

Grupa Pracuj S.A. Group

Consolidated quarterly report
for the nine-month period
ended September 30, 2022



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**Management Board's Report
on the activities of Grupa Pracuj S.A.
and Grupa Pracuj S.A. Group
for the nine-month period
ended September 30, 2022**



1. SELECTED CONSOLIDATED FINANCIAL DATA

Selected consolidated financial data for the 9-month period ended on 30 September 2022.

Financial results

	in thous. PLN		in thous. EUR	
	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)
Revenue from contracts with customers	463 751	343 848	98 923	75 579
Operating profit	210 587	175 750	44 920	38 631
Profit before tax	200 677	267 834	42 806	58 871
Net profit attributable to:	154 832	212 617	33 027	46 734
Owners of the Parent Entity	157 651	210 739	33 628	46 321
Non-controlling interests	(2 819)	1 878	(601)	413
Total comprehensive income attributable to:	177 063	212 258	37 769	46 655
Owners of the Parent Entity	179 800	210 380	38 353	46 242
Non-controlling interests	(2 737)	1 878	(584)	413

Cash flows

	in thous. PLN		in thous. EUR	
	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)
Net cash flows from operating activities	186 147	153 461	39 707	33 731
Net cash flows from investing activities	(515 417)	(18 600)	(109 943)	(4 088)
Net cash flows from financing activities	228 877	(120 513)	48 822	(26 489)
Total net cash flows	(100 393)	14 348	(21 415)	3 154

Financial position

	in thous. PLN		in thous. EUR	
	30 September 2022 (unaudited)	31 December 2021	30 September 2022 (unaudited)	31 December 2021
Non-current assets	827 469	227 271	169 918	49 056
Current assets	202 796	272 434	41 644	58 804
Total assets	1 030 265	499 705	211 562	107 860
Equity attributable to owners of the Parent Entity	307 431	249 145	63 130	53 777
Non-controlling interests	7	12	1	3
Non-current liabilities	362 235	51 212	74 384	11 054
Current liabilities	360 592	199 336	74 047	43 026
	1 030 265	499 705	211 562	107 860

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

The translation of the selected financial data into euro has been carried out in accordance with the following principles:

- the individual items in the statement of comprehensive income and the statement of cash flows – at the rate constituting the arithmetical average of the average exchange rates announced by the National Bank of Poland as at the last day of each month in the reporting period: from 1 January to 30 September 2022 – 4.6880 EUR/PLN and from 1 January to 30 September 2021 – 4.5495 EUR/PLN;
- items of assets and liabilities – at the average exchange rate announced by the National Bank of Poland as at 30 September 2022 – 4.8698 EUR/PLN and as at 31 December 2021 – 4.5994 EUR/PLN.

Leading HR Tech platform in Central & Eastern Europe

Grupa Pracuj is a leading HR technology platform in the CEE region supporting organizations in the recruitment, retention and development of their staff, helping people find the best job for them to maximize their full potential, and developing world-class technology to shape the future of the HR market.

Grupa Pracuj has been operating for over 20 years in Poland, for 15 years in Ukraine, and since June 2022 also in the DACH region (Germany, Austria & Switzerland), employing a total of about 1,100 people. Grupa Pracuj brands form an advanced digital ecosystem for the HR sector.

Grupa Pracuj includes **Pracuj.pl**, the largest Polish job board; the Ukrainian job board **Robota.ua**; and recruitment management systems—the Polish **eRecruiter** and the German **softgarden**, operating in an SaaS (software as a service) model.

In the first 9 months of 2022, **Grupa Pracuj's platforms were visited by an average of 7.9 million users per month, 4.9 million**

of them in Poland and 2.9 million in Ukraine.

On the group's platforms, in which Poland's largest recruitment platform, Pracuj.pl, remains key, an average of 100,000 job offerings are posted each month. As of the end of June 2022, over 1,700 companies used the eRecruiter system, the most frequently used tool in Poland supporting the conduct of recruitment procedures. Another over 1,800 firms chose the services of softgarden systems, mainly in the DACH region.

