions (including relevant interest) of PLN 60,793,747.64. Also, Issuer's subsidiary – Industry Personnel Services Sp. z o.o. with registered office in Wrocław ("IPS") entered into installment arrangement with ZUS concerning outstanding social security contributions (including relevant interest) of PLN 10,065,383.60 as well.

According to installment arrangements, social security contributions shall be paid in 48 installments starting from June 2020 to May 2024 in the case of the Issuer and in 48 installments starting from March 2020, to February 2024 in the case of IPS. The repayment plan includes periods with lower installments to be financed from the current cash flows and periods with relatively higher installments, which in accordance with the assumptions of the Issuer and IPS, will be financed from funds obtained under projects resulting from the results of the review of strategic options.

One of the conditions for the installment arrangements to be binding is to regulate current payments to ZUS without delay.

### **Expressing consent by the antitrust authority in German to take over control the Company by the Investor**

On 17 April 2020 the Management Board of Work Service S.A. ("Issuer" or "Company"), with reference to the Current Report No. 12/2020, 12/2020/K, 14/2020 and 20/2020 hereby informs that the Company received information that the antitrust authority in German has given its consent to take over control the Company by Gi INTERNATIONAL S.R.L., wholly owned by Gi Group SpA ("Investor").

Obtaining the consent of the relevant antimonopoly authorities for the Investor to take control over the Company and its affiliates is one of the conditions precedent to the transaction with the Investor, set out in the investment agreement concluded between the Company and the Investor on 13 February 2020.

### **Expressing consent by the antitrust authority in Poland to take over control the Company by the Investor**

On 9 April 2020 the Management Board of Work Service S.A. ("Issuer" or "Company"), with reference to the Current Report No. 12/2020, 12/2020/K and 14/2020 hereby informs that the Company received information that the President of the Office of Competition and Consumer Protection has given its consent to take over control the Company by Gi INTERNATIONAL S.R.L., wholly owned by Gi Group SpA ("Investor"). The decision of the Polish antitrust authority to consent to the Investor taking over control of the Company was issued on April 9, 2020. Obtaining the consent of the relevant antimonopoly authorities for the Investor to take control over the Company and its affiliates is one of the conditions precedent to the transaction with the Investor, set out in the investment agreement concluded between the Company and the Investor on 13 February 2020.

### **Termination of the call option and fulfillment of the condition precedent under the Investment Agreement**

On 6 April 2020, the Issuer has terminated the call option with respect to all shares of Prohumán 2004 Kft. ("Prohumán"), owned by the Issuer, representing 80.22% of the share capital of Prohumán ("Call Option"). The Call Option was granted by the Issuer to

Human Investors Kft. ("HI") or another entity designated by Human Investors Kft. pursuant to a call option and co-operation agreement ("Agreement") concluded between the Company, HI, Profólió Projekt Tanácsadó Kft. ("Profólió") and Prohumán on 3 July 2019. The Issuer informed about the conclusion of the Agreement and the establishment of the Call Option in current report No. 56/2019. According to the Agreement, the process of sale of Prohumán by HI under the Call Option was to be completed by 31 March 2020, with a possibility of extension of this deadline, under the terms of the Agreement. Since the conditions for such extension have not materialised, the Issuer had the right to terminate the Call Option until 30 April 2020 which right was therefore exercised by the Issuer. For the event of termination of the Call Option the Parties have also agreed in the Agreement the terms and conditions for a sale process of Prohumán to be managed by the Issuer. Therefore, as of today, the Issuer is entitled to exclusively manage the sale of 100% of the quotas of Prohumán held by the Company and Profólió with the purchase price of the Profólió quota set in the Agreement. The lack of extension of the Call Option period was one of the conditions precedent of the investment agreement concluded on 13 February 2020 between the Issuer and Gi International S.r.l., fully owned by Gi Group S.p.A. In connection with the above, the 3rd (third) Condition Precedent indicated in current report no. 12/2020 was fulfilled.

#### **Conclusion by the Issuer of the Annex No. 6 to the Loan Agreement of 18 November 2015**

On 6 April 2020 the Work Service S.A. concluded with Bank BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders") an Annex No. 6 ("Annex") to the loan agreement of 18 November 2015 ("Loan Agreement").

Pursuant to this Annex, among other things, the Final Payment Date of the loans was extended to 31 July 2020. The purpose of signing the Annex is to enable the Company and Lenders to complete ongoing advanced negotiations on the long-term restructuring of the Company's debt and to conclude another annex to the Loan Agreement regarding changes to the material terms of the Loan Agreement.

