Questions to the Management Board before adoption of resolution on the increase of share capital

1. What part of the Financing specified in the Financing Agreement of 11 August 2020 (current report no. 54/2020 of 11 August 2020) and earlier in the Investment Agreement (current report no. 12/2020 of 13 February 2020 and its correction current report no. 12/2020/K of 13 February 2020), excluding the amounts indicated in the periodic report for the first half of 2020 of 30 September 2020, has already been started up - paid to the Company or used for direct repayment of existing debts?

Information on the tranches paid to the company under both the bridge agreements and the Financing Agreement are part of the financial statements. In the case of the report for the third quarter, this information is presented in point 1.2

2. Analysing the current reports, it can be established that the Investment Agreement was initially to be finalized by the end of June 2020, and then by the end of July 2020, and finally by 14 August 2020 (current reports: no. 12/2020 of 13 February 2020, no. 12/2020/K of 13 February 2020, no. 40/2020 of 30 June 2020 and 47/2020 of 31 July 2020), does this mean that the full amount of PLN 210,000,000.00 was made available to the Company or its subsidiaries on 14 August 2020? Has this amount thus been started up to the today's Ordinary Meeting?

On August 10, 2020, the Company concluded a financing agreement with the Investor ("Financing Agreement"). The Financing Agreement assumes that the Company will be granted financing in the total amount of PLN 210,000,000.00 (two hundred and ten million zlotys) ("Loan Amount") ("Financing"). Information on the tranches paid to the company under both the bridge agreements and the Financing Agreement are part of the financial statements. In the case of the report for the third quarter, this information is presented in point 1.2

3. If yes, for what other purposes than those indicated in the periodic report for the first half of 2020, were the remaining paid out funds be used and in what amount?

As announced in the financial statements in point 1.2, the financing will be provided to cover the Company's payment obligations, including repayment of the existing reduced debt to the Banks in the amounts indicated in the repayment schedule, as well as the repayment of the existing debt to the Social Insurance Institution, the Tax Office and PFRON. The tranches already granted financed, among others, bond repayment and part of transaction costs.

4. Why did the Company undertake in the Financing Agreement to increase the share capital by at least PLN 30,000,000.00 to the maximum amount of PLN 105,000,000.00? This means the creation of more than 300,000,000 shares to 1,050,000,000.00 shares, which at a price of PLN 0.39 for share gives 117,000,0000.00 to PLN 409,500,000.00 of recapitalisation. What is the economic purpose of such large emissions?

Actually, the total amount of new shares can range from 76.923.077 to 269.230.769 at a nominal value of 0,10 PLN per share but paid, according to Financing Agreement at 0,39 PLN. As reported in the financing agreement, the purpose is "To make the capital and financing structure of the Borrower more sustainable"

5. When these capital increases will take place? Are these deadlines indicated in the Financing Agreement?

The mentioned share capital increases may take place to improve the capital and financing structure of WS – dependent on the situation of WS. There are no hard deadlines for execution of these share capital increases. However, given the current situation of WS and the need to repay, among others, its debts resulting from the Bridge Loans extended by GI, WS asked GI in October to subscribe for shares in the increased share capital. The current share capital increase aims at relieving WS and at enabling WS to execute its obligations which will shortly fall due. Without GI's assistance, WS may not be able to service these debts which may put in danger the pending restructuring process of WS.

6. Are all increases made under the obligation resulting from the Financing Agreement to be made with the exclusion of pre-emptive rights of existing shareholders?

Not in general for all increases.
Only the capital increases at the price of PLN 0.39 are reserved solely for GI and subject by formal approval to the Extraordinary General Meeting of Shareholders with 80% majority.

7. Are the shares of new issues – those resulting from the increases indicated in the Financing Agreement –- to be directed exclusively to be acquired by G.I. International or entities related to or designated by that investor?

Not in general for all increases.
Only the capital increases at the price of PLN 0.39 are reserved solely for GI and subject by formal approval to the Extraordinary General Meeting of Shareholders with 80% majority.

8. Why does the Company want to waive 49% of its shareholders of their pre-emptive rights?

The Company has not deprived the shareholders from their rights. A reserved capital increase is subject to the approval of the extraordinary general meeting with 80% majority.