The strategic objectives of Grupa Pracuj include delivering new tech solutions in the HR field, increasing product synergies between the group's leading brands, raising revenues through growth of the portfolio of products, and strengthening its position in the markets where it operates. The company is also open to growth through acquisition of complementary solutions supplementing or expanding the group's overall service portfolio.

Grupa Pracuj in numbers after 3Q of 2022



(1) figures for the 1-3Q of 2022
(2) as of 30 September 2022

Key brands of Grupa Pracuj

Pracuj.pl is the largest Polish online job board, with a leading market share by revenue. It is the undisputed leader on the market of job offers for specialists and managers (white-collar segment) and is strengthening its position on the market of offers for physical labourers (blue-collar segment). The average number of job postings published each month on the platform is about 100,000, while over 57,700 employers use the paid services of the platform (as of the end of September 2022), including the biggest Polish and international companies. In the first nine months of 2022 Pracuj.pl was visited by 4.9 million users every month (according to Gemius/PBI).

Robota.ua is a leading online job board on the Ukrainian market, with a universal profile, publishing postings for both popular and specialized professions. It has been owned by Grupa Pracuj since 2006. The average number of postings accessible daily on the platform in the first nine months of 2022 was about 41,600, while about 41,400 companies actively used the platform, including the largest Ukrainian enterprises and major international brands. In this period, an average of 3.0 million users visited the platform every month.

eRecruiter is the leading Polish recruitment platform offered in an SaaS model. It is regularly used by nearly 1,770 companies from dozens of industries (as of the end of September 2022). The eRecruiter system provides a single tool for managing the entire recruitment process, including publication of postings, management of the candidate database in compliance with the GDPR, and analysis of the experience of jobseekers.

softgarden is one of the leaders of the HR Tech industry in Germany, and also present on other European markets. It has belonged to Grupa Pracuj since June 2022. softgarden provides comprehensive solutions in the area of talent acquisition systems supporting innovative recruitment, including tools for planning and managing recruitment, creation of career pages, generating employer reviews and employee recommendations. softgarden also offers employers technologies enabling multi-posting—automated publication of job offers on multiple platforms. Over 1,400 employers use softgarden's services (as of the end of September 2022).



pracuj.pl



robota.ua



eRecruiter



(softgarden)

Since 2021, the aforementioned main brands have been supported by two niche brands: **the:protocol**, a recruitment service devoted to IT specialists, and **Dryg.pl**, a local solution focused on blue-collar workers.

In 2021 Grupa Pracuj acquired a minority stake in **Worksmile**. This modern platform combines fringe benefits for employees with building an integrated corporate culture. Worksmile is a platform through which Grupa Pracuj is expanding its services beyond the field of recruitment.



the:protocol



worksmile



dryg.pl
Tu znajdziesz pracę



Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

2.1 Composition of the Group

Grupa Pracuj S.A. has direct or indirect control over all entities included in Grupa Pracuj S.A. Group.

As at 30 September 2022 the Group consisted of: (i) the Entity, (ii) direct 100% subsidiaries of the Entity: eRecruitment Solutions sp. z o.o., BinarJobs sp. z o.o., and Spoonbill Holding GmbH, (iii) indirect 100% subsidiaries of the Entity (through eRecruitment Solutions sp. z o.o.) eRecruitment Solutions Ukraine TOV and HumanWay sp. z o.o. w likwidacji (through eRecruitment Solutions sp. z o.o.) and Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH (through Spoonbill Holding GmbH) and (iv) 67% subsidiaries of the Entity: Robota International TOV and Snowless Global Ltd. The Entity is the Parent Entity of the Group.

Table 1 Composition of the Grupa Pracuj S.A. Group

Entity name	Seat	Core activities	Interest in the share capital	
			30 September 2022 (unaudited)	31 December 2021
Parent Entity:				
Grupa Pracuj S.A.	Poland	marketing services		
Direct and indirect subsidiaries:				
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
HumanWay sp. z o.o. w likwidacji	Poland	IT services	100%	100%
BinarJobs sp. z o.o.	Poland	marketing services	100%	100%
Robota International TOV	Ukraine	marketing services	67%	67%
Snowless Global Ltd	Cyprus	activities related to licenses	67%	67%
eRecruitment Solutions Ukraine TOV	Ukraine	activities related to licenses	100%	100%
Spoonbill Holding GmbH	Germany	services connected with non-financial holdings	100%	-
Spoonbill GmbH	Germany	services connected with non-financial holdings	100%	-
softgarden e-recruiting GmbH	Germany	IT services	100%	-
absence.io GmbH	Germany	IT services	100%	-