Together with conclusion of the Annex, the Company has finalised working negotiations with the Lenders on commercial and legal conditions of the long-term restructuring of the Loan Agreement ("Term Sheet"). Commercial terms of the Term Sheet are fully consistent with result of negotiations. Further restructuring of the Loan Agreement requires currently obtaining final credit and corporate approvals, then signing the Term Sheet and agreeing on full legal documentation implementing the restructuring of the Loan Agreement.

## Other information

**1. Information about changes in the structure of the business entity, including changes resulting from the merger of business entities, acquisition or sale of Capital Group entities, long-term investments, division, restructuring and cessation of operations**

There were no changes in the structure of the business entity in 1Q 2020.

**2. Director's position regarding the feasibility of previously published forecasted results for the year in the light of results presented in the Q1 report in comparison with forecasted results.**

The Company did not publish forecasts for 2020.

**3. Shareholders directly or indirectly through subordinated entities holding at least 5% of the total number of voting rights at the general meeting as at the submission date of the report for Q1 2020 with an indication of the number of shares held by such entities, their share in equity, the number of resulting voting rights and share in the total number of voting rights at the general meeting, indication of changes in the ownership structure of significant blocks of shares of the Company after the submission of the previous quarterly report.**

As at the date of this report, no preferred shares entailing voting rights or dividend were issued. All shares of the Dominating Entity are ordinary shares. The equity of Work Service SA amounts to PLN 6,559,063.80 divided into:

- 750,000 series A shares with the nominal value of 10 grosz each,
- 5,115,000 series B shares with the nominal value of 10 grosz each,
- 16,655,000 series C shares with the nominal value of 10 grosz each,
- 100,000 series D shares with the nominal value of 10 grosz each,
- 100,000 series E shares with the nominal value of 10 grosz each,
- 7,406,860 series F shares with the nominal value of 10 grosz each,
- 2,258,990 series G shares with the nominal value of 10 grosz each,
- 9,316,000 series H shares with the nominal value of 10 grosz each,
- 1,128,265 series K shares with the nominal value of 10 grosz each,
- 5,117,881 series L shares with the nominal value of 10 grosz each,
- 12,000,000 series N shares with the nominal value of 10 grosz each,
- 91,511 series P shares with the nominal value of 10 grosz each,
- 5,000,000 series S shares with the nominal value of 10 grosz each,
- 55,316 series T shares with the nominal value of 10 grosz each,
- 171,750 series R shares with the nominal value of 10 grosz each,
- 225,750 series U shares with the nominal value of 10 grosz each,
- 98,315 series W shares with the nominal value of 10 grosz each.

The shareholding structure as at the compilation date of this report considering all notifications received by Work Service SA in the mode of art. 69 clause 1 sub-clause 1 of the act on public offering and the conditions of the introduction of financial instruments to an organised trade system and about public companies is presented in the table below.

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes
WorkSource Investments S.a.r.l.	13 714 286	20,91%	13 714 286	20,91%
Central Fund of Immovables Sp. z o.o.	11 009 200	16,78%	11 009 200	16,78%
ProLogics (UK) LLP London	10 466 200	15,96%	10 466 200	15,96%
Tomasz Misiak	9 553 961	14,57%	9 553 961	14,57%
Hanczarek Tomasz	3 336 420	5,09%	3 336 420	5,09%
MetLife PTE S.A.	3 254 743	5,00%	3 254 743	5,00%
Others	14 255 828	21,73%	14 255 828	21,73%
<b>Total</b>	<b>65 590 638</b>	<b>100,00%</b>	<b>65 590 638</b>	<b>100,00%</b>

#### 4. Summary of the volume of shares of the Company held or rights to such shares held by managers and supervisors of the Company as at the submission date of the report for Q1 2020 with an indication of changes of holding after the submission of the previous report, separately for each person.

The summary of the volume of shares of the Company held or rights to such shares held by managers and supervisors of the Company as at the submission date of the report for Q1 2020 with an indication of changes of holding after the submission of the previous report, separately for each person.