9. On what basis has the Management Board already set the price for shares of the new issue at the level of PLN 0.39? The lowest price per share over the last year was PLN 0.35 per share. This price was reached on one day, i.e. on 13 March 2020, when the market collapsed due to Covid 19. Later, during the restriction period, the price oscillated at PLN 0.4 per share, and from 8 July 2020, it successively increases. It maximally reached the level of even PLN 2.38 per share and at present it is ranging from PLN 0.87 per share to PLN 1.028 per share (last week's share price). Additionally, it should be noted that in accordance with the Position of the Management Board expressed in connection with the Call (position of the Management Board contained in current report no. 75/2020 of 9 September 2020), the price of shares from the Call in the amount of PLN 0.62 per share was assessed as the fair and market price. For this reason, the question arises: why, as of today, does the Company want to offer the majority shareholder

shares of the new issue at a price so much lower than the market price?

The price of 0,39 PLN per share was agreed in the Investment Agreement dated February 18, 2020 as a condition of providing funding that could have been converted in equity (as subsequently agreed in the Financing Agreement). The price reflected both market conditions at that time and specific conditions related to the overall investment of Gi International.

10. Is the currently planned increase of the share capital through the issue of series X shares the realization of obligations towards G.I. International from the Investment Agreement and the Financing Agreement?

Yes, it is. WS informed about it in its current report No. 54/2020.

11. Why is it now proposed to take up shares with the exclusion of pre-emptive rights in order to dilution, at PLN 0.39 per share, despite the fact that with the price of 0.62 proposed by the Management Board in September this year almost none of the minority shareholders decided to respond to the call and sale of shares (this was done by shareholders with 500 shares)?

The Company had already agreed to reserve to Gi International an increase of capital at 0,39 PLN per share, as indicated in the Financing Agreement dated August 10, 2020.

12. Why does the Company not have a valuation of the shares value made by an expert from a reputable company, but instead is based on the fairness opinion of an M&A transaction advisor?

Here the question presumably is referring to the Tender Offer price evaluation in September 2020. Blackwood are a London base advisor approved by FCA with a long-standing record of M&A in our industry, partnering with some of the major players in the HR world. Additionally, Blackwood has deep knowledge of Work Service having been their advisor in most of the sale processes in the last three years including the successful sale of the majority stake to GI. We think that they are a reputable company without doubt.

13. The Management Board stated that it has obtained a deferral of repayment of the loan amount due on 31 December 2020 to 31 March 2021. What was the form of the mentioned deferral? Has an annex to the Financing Agreement been concluded in this respect? Is this deferral conditional, provided the exclusion of pre-emptive rights in the currently proposed issue of X series shares?

The MB, considered the commitment taken in the Financing Agreement for a capital increase dedicated to Gi International, has been able to match this latter with a postponement of the first repayment of 30.000.000 PLN foreseen for December 31, 2020. The amendment to the Financing Agreement will be executed once new shares will be assigned to Gi International.

14. Will the new series X shares be covered by the actual payment of cash to the Company's account or by deducting mutual receivables, i.e. receivables for the payment for the acquisition

of shares with mutual receivables for the repayment of the Loan?

New shares will be paid cash

15. What will the funds from the X series share issue be used for? When does the company plan to receive them?

The Company expect to receive funds from the X series as soon as possible in order to fulfil current obligations. See also question nr 26

16. Did the Company determine what would be the cost of the issue of new series of shares with the pre-emptive right?

Considering the structure of the reserved capital increase it was not reputed necessary to take into consideration costs not related specifically to it.

17. Is the Company holding or has it held talks with the majority shareholder about withdrawal of the Company's shares from trading on the regulated market of the Warsaw Stock Exchange SA?

No talks at the moment are in place concerning the delisting of the Company between the Company and the majority shareholder.

18. What are the Company's results for the third quarter after removal of one-off events?

Information on unusual events is part of the financial statements. In the case of the report for the third quarter, this information is presented in point 1.2

19. How the Company's results are affected by the redemption of over PLN 85 million of credit and bond liabilities?

The report for the third quarter presents the impact of redemption of bonds on the financial result in point 1.2. Until the third quarter, no reduction in bank debt was recognized due to the ongoing restructuring process.

20. On the basis of what valuation did GI International acquired from the Company the entity Work Service Germany, valued at over PLN 60 million at the time of purchase and sold to GI International for 4 million?