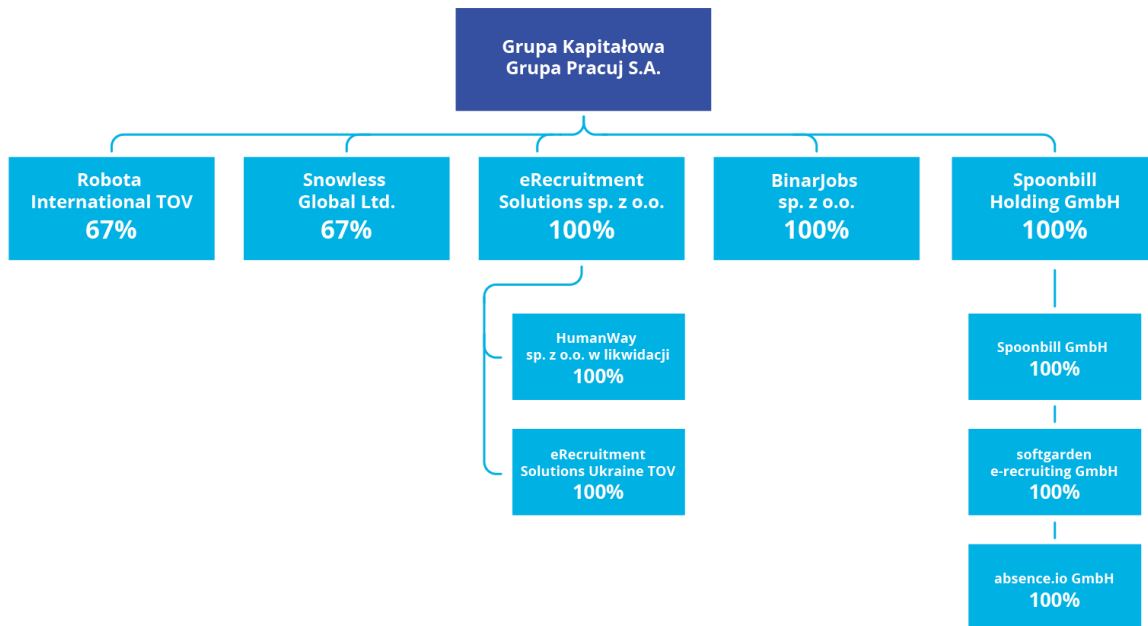
On 14 June 2022, Grupa Pracuj S.A. concluded an agreement for the acquisition between the Entity as a buyer and Eden Investment S.à r.l.(a company controlled by an alternative investment company Investcorp) and Stefan Schüffler Beteiligungs UG (haftungsbeschränkt) of 25,000 shares representing 100% of the share capital in Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH (hereafter: 'softgarden') and absence.io GmbH (hereafter: 'Absence'). The legal title to the acquired shares was transferred to the Entity on 24 June 2022.

In the third quarter of 2022, there were no changes in the Group's structure.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated



2.2 Changes in the composition and structure of the Group after balance-sheet date

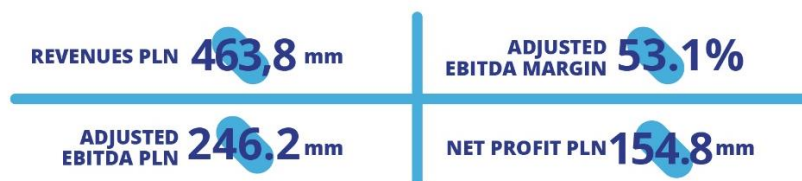
After the balance sheet date, there were no changes in the Group's structure.