	As at the publication date of statements for Q1 2020	Change in holdings — acquisition/ (disposal)	As at the publication date of this report	Nominal value of shares held (in PLN) as at the date of publication of this report
Iwona Szmitkowska — President of the Board of the Directors	0	0	0	0
Jarosław Dymitruk – Vice-President of the Board of Directors	14 562	0	14 562	1 456,20

#### 5. Indication of proceedings pending before a court, arbitration body or public administration agency

At present, some of the Group companies are the subject of administrative proceedings for reimbursement of the PFRON funding. The value of the provision, estimated and created in the first quarter of 2020 on this account, is PLN 16 million. The Companies appealed against the clerical decisions and referred the matter to court.

#### 6. Information about the conclusion, by the Company or its subordinated entity, of one or more transactions between related entities if, individually or jointly, they are material and were executed on terms other than at arm's length

The Company did not execute any transactions with related entities in Q1 2020 that would be material individually or jointly and, at the same time, executed on terms other than at arm's length.

**7. Information about the issue of loan or credit guarantees or the issue of warranties by the Company or its subordinated entity jointly to a single entity or subordinated entity of that entity if the total value of existing guarantees or warranties equals at least 10% of the Company's equity.**

No.	Surety on behalf of	Promissory note beneficiary	Surety subject	Agreement date	Agreement expiry date	Amount covered by the surety (gross)
1.	Sellpro Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	14 300 000,00
2.	Finance Care Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	14 300 000,00
3.	Industry Personnel Services Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 19.10.2015	Indefinite period	14 300 000,00
4.	Work Express Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	Annex increasing the limit of 19.10.2015	Indefinite period	14 300 000,00
5.	Outsourcing Solutions Partner Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	Annex extending the term of the limit of 7.11.2016	Indefinite period	14 300 000,00
6.	Industry Personnel Services Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 4.12.2018	Indefinite period	14 000 000,00
7.	Sellpro Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 4.12.2018	Indefinite period	14 000 000,00
8.	Finance Care Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 4.12.2018	Indefinite period	14 000 000,00
9.	Work Express Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 14.05.2019	Indefinite period	14 000 000,00
10.	Outsourcing Solutions Partner Sp. z o.o.	Bibby Financial Services Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 29.05.2019	Indefinite period	14 000 000,00
11.	Work Express Sp. z o.o.	BNP Paribas Faktoring Sp. z o. o.	Amount receivable under a factoring agreement	The factoring agreement of 02.09.2014	Indefinite period	5 200 000,00
12.	Work Express Sp. z o.o.	Coface Poland Faktoring Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 10.06.2019	Indefinite period	20 000 000,00
13.	Outsourcing Solutions Partner Sp. z o.o.	Coface Poland Faktoring Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 10.06.2019	Indefinite period	20 000 000,00
14.	Sellpro Sp. z o.o.	Coface Poland Faktoring Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 07.08.2018	Indefinite period	20 000 000,00
15.	Industry Personnel Services Sp. z o.o.	Coface Poland Faktoring Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 07.08.2018	Indefinite term	20 000 000,00
16.	Work Service International Sp. z o.o.	Coface Poland Faktoring Sp. z o.o.	Amount receivable under a factoring agreement	The factoring agreement of 10.06.2019	Indefinite term	20 000 000,00



## 8. Changes of contingent liabilities or contingent assets after the end of the last annual reporting period

### Contingent liabilities

Title of contingent liability	Type of collateral	31.03.2020	31.12.2019	change
Loan collateral	surety		360 000 000,00	
	Statement of voluntary submission to the execution, art. 777		66 210.000,00	
	registered pledge on assets		277 500.000,00	
Lease collateral	blank promissory note with a blank promissory note agreement		4 621 782,30	
Performance guarantee	surety		3 000 000,00	
Commitment to purchase additional Pro Humana shares from Portfolio	-		86 000 000,00	

## 9. Information about material changes of estimates including adjustments due to provisions, deferred income tax provision and assets mentioned in the accounting act and the introduced asset revaluations.

In the third quarter of 2019, a provision was created for the possible reimbursement to PFRON in the amount of PLN 16 million. This amount was charged to the previous years' result. Apart from the issue described above, in the first quarter of 2020 there were no significant changes in estimates, including significant adjustments to provisions as well as deferred tax assets and liabilities referred to in the Accounting Act, and no significant write-downs on assets were made, except for the application of IFRS 9.

## 10. Other information that the Company considers material for the evaluation of the staffing situation, economic and financial position, financial result and their changes and the information material for the evaluation of the possibility of fulfilment of obligations by the Company

The Group does not identify factors or information material for the evaluation of the staffing situation, economic and financial position in Q1 2020 other than:

- the current general situation of the Group (including the Company) presented in section 1.2 of the Summary Interim Quarterly Report for Q1 2020;
- achievements and failures described in section 1 of the explanation of the Capital Group Interim Report for Q1 2020;
- changes of the Board of Directors introduced during the financial year.