In the financial report for 2019, the goodwill of the German business was written off (and the value of shares in Work Service SPV sp z o.o., which owned the German business). This was related to the test that showed low profitability and the ability to generate cash flows in the future, about which Work Service S.A. informed in the report for 2019. In particular, the write-off described above was affected by a significant deterioration of the financial situation and, consequently, a significant change in the financial forecasts for the current financial year and subsequent years. This state of affairs was mainly due to (i) the loss of a significant client from the logistics sector responsible for a significant

part of the German business of the WS group, (ii) reduced demand for services in Germany due to the slowdown in the local labor market, and iii) additionally due to the COVID-19 pandemic from 2020. Together, these factors radically changed the assessment of the economic and financial situation. In July 2020, the German business was sold to the Investor's group. The planned sale of German entities was one of the elements of restructuring activities carried out by Work Service within the Issuer's capital group and also the result of the planned investment of Gi Group into the Capital Group.
The final price was an equity value of 4ml PLN, and the investor took over the full debts towards the German Government and third parties and part of the intercompany debt for a total enterprise value of 17ml PLN. A questionable price for the investor’s Management Board but a step for which Work Service was grateful.

21. How does the Company intend to prevent a conflict of interest concerning persons sitting on the Supervisory Board of the Company and conducting activities competitive to the Company, described in current reports? What mechanisms have been established in the Company in order to limit the risk of customer flow between GI International and Work Service S.A.?

A plan is under evaluation to study potential synergies between the two companies in order to maximize efficiency and minimize potential internal competition. Details will be disclosed in due course.

22. What are the key provisions of the agreement for the use of IT systems, in particular what transfer prices have been set? Work Service S.A. has invested over PLN 30 million in the development of IT systems in Poland, while the GI International branch in Poland is a small entity without such solutions and thus less competitive.
What are the benefits for minority shareholders in this respect? How will this reduce Work Service's competitiveness against GI International companies in which GI International holds 100% of shares?

At the present stage, the possibilities of cooperation in various areas are analyzed, the aim of which would be to increase the effectiveness and the value of Work Service. No final decisions have been made at this stage.

23. What transactions have the Company and GI International been doing so far?

Information about transactions with Gi International regarding the financing provided is presented in the financial statements. Apart from the transactions of a financial nature, there were no other transactions.

24. What is the situation of Prohuman Work Service? At what stage are negotiations on the buyout of minority shareholders? Does the Company intend to accept the offer from minority shareholders to buy out its package of shares for over PLN 200 million?

The situation with Prohuman is ruled by the contracts signed by the Company well before Gi became the majority shareholder of the Company. These contracts state that there is an obligation for Work Service to start a sale process to sell the remaining 20% shares of Prohuman, in the hands of the minority shareholder Profolio, in 2021 for a fixed price of 86 ml PLN. In case this does not happen, Work Service has the obligation to buy this 20% for 86 ml PLN price to be paid in 2022. Truly there was an Option, in favour of a Hungarian investor, to buy the 80% stake of Work Service at around 200 ml PLN but the Option was not exercised and expired in 2020 Spring. Now Work Service is free from this Option to sell the 80% quota and it makes sense to maintain this interesting asset within Work Service perimeter. If, in the future, an offer for the 80% stake is received, which meets Work Service expectations, the Management Board will seriously take it in consideration. The Company is not in a distressed financial situation as it had been in the past with the previous shareholders' structure, and thanks to the support of the majority shareholder, is meeting all its obligations in time. Therefore, there is no need for an immediate sale of assets at a discounted price. The Management Board wants to work to maximize the value of the Company and of all its assets for the benefit of all shareholders.

Questions during the EGM

25. "What are the Company's cash / liquidity needs as of today?"

The financial needs are mainly related to the necessity to handle Social Security and Tax Office agreements about which Work Service informed and the remaining debt to banks and debt to PFRON.

26. "When does the Company expect to receive proceeds from the issue of series X shares because the content of the resolution provides only for the final date for concluding a share subscription agreement, and it has been indicated for 5 (five) months since the moment of adopting a resolution? Does the Company intend to obtain these funds earlier and are there arrangements with the investor in this respect?

Yes, the Company expects to receive respective proceeds as soon as possible. Just after the EGM, the Company undertook respective steps to execute the adopted Resolution and to effectively increase the share capital. The Company expects to be able to file respective motion to the court register by Christmas at latest.

27. "Has the Company calculated by what amount the value of minority shareholders' shares will decrease with the assumed parameters of the resolution with excluded pre-emptive rights?"

The Company was aware that the reinforcing of the net capital by a cash injection and the clear message to the market that the majority shareholder is fully committed to support the Company would have had a positive impact to the value of the Company, of its shares and of all its shareholders. The market is confirming this.