2.3 Operating segment of the Group

The Group has identified the following operating segments:

- Segment Poland – this segment includes entities that generate revenue on the Polish market and whose results are regularly reviewed by the Parent Entity's Management Board as the main decision-making authority. This segment consists of the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji and BinarJobs sp. z o.o. Particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – this segment includes entities that generate revenue from contracts with customers on the Ukrainian market. The financial results of entities included in this segment are periodically reviewed by the Management Board of the Parent Entity. This segment includes the following entities: Robota International TOV, eRecruitment Solutions Ukraine TOV and Snowless Global Ltd (an entity registered in Cyprus, providing licensing services for Robota International TOV). Entities operating on the Ukrainian market offer comprehensive recruitment projects similarly to entities operating on the Polish market;
- Segment Germany– this segment includes companies generating revenue mainly on the German market. The results of the companies included in this segment are subject to periodic verification by the Management Board of the Parent Company. This segment consists of the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, Softgarden e-recruiting GmbH and absence.io GmbH. Companies operating on the German market offer comprehensive services for recruitment processes as well as services supporting the management of working time and absences.

Important events in Grupa Pracuj 1-3Q 2022



2.4 Summary of activities

- In three quarters of 2022, the revenue of the Grupa Pracuj S.A. Capital Group amounted to PLN 463.8 million and were by 34.9% higher as compared to the same period a year earlier. At once, in the third quarter of 2022, Grupa Pracuj recorded an increase in revenue by 45.3% to PLN 183.5 million. This increase was mainly due to the consolidation of revenue generated by Softgarden from contracts with clients and the systematically growing average price of Recruitment Projects, which in both discussed periods on the Pracuj.pl website increased by an average of 10.5% and 11% respectively.
- In 2022, cumulatively for the 9-month period, the number of Recruitment Projects on the Pracuj.pl website increased by 15.5%, and in the third quarter it stabilized compared to the high values in 2021. The number of Recruitment Projects on the Robota.ua website, both in the 9-month period being reported, as well as in the third quarter of 2022, decreased by 50.3% y/y and 60.6% y/y, respectively, which is caused by limited recruitment activities in Ukraine as a result of the ongoing war.
- The number of Active Customers of the Group using subscription solutions in the SaaS model, i.e. eRecruiter (operating in Poland) and Softgarden, covering mainly the countries of the German-speaking Europe (DACH) region, is also growing regularly. Softgarden e-recruiting (in Grupa Pracuj from 24 June 2022) is the owner of the TAS (Talent Acquisition System), which supports recruitment processes and automates their management, offered in the subscription model. This company also offers the service of publishing a job offer simultaneously on many recruitment portals in a particular country, so-called multiposting.
- Operating profit at the level of adjusted EBITDA increased in three quarters of 2022 by 23.3% y/y and amounted to a total of PLN 246.2 million compared to PLN 199.7 million generated in the same period a year earlier. Similarly, the Group recorded an increase in operating profit at the level of adjusted EBITDA in the third quarter of 2022, which amounted to PLN 85.3 million compared to PLN 74.9 million in the year before, which means a growth rate of 13.8% y/y.
- Adjusted EBITDA margin in both periods being reported was lower by 8.6% cumulatively and by 21.7% in the third quarter of 2022, which results mainly from the incorporation of Softgarden's financial results into the consolidated financial results of the Group.
- In the first nine months of 2022, Grupa Pracuj S.A. Group generated a consolidated net profit of PLN 154.8 million, i.e. by 27.2% lower than in the same period a year earlier. Net profit adjusted for a one-off event, which in 2021 was the change of the recognition of the fair value measurement of shares in Beamery Inc., increased by 9.0% y/y in the period being discussed. In the third quarter of 2022, net profit amounted to PLN 52.6 million and was lower by 3.5% y/y.

2.5 Factors affecting profit or loss and operating activities

• Economic situation and macroeconomic factors

The demanding economic situation still does not seem to translate directly into the domestic labour market. Poland is a country with one of the lowest unemployment rates in the European Union. According to the latest data published on 3rd November 2022 by EUROSTAT, the unemployment rate in September 2022 amounted 2.6%¹ in Poland against 6.0% in the European Union and 6.6% in the eurozone. Malta and Germany the third place with a result of 3.0%.

Then, according to preliminary data published by the Ministry of Family and Social Policy, the registered unemployment rate in Poland in October 2022 remained unchanged and amounted to 5.1%². This is 0.8 percentage points less than a year ago in the same period. What's more, compared to the previous month, the number of job seekers decreased by 4.2 thousand and amounted to 797.5 thousand.