## 11. Factors that, in the opinion of the Company, will influence its results at least in the next quarter of the year

Section 1.2 of the Summary Interim Quarterly Report for Q1 2020 presents material actions that can materially influence results generated in the future.

## 12. Amounts and type of positions influencing assets, liabilities, equity, net result or cash flows that are untypical due to their type, value or frequency

No factors other than ones mentioned below, influencing assets, liabilities, equity, net result or cash flows, untypical due to their type, value of frequency were identified in Q1 2020.

IFRS 16 implementation as of the date of its coming into force, i.e. as of January 1, 2019. Effects of the implementation were presented in note 3 "Applied accounting rules".

## 13. Information about revaluations of inventories to the attainable net value and reversal of related write-offs.

The Group identified no need to post inventory revaluations in Q1 2020.

#### 14. Information about write-offs revaluating the value loss of financial assets, tangible assets, intangible assets or other assets and the reversal of such write-offs.

The parent company did not make any revaluation write-offs in Q1 2020, except for adjustments, resulting from changes in exchange rates.

##### WSSA data

##### Revaluation write-offs for receivables

	01.01.2020 - 31.03.2020	01.01.2019 - 31.12.2019	01.01.2019 - 31.03.2019
<b>Balance at the beginning of the period</b>	<b>26 361 799,59</b>	<b>22 630 967,46</b>	<b>22 630 967,46</b>
Impairment loss recognised as expense during the period	-	19 277 538,45	-
Reversed impairment losses recognised as revenue in the period (-)	-	15 546 706,32	2 495 686,79
Write-offs used (-)	51 534,50	-	-
Other changes (net exchange differences on translation)	-8 972.94	-	-
<b>Balance at the end of the period</b>	<b>26 319 238.03</b>	<b>26 361 799,59</b>	<b>20 135 280,67</b>

##### Revaluation write-offs for loans

	01.01.2020 - 31.03.2020	01.01.2019 - 31.12.2019	01.01.2019 - 31.03.2019
<b>Balance at the beginning of the period</b>	<b>25 637 030,91</b>	<b>11 619 942,86</b>	<b>11 619 942,86</b>
Impairment loss recognised as expense during the period	-	14 017 088,05	-
Reversed impairment losses recognised as revenue in the period (-)	106 761.46	-	-
Write-offs used (-)	-	-	-
Other changes (net exchange differences on translation)	-	-	-
<b>Impairment write-offs at the end of the period</b>	<b>25 512 323.57</b>	<b>25 637 030,91</b>	<b>11 619 942,86</b>

##### Revaluation write-offs for shares

	01.01.2020 - 31.03.2020	01.01.2019 - 31.12.2019	01.01.2019 - 31.03.2019
<b>Balance at the beginning of the period</b>	<b>107 798 274,60</b>	<b>0,00</b>	<b>0,00</b>
Impairment loss recognised as expense during the period	-	107 798 274,60	-5 000,00
Reversed impairment losses recognised as revenue in the period (-)	-	-	-
Write-offs used (-)	-	-	-
Other changes (net exchange differences on translation)	-	-	-
<b>Impairment write-offs at the end of the period</b>	<b>107 798 274,60</b>	<b>107 798 274,60</b>	<b>-5 000,00</b>

##### Consolidated data

	01.01.2020 - 31.03.2020	01.01.2019 - 31.12.2019	01.01.2019 - 31.03.2019
<b>Balance at the beginning of the period</b>	<b>30 918 918,14</b>	<b>16 190 687,10</b>	<b>16 190 687,10</b>
Impairment loss recognised as expense during the period	-	14 728 231,04	-
Reversed impairment losses recognised as revenue in the period (-)	-	-	-
Write-offs used (-)	-	-	-
Other changes (net exchange differences on translation)	-	-	-
<b>Impairment write-offs at the end of the period</b>	<b>30 918 918,14</b>	<b>30 918 918,14</b>	<b>16 190 687,10</b>

