

The position of the Management Board of Work Service S.A. on the reservation expressed by the entity authorized to audit financial statements in the report of the independent statutory auditor on the audit of the annual consolidated financial statements prepared as at December 31, 2020.

Content of the reservation

Grant Thornton Polska sp.z o.o. sp.k. ("Statutory auditor") made the following reservation in the independent statutory auditor's report on the audit of the annual consolidated financial statements as at December 31, 2020:

In item II.4 of Note 2.3 to the consolidated financial statements, the Management Board informed about the actual loss of control over Prohuman 2004 Kft with its registered office in Hungary and its capital group (Prohuman, Prohuman Group, respectively), including in the consolidated financial statements the effects of the identified loss of control using the latest available data of the Prohuman Group covering the period from January 1, 2020 to September 30, 2020 and using the equity method to measure the shares of the Prohuman Group in subsequent periods. In addition, in this note, the Management Board informed that the financial result of the Prohuman Group for the fourth quarter of 2020 was not included in the consolidated financial statements due to the failure to receive data from the Prohuman Group.

The data of the Prohuman Group as at September 30, 2020 has not been audited by a statutory auditor. We were unable to obtain appropriate and sufficient audit evidence to confirm that the valuation of the Prohuman Group's assets and liabilities as at September 30, 2020 does not require any adjustments. In addition, due to the lack of data, we are not able to estimate the possible impact on the consolidated financial statements of the recognition of the Capital Group's share in the result of the Prohuman Group for the fourth quarter of 2020. The value of the shares in the Prohuman Group in the Company's consolidated financial statements is PLN 221 million.

Management Board's comment on the statutory auditor's reservation

The Management Board of Work Service SA, in the current report No. 17/2021 of March 31, 2021, informed that as a result of the ongoing corporate dispute in Prohumán, caused by the unfavorable attitude of Profólió Projekt Tanácsadó Kft. with its seat in Budapest, which is a minority shareholder Prohumán ("Profólió") and the related three (out of four) Managing Directors in Prohumán - difficulties in the possibility of effective ownership and management influence on Prohumán, as well as on the capital group it creates ("Prohumán Group"), on March 31, 2021, Work Service SA has become convinced that there is a actual loss of control over Prohumán in accordance with the International Financial Reporting Standards ("IFRS").

Until March 31, 2021 and after that date, the Management Board of Work Service S.A. has completed a number of activities, including through appropriate proceedings before a competent court, and intends to take further steps in this regard, using professional assistance from Hungarian legal advisors. The object of these activities is to restore the activities of Prohumán that are legal and in accordance with the statute; in the first instance, this includes the registration of the Managing Director in the court register.

Despite the highest diligence, undertaken by Work Service S.A. the actions did not bring the expected result yet, therefore the conditions of IFRS 10, deciding about the loss of the Issuer's control over Prohuman, have been fulfilled. Pursuant to IFRS 10, the discussed loss of control will result in the fact that, starting from the consolidated financial statements of the Work Service group for the financial year 2020, until the situation changes, i.e. regaining control, the Issuer:

- 1) Exclude from the consolidated balance sheet the assets (including goodwill related to the Prohuman group) and liabilities of the Prohumán group (as a former subsidiary) that were consolidated until September 30, 2020, together with minority interests and the result on exchange differences related to the translation of the Prohuman group statements;
- 2) Recognize the value of the Prohuman group in the consolidated balance sheet in the amount corresponding to the fair value of this group;
- 3) Recognizes receivables and liabilities towards the Prohuman group;
- 4) Included in the annual consolidated income statement for 2020, revenues and costs of the Prohuman group for the 9-month period ended September 30, 2020;
- 5) Valuation of shares in the Prohuman group using the equity method, i.e. the consolidated financial result of the Prohuman group for the fourth quarter of 2020 will be included in the annual consolidated profit and loss account, provided that such data is obtained in a form that will enable the inclusion of these data in the annual consolidated profit and loss account Work Service SA Group;
- 6) Present all the data and adjustments described in items 1-5 above in the financial statements in the part relating to continuing operations, together with financial data of other entities that do not constitute discontinued operations.

The Issuer also points out that the described situation does not affect the financial situation, including the Issuer's liquidity, or the individual data of Work Service S.A. T

However, it should be clearly emphasized that the actions and omissions harmful to the interests of Work Service S.A., which were taken by those in conflict with Work Service S.A. Prohumán managers and by Profólió, infringe the law and the statute of Prohumán, and also concluded between Work Service S.A. and Profolió shareholders agreement. Work Service S.A. will continue all actions that will be necessary to restore control over Prohuman, allowing for the consolidation of the Prohuman Group according to the previous method.