The average monthly salary in the enterprise sector in September 2022³ was PLN 6,687.81, which means an increase by 14.5% y/y. In turn, the average monthly salary in the enterprise sector, excluding awards, in the third quarter of 2022³ amounted to PLN 6,736.60. Meanwhile, inflation in September 2022 increased and amounted to 17.2% compared to the same month last year.

According to the latest World Bank forecasts, the GDP of Polish in 2022 will amount to 3.9%⁴, while the International Monetary Fund has revised its estimate down to 3.8%⁵.

The Ukrainian Ministry of Economy estimates a decline in GDP of about 35.0% in September 2022 and by approximately 30.0% in the first three quarters of 2022. During 7 out of 9 months of this period, armed conflict continues. The National Bank of Ukraine reports that the Ukrainian economy may return to an upward trend in 2023-2024 if Ukraine exports and its ports are opened. The draft state budget for 2023 assumes real GDP growth of 4.6 %⁶. Inflation, which in January 2022 was 10.0%, in September has already reached 24.6%, and according to the expectations of the National Bank of Ukraine by the end of the year it may be up to 30.0%. The central bank estimates that unemployment is currently around 35.0%.

Since February 24, 2022, over 7.7 million people have crossed the Polish-Ukrainian border. It is estimated that about 1.5 million people remain in Poland, of which 30.0% plan to stay in Poland after the end of the war in Ukraine.

Deloitte experts in their latest report estimate that the influx of immigrants from Ukraine may have a positive impact on the growth of domestic GDP from 0.2 to even 3.5%. In the face of such an opportunity, it seems crucial to increase the flexibility of the domestic labor market and manage the effective integration of newcomers, which in turn may contribute to the improvement of the Polish economy. This potential increase in GDP consists not only of a growing number of economically active people, but also greater specialization and access to qualified employees, and in the future relieving the Polish pension system.

Grupa Pracuj facilitates access to the labour market and enables the professional activation of refugees through its Pracuj.pl services and Robota.ua.

¹ <https://www.prawo.pl/kadry/stopa-bezrobocia-pazdziernik-2022-r-wstepne-dane-mriips.518206.html>

² <https://www.imf.org/en/Countries/POL>

³ <https://stat.gov.pl/sygnalne/komunikaty-i-obwieszczenia/lista-komunikatow-i-obwieszczen/>

⁴ <https://www.worldbank.org/en/publication/global-economic-prospects>

⁵ <https://www.imf.org/en/Countries/POL>

⁶ <https://www.osw.waw.pl/pl/publikacje/komentarze-osw/2022-10-18/walka-o-przetrwanie-gospodarka-ukrainy-w-czasie-wojny>

According to estimates by the statistical office, in the third quarter of 2022 Germany's GDP grew by 1.2% year-on-year, and quarter-on-quarter by 0.3%. Inflation in September 2022 was 10%.

According to the latest forecasts, Germany's GDP in 2022 will amount to 1.5%⁷, while the German government expects growth of 1.4%⁸.

- **Armed conflict in Ukraine**

The war in Ukraine continues to have a negative impact on both the operational activities of Robota International TOV and the financial results of the Ukraine segment. The Management Board analyzes all events that may affect the Group's operations in Ukraine on an ongoing basis and takes actions aimed at ensuring the operational continuity of the company's operations and reaching the break-even point. As at the date of preparation of this Report, there were no indications that the possibility of the Grupa Pracuj in Ukraine was lost. The Company will inform about any changes in current reports.

- **Candidate market in Poland**

The persistently low level of unemployment despite the uncertain economic situation is currently characteristic of a strong domestic labour market, which seems to be defending itself against the ongoing economic and political changes.

The management carefully analyzes all data and events that may affect the mood of both employers and employees.

On the one hand, rising inflation and the declining propensity of companies to equalize wages to at least its level suggests that employees will be more open to changing jobs to a better-paid one or looking for additional jobs.

As many as 38.0% of participants in the latest survey of Pracuj.pl are actively looking for a new employer, and among people actively looking for a new place of employment, as many as 57.0% indicate the willingness to increase the salary received as a key reason⁹.