## 15. Information about the establishment, increase, utilisation and release of provisions

Change of provisions (CG Work Service)	31.12.2019	Increases	Utilisation	Reversal	31.03.2020
<b>Provisions for liabilities:</b>	<b>40 642 999,62</b>	<b>4 557 656,77</b>	<b>1 701 084,25</b>	<b>88 165,37</b>	<b>43 411 406,78</b>
1. Provision for deferred income tax	3 868 849,44	-	-	88 165,37	3 780 684,07
2. Provision for retirement	11 556 757,32	19 290,52	1 701 084,25	-	9 874 963,59
- long-term	279 607,53	19 290,52	-	-	298 898,05
- short-term	11 277 149,79	-	1 701 084,25	-	9 576 065,54
3. Other provisions	25 217 392,86	4 538 366,25	-	-	29 755 759,11
- long-term	1 228 390,43	-	-	-	1 228 390,43
- short-term	23 989 002,43	4 538 366,25	-	-	28 527 368,68

Change of provisions (microdata)	31.12.2019	Increase	Utilisation	Reversal	31.03.2020
Provision for deferred income tax	2 568 813,63	-	-	-	2 568 813,63
Provision for unused leaves	651 462,99	-	-	-	651 462,99
Other provisions	12 433 829,52	-	574 633,03	372 414,57	11 486 781,92
<b>Total</b>	<b>15 654 106,14</b>	<b>-</b>	<b>574 633,03</b>	<b>372 414,57</b>	<b>14 707 058,54</b>

## 16. Information about deferred income tax provisions and assets

No significant changes in deferred income tax provisions or assets in Q1 2020.

Consolidated data	as at 31.03.2020	as at 31.12.2019
Deferred tax assets	54 415 193,61	54 603 298,46
Deferred income tax liabilities	3 780 684,07	3 868 849,44

Work Service S.A. microdata	as at 31.03.2020	as at 31.12.2019
Deferred tax assets	47 954 420,82	47 954 420,82
Deferred income tax liabilities	2 568 813,63	2 568 813,63

## 17. Information about material transactions involving the purchase and sale of tangible assets

No material acquisitions or sales of tangible assets occurred in Q1 2020.

## 18. Information about the material liability due to the purchase of tangible assets

No material liabilities due to the purchase of tangible assets exist as at March 31, 2020. Material changes in financial liabilities occurred in connection with the implementation of IRFS 16.

## 19. Information about material settlements due to litigation

No material settlements due to litigation occurred in Q1 2020.

## 20. Adjustments of errors of previous periods

No adjustments of errors of previous periods in Q1 2020.

## **21. Information about changes of the economic situation and business conditions materially influencing the fair value of financial assets and financial liabilities of the entity**

In the first quarter of 2020, the Head of the Lower Silesian Customs and Tax Office in Wrocław began to audit the CIT settlement for 2017 at Work Service SA. At the time of publication of the report, the audit is not complete and the results cannot be estimated.

## **22. Information about the failure to repay credit or loan or about the violation of material provisions of a credit or loan agreement for which no remedial steps were taken till the end of the reporting period**

### **Signing of Annex No. 8 to the Loan Agreement of 18 November 2015 and other documents specified in the Restructuring Agreement**

On 9 July 2020 the Company concluded with BNP Paribas Bank Polska S.A., Bank Millennium S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. ("Lenders" or "Banks") an Annex No. 8 ("Annex") to the Loan Agreement of 18 November 2015, of which the Company informed in current report No. 43/2015 ("Loan Agreement"). The conclusion of previous annexes to the Loan Agreement concerned, among others, current reports no. 34/2017, no. 7/2018, no. 82/2018, no. 86/2018, no. 15/2020, no. 17/2020 and no. 28/2020.

The Annex introduces to the Loan Agreement the provisions defined in the cooperation agreement in the scope of debt restructuring, the conclusion of which the Company informed in current report no. 42/2020 ("Restructuring Agreement"), in particular the principles and scope of repayment of the Company's receivables due to the Banks under the Loan Agreement in the principal amount of approximately PLN 110,350,000.00 ("Existing Bank Debt") up to an amount corresponding to 50% of the principal amount (the "Repayment Amount"), as well as, among others, reduction of the whole part of interest on the principal amount deferred under the Loan Agreement.

Amendments to the Loan Agreement defined in the Annex come into force on the date of fulfilment of all conditions precedent specified in the Restructuring Agreement ("Day of Entry into Force"). Furthermore, on the Day of Entry into Force, the Lenders shall release the collaterals established for the benefit of the Lenders by each of the Guarantors (within the meaning of the Loan Agreement), and the Guarantors shall cease to be parties to the Loan Agreement.

Moreover, the Company also informs that the following documents related to the Restructuring Agreement have been signed today: i.e.