The percentage of companies experiencing wage pressure remains at a very high level of 76.6%⁸.

At the same time, the deteriorating economic situation, and the forecasted increases, among others on the energy market, affect the lower willingness of employers to raise wages. In the fourth quarter, 40.2% of entrepreneurs declare wage raises, which means a decrease by 6.8 p.p. quarter-on-quarter and an increase of 2.9 p.p. year-on-year¹⁰.

The share of companies declaring vacancies remained at a similar, high level. The percentage of enterprises reporting vacancies in the third quarter of 2022 amounted to 52.8% of respondents (an increase of 0.1 p.p. quarter-on-quarter and 3.9 p.p. year-on-year⁸).

According to data published by the National Bank of Poland, employment forecasts for the fourth quarter are cautious, without signs of sharp declines, but only stabilization. 63.4% of companies declare that employment in the fourth quarter will remain unchanged, which means an increase of 5.2 p.p. quarter-on-quarter and 4.2 p.p. year-on-year. The increase in payrolls is predicted by 29.5% of entrepreneurs. This is a decrease of 6.0 p.p. quarter-on-quarter and 5.3 p.p. year-on-year. Meanwhile, 7.1% of companies plan to reduce the number of employees – this is a slight increase of 0.7 p.p. quarter-on-quarter and 1.1 p.p. year-on-year⁸.

⁷ <https://www.imf.org/en/Countries/DEU>

⁸ <https://www.imf.org/en/Countries/POL>

⁹ <https://media.pracuj.pl/210661-gotowi-na-nowa-prace-w-czasach-zmian-badanie-pracujpl>

¹⁰ https://www.nbp.pl/home.aspx?c=/ascx/koniunktura_prezentacja.ascx

3. OVERVIEW OF FINANCIAL RESULTS AND FINANCIAL POSITION

3.1 Operating results

The presented selected operating indicators are estimates of the Entity and the Group and may not be the basis for comparison with other entities on the market, as well as forecasting its financial and operational condition.

Table 1 Selected operating indicators for the Group and the Entity

Operating indicator	9 months ended			3 months ended		
	30 September		Change (y/y)	30 September		Change (y/y)
	2022	2021		2022	2021	
Pracuj.pl						
Number of Recruitment Projects (in thousands) ⁽¹⁾	433.6	375.9	15.3%	136.1	136.8	(0.5%)
Average Price of Recruitment Projects (PLN) ⁽²⁾	857.2	775.5	10.5%	865.6	779.5	11.0%
eRecruiter						
Number of Active Customers	1766	1535	15.0%	1766	1535	15.0%
softgarden						
Number of Active Customers	1402	N/D	N/D	1402	N/D	N/D
Robota.ua						
Number of Recruitment Projects (in thousands) ⁽¹⁾	413.2	832.2	(50.3%)	132.3	334.0	(60.4%)
Number of Free Recruitment Projects (in thousands)	200.0	380.9	(47.5%)	64.8	155.5	(58.3%)
Number of Paid Recruitment Projects (in thousands)	213.2	451.5	(52.8%)	67.5	178.5	(62.2%)
Average Price of a Paid Recruitment Project (UAH)	657.6	595.1	10.49%	565.4	580.3	(2.6%)
Average Price of a Paid Recruitment Project (PLN) ⁽³⁾	91.1	82.4	10.49%	78.3	83.6	(6.3%)

⁽¹⁾ The number of recruitment projects equals to the number of credits that were used to post job offers on Pracuj.pl or robota.ua. In the case of Pracuj.pl, 1 credit can be converted into multiple job offers, while in the case of robota.ua, 1 credit can be converted into only 1 job offer for a period of one month.

⁽²⁾ For Pracuj.pl defined as revenue from recruitment projects (used and overdue credits for posting job offers + supplements) divided by the number of recruitment projects.

⁽³⁾ For robota.ua defined as revenue from sales to external customers in the Ukraine segment divided by the number of paid recruitment projects

Grupa Pracuj S.A. Group

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All amounts in PLN thousands, unless otherwise stated

Additionally, the Group monitors financial indicators listed in the table below in order to assess the recurring operating results and determine the strategy for their improvement. The indicators selected by the Entity are not required by IFRS nor are prepared in accordance with IFRS.

Table 2 Selected financial indicators for the Group

Financial indicator	9 months ended			3 months ended		Change (y/y)
	30 September		Change (y/y)	30 September		
	2022	2021		2022	2021	
EBITDA	224 965	184 588	21.9%	82 671	69 807	18.4%
<i>EBITDA margin (%)</i>	<i>48.5%</i>	<i>53.7%</i>	<i>(9.6%)</i>	<i>45.1%</i>	<i>55.3%</i>	<i>(18.5%)</i>
Adjusted EBITDA	246 235	199 696	23.3%	85 295	74 936	13.8%
<i>Adjusted EBITDA margin (%)</i>	<i>53.1%</i>	<i>58.1%</i>	<i>(8.6%)</i>	<i>46.5%</i>	<i>59.4%</i>	<i>(21.7%)</i>

The Group applies the below definitions of the selected financial indicators:

- EBITDA defined as the operating profit/ (loss) adjusted by depreciation and amortisation (net profit plus income tax expense, loss on sale of shares in subsidiaries, finance costs, depreciation and amortization less share of profit of equity-accounted investees and finance income);
- Adjusted EBITDA defined as the operating profit/ (loss) plus depreciation and amortisation adjusted by recognized as well as previously recognized and reversed impairment losses on assets in the consolidated financial statements for the period and by costs of share-based payment programmes, initial public offering and acquisition costs included in the consolidated statement of comprehensive income;
- The EBITDA margin for a given period defined as the ratio of EBITDA for the period to revenue from contracts with customers for the same period;
- The Adjusted EBITDA margin for a given period defined as the ratio of Adjusted EBITDA for the period to revenue from contracts with customers for the same period.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

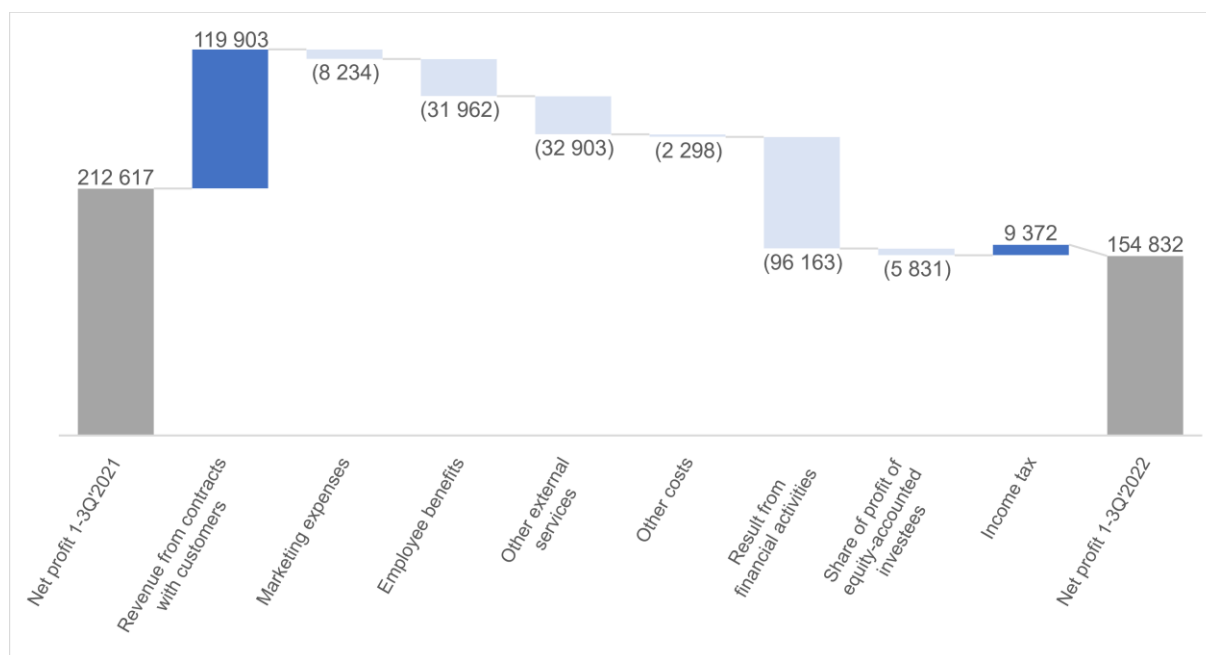
All amounts in PLN thousands, unless otherwise stated