(a) Gi Group S.P.A. ("New Guarantor") and the Banks have concluded a conditional guarantee under Polish law, enforceable in the Italian Republic ("Surety Agreement"), constituting a collateral for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks);

(b) The New Guarantor has submitted statements of voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code for the benefit of each Bank and a similar document under Italian law agreed with the Banks ("New Guarantor's Statements"); and

(c) The Company has submitted for the benefit of the Banks statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements"). At the same time, the Issuer informs that in connection with the conclusion of the Annex and the Surety Agreement and submission of the New Guarantor's Statements and the Company's Statements, some of the conditions precedent to the entry into force of the Restructuring Agreement have been fulfilled, of which the Company informed in current report no. 42/2020.

### **Conclusion of a cooperation agreement on debt restructuring between the Company and the Issuer's lending banks**

On 9 July 2020 negotiations between the Company, GI Group S.P.A. and the Banks, concerning the detailed documentation specifying the conditions for the restructuring of the Issuer's debt to the Banks resulting from the credit agreement of 18 November 2015, have been completed, with later amendments, concluded between, among others, the Banks and the Company ("Loan Agreement") ("Restructuring Agreement").

As a result of the implementation of the Restructuring Agreement, the target debt restructuring shall be carried out on the basis of a partial agreement, which the Company and the Banks plan to conclude in subsequent weeks or months as part of the procedure to approve the agreement within the meaning of the Restructuring Law ("Agreement").

The Restructuring Agreement shall provide for partial repayment and partial reduction (haircut) under the Agreement of the Bank's receivables towards the Company under the Loan Agreement in the amount of the principal receivable of approximately PLN 110,350,000.00 ("Existing Bank Debt") to the amount corresponding to 50% of the principal receivable ("Repayment

Amount"), as well as, among others, redemption of the whole of interest on the principal receivable under the Loan Agreement. The Repayment Amount shall be repaid by the Company to the Banks in amounts corresponding to quarterly instalments in accordance with a fixed repayment schedule, whereby the first payment shall take place by 30 September 2020 and the last by 30 June 2023. Interest on the Repayment Amount will be charged in the amount of WIBOR 3M + 200 bps per year.

The Restructuring Agreement shall enter into force upon fulfilment of in particular the following conditions precedent ("Conditions Precedent"):

(a) conclusion by GI Group S.P.A. ("New Guarantor") with each of the Banks a conditional surety under Polish law, enforceable in the Italian Republic ("Surety Agreement") as security for the repayment due to the Banks of the Repayment Amount together with interest, commissions and other incidental claims (on the terms and conditions set out in a separate document agreed between the New Guarantor and the Banks;

(b) conclusion of an Annex no. 8 to the Loan Agreement, introducing the principles and scope of repayment set out in the Restructuring Agreement ("Annex no. 8");

(c) the Investor's acquisition of at least 50% of the Company's shares plus one Company share;

(d) the settlement by the Company and its Polish subsidiaries of their due liabilities to the Tax Office and the Social Insurance Institution (ZUS) on the basis of the agreed financing provided by the Investor or conclusion by the Company and its Polish subsidiaries with the Tax Office or the Social Insurance Institution (ZUS) of arrangements with respect to unpaid public-law liabilities;

(e) repayment with redemption or purchase at a discount of the Company's Series SHB, W, X and Z bonds, where the amount of repayment or purchase price shall not be higher than 30% of their nominal value, subject to the SHB series bonds, in which case full repayment shall be allowed,

(f) confirmation by the New Guarantor the entry into force of the Surety Agreement and submission of a statement on voluntary submission to enforcement under Article 777 of the Civil Procedure Code for the benefit of each Bank ("New Guarantor's Statements") and a similar agreed document under Italian law;

(g) presentation to the Banks by the Investor or an entity from the Investor's group to prove that the Investor has sufficient funds to finance the acquisition of shares in the Company and to provide the Company and its subsidiaries with financing;

(h) no unagreed amendments to the Investment Agreement, material breach, invalidity, termination or other withdrawal by the Investor from transactions provided for in the Investment Agreement;

(i) submission by the Company in favour of the Banks of statements on voluntary submission to enforcement pursuant to Article 777 of the Civil Procedure Code up to the amount of 150% of the Existing Bank Debt ("Company's Statements").

The Restructuring Agreement specifies a catalogue of circumstances allowing for its termination by the Banks at various stages of the restructuring process, e.g. in the event of failure to comply with all Conditions Precedent by a specified date. Moreover, under the terms and conditions agreed in the Restructuring Agreement, the Company, in specific circumstances, may be obliged to pay to the Banks an additional commission or contractual penalty in case of sale of shares in ProHuman 2004 Kft, as well as to make an early repayment of the remaining Repayment Amount.

The Restructuring Agreement also specifies the Company's obligations and liabilities due to the Banks under the Loan Agreement, including a modified (in the Company's opinion significantly reduced and more flexible) catalogue of breaches that may lead to an obligation to repay the Repayment Amount early.

Following the entry into force of the Restructuring Agreement, the Banks' receivables under the Loan Agreement will be secured by a surety established on the basis of the Surety Agreement (together with the New Guarantor's Statements), a pledge on shares in ProHuman 2004 Kft and the Company's Statements ("Collaterals"). After that date, the Banks shall be obliged to release all other collaterals established for the benefit of the Banks under the Loan Agreement, including in particular collaterals of subsidiaries and pledges on their shares and assets.

### **Concluding by the Issuer of Annex no. 1 to the Investment Agreement and extension of the deadline for payment of bridge financing**

On 30 June 2020, the Company and the Investo Gi International S.R.L concluded the Annex no. 1 to the Investment Agreement, pursuant to which the final date for the fulfilment of all Conditions Precedent specified in the Investment Agreement and the final date for closing the transaction with the Investor was extended to 31 July 2020.

Simultaneously, on 30 June 2020 the Banks agreed to conclude the Annex and to pay out the Bridge Financing after 30 June 2020, but not later than 31 July 2020.

**23. Information about the conclusion, by the Company or its subordinated entity, of one or more transactions between related entities if, individually or jointly, they are material and were executed on terms other than at arm's length**

The Group did not execute any transactions with related entities in Q1 2020 that would be individually or jointly material and, at the same time, executed on terms other than at arm's length.

The table below presents the summary of balances between Work Service S.A. and companies belonging to the Work Service Capital Group:

	IPS	KAR	FC	WSI	SEL	CLEAN	KCP	fiegSPV	skWS	skoutWS
Revenue	183 683,1	47 050,3	182 028,1	2 390 432,3	2 559 553,8	13 119,9	122 215,6	2 389 783,0	6 991,0	0,00
Costs	2 771 927,5	0,00	6 408,6	1 414 095,5	1 256 207,0	1 544 035,9	1 851 052,1	-571 959,5	-285,0	0,00
Receivables	0,00	4 400 679,7	0,00	9 170 239,6	0,00	0,00	4 203 240,1	53 425 212,4	157 562,6	0,00
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	27 667 349,7	0,00	2 537 956,9	0,00	65 512 091,0	5 316 283,6	0,00	0,00	9 154,7	0,00
Borrowings granted	0,00	4 099 975,3	0,00	838 046,4	0,00	0,00	4 203 240,1	41 889 851,3	16 488,5	0,00

	skWSK	czWS	ger24WS	fiegGP	fiegWS	fiegOUT	fiegKG	fiegWSF	gerKON	antGER
Revenue	162 860,5	1 130,4	776 610,3	0,00	93 047,6	0,00	3 821 197,4	0,00	0,00	0,00
Costs	-24 730,1	-653,0	20 314,2	0,00	704,0	0,00	258 425,3	0,00	0,00	0,00
Receivables	2 906 633,5	54 031,2	0,00	0,00	0,00	0,00	3 113 466,6	0,00	0,00	0,00
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	20 539,4	1 188 179,4	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Borrowings granted	0,00	13 061,3	0,00	0,00	0,00	0,00	3 113 466,6	0,00	0,00	0,00

	antSK	presWS	presLOG	presOSP	humPRO	humOUT	humEXI	natSLV	natCR	humHR
Revenue	0,00	323 471,3	89 346,0	82 640,0	792 123,6	0,00	0,00	-50 713,0	0,00	0,00
Costs	0,00	1 225 643,3	1 543,3	231,0	754 088,5	0,00	0,00	898 469,0	0,00	0,00
Receivables	78 905,0	1 636 035,3	235 874,0	971 277,7	24 713,2	0,00	0,00	0,00	0,00	0,00
Long-term liabilities	0,00	0,00	0,00	0,00	53 204 725,3	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	388 924,4	369 318,0	6 645,6	231,0	-2 892 456,6	0,00	0,00	10 923 522,4	0,00	0,00
Borrowings granted	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

	humFIE	humFC	rsAPT	hrAPT	bAPT	fbAPT	ukr2WS
Revenue	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Costs	0,00	0,00	0,00	0,00	0,00	0,00	8 920,0
Receivables	0,00	0,00	0,00	0,00	0,00	0,00	55 643,9
Long-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Short-term liabilities	0,00	0,00	0,00	0,00	0,00	0,00	4 420,0
Borrowings granted	0,00	0,00	0,00	0,00	0,00	0,00	0,00



# Glossary – Work Service Capital Group Companies

ABBREVIATION	NAME
WSSA	Work Service S.A.
IPS	Industry Personnel Services sp. z o.o.
ANT	Antal Sp. z o.o.
FC	Finance Care Sp. z o.o.
WSI	Work Service International Sp. z o.o.
SEL	Sellpro Sp. z o.o.
CLEAN	WS Support Sp. z o.o.
KCP	Krajowe Centrum Pracy Sp. z o.o.
KAR	Kariera.pl Sp. z o.o.
fiegSPV	Work Service SPV Sp. z o.o.
presWS	WorkExpress Sp. z o.o.
presBUS	Workbus Sp. z o.o.
presLOG	Support and Care Sp. z o.o.
presCL	Clean24h Sp. z o.o.
presOSP	Outsourcing Solutions Partner Sp. z o.o.
skWSK	Work Service SK s.r.o.
skWS	Work Service Slovakia s.r.o.
skoutWS	Work Service Slovakia Outsourcing s.r.o.
czWS	Work Service Czech s.r.o.
ger24WS	Work Service 24 GmbH
gerP24WS	WorkPort24 GmbH
gerKON	IT Kontrakt GmbH
humPRO	Prohuman 2004 Kft
humFC	Finance Care Hungar Kft
humHR	HR-Rent Kft
humFIE	Profield 2008 Értékesítés Támogató Kft.
humEXI	Human Existence Kft
humOUT	Prohuman Outsourcing Kft
fiegWSF	Work Service Fahrschuhe QC GmbH
fiegGP	Work Service GP GmbH
fiegWS	Work Service Deutschland GmbH
fiegOUT	Work Service Outsourcing Deutschland GmbH
fiegKG	Workservice GmbH & Co.KG
antGER	Enloyd GmbH
antCZ	Antal International s.r.o.(Czech Republic)
antSK	Antal International s.r.o. (Slovakia)
antHU	Enloyd Kft
bAPT	APT Broker s.r.l.
fbAPT	APT Finance Broker s.r.l.
hrAPT	APT Human Resources s.r.l.
rsAPT	APT Resources&Services s.r.l.
ukr2WS	Work Service East Lcc
natCR	Naton Ljudski potencial d.o.o.
natSLV	Naton kadrovsko-svetanoje d.o.o.

**24. Information about the change of the way (method) of fair value determination**

No changes of the way (method) of determination of the fair value of financial instruments at fair value occurred in Q1 2020.

**25. Information about a change of the classification of financial assets as a result of the change of purpose or utilisation of such assets.**

No changes in the classification of financial assets resulting from the change of purpose or utilisation of such assets occurred in Q1 2020.

**26. If the summary financial statements were audited or reviewed by an entity authorised to review financial statements the quarterly report will contain an opinion about the audit or a report from the summary financial statements, respectively**

The consolidated financial statements for Q1 2020 was not subject to an audit or review by an entity authorised to review financial statements.

The consolidated financial statements disclosed the information listed below referring to the summary individual financial statements of the Company:

- a) writing down of the value of inventories to the net value attainable and the reversal of such write-downs
- b) recognition of losses due to the value loss by financial assets, tangible assets, intangible assets, assets resulting from agreements with clients or other assets and the reversal of such losses due to value loss
- c) information about provisions,
- d) changes of business conditions and of the economic situation influencing the fair value of financial assets and financial liabilities of the entity irrespectively of whether these assets and liabilities are stated at fair value or at the amortised cost – note 21,
- e) the failure to repay a loan or violation of provisions of the loan agreement with regard to which no remedial steps were taken before or on the balance sheet date.

**PREPARED BY:**

.....  
**Anna Kropielnicka**  
Main Accountant

**SIGNATURES:**

.....  
**Iwona Szmitkowska**  
President of the Board of Directors

.....  
**Jarosław Dymitruk**  
Vice-President

.....  
**Marcus Preston**  
Vice-President