3.2 Financial results

Grupa Pracuj S.A. Group

In the first three quarters of 2022, the Grupa Pracuj S.A. Group generated a consolidated net profit of PLN 154.8 million, i.e. 27.2% lower than in the same period in the previous year. Net profit adjusted for a one-off event, which in 2021 was the change in the valuation of Beamery Inc., increased 9.0% y/y in the period being discussed.

Chart 1



As Other costs the Group presents the following items from the Consolidated statement of comprehensive income: 'Depreciation and amortisation', 'Other expenses', 'Other operating income', 'Other operating costs' and 'Expected credit losses'.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

Table 3 Financial results of the Group

	9 months ended			3 months ended		
	30 September		Change (y/y)	30 September		Change (y/y)
	2022 (unaudited)	2021 (unaudited)		2022 (unaudited)	2021 (unaudited)	
Revenue from contracts with customers, including:	463 751	343 848	34.9%	183 460	126 254	45.3%
Segment Poland	392 705	306 632	28.1%	126 545	111 339	13.7%
Segment Ukraine	19 417	37 216	(47.8%)	5 286	14 915	(64.6%)
Segment Germany	51 629	n/d	n/d	51 629	n/d	n/d
Depreciation and amortisation	(14 378)	(8 838)	62.7%	(8 146)	(2 918)	179.2%
Marketing expenses	(38 422)	(30 188)	27.3%	(14 480)	(12 853)	12.7%
Software as services	(5 995)	(4 276)	40.2%	(2 198)	(1 137)	93.3%
Other external services	(49 226)	(16 323)	201.6%	(30 595)	(8 677)	252.6%
Employee benefits	(137 722)	(105 760)	30.2%	(50 810)	(32 780)	55.0%
Other expenses	(5 124)	(3 597)	42.5%	(2 887)	(1 187)	143.2%
Other operating income	1 222	812	50.5%	505	248	103.6%
Other operating costs	(2 590)	(292)	787.0%	(441)	(110)	300.9%
Expected credit losses	(929)	364	(355.2%)	117	49	138.8%
Operating profit, including:	210 587	175 750	19.8%	74 525	66 889	11.4%
Segment Poland	214 284	169 618	26.3%	71 449	62 230	14.8%
Segment Ukraine	(7 525)	6 132	(222.7%)	(752)	4 659	(116.1%)
Segment Germany	3 828	n/d	n/d	3 828	n/d	n/d
Finance income	7 330	88 046	(91.7%)	4 381	916	378.3%
Finance costs	(16 694)	(1 247)	1238.7%	(10 603)	(562)	1786.7%
Net finance income/(costs)	(9 364)	86 799	(110.8%)	(6 222)	354	(1857.6%)
Share of net result of equity-accounted investees	(546)	5 285	(110.3%)	(405)	2 018	(120.1%)
Profit before tax	200 677	267 834	(25.1%)	67 898	69 261	(2.0%)
Income tax	(45 845)	(55 217)	(17.0%)	(15 277)	(14 715)	3.8%
Net profit	154 832	212 617	(27.2%)	52 621	54 546	(3.5%)

Table 4 % share of revenue and operating expenses in revenue from contracts with customers of the Group

	9 months ended			3 months ended		
	30 September		Change p.p. (y/y)	30 September		Change p.p. (y/y)
	2022 (unaudited)	2021 (unaudited)		2022 (unaudited)	2021 (unaudited)	
Revenue from contracts with customers	463 751	343 848	119 903	183 460	126 254	57 206
Depreciation and amortisation	3.1%	2.6%	0.5%	4.4%	2.3%	2.1%
Marketing expenses	8.3%	8.8%	(0.5%)	7.9%	10.2%	(2.3%)
Software as services	1.3%	1.2%	0.1%	1.2%	0.9%	0.3%
Other external services	10.6%	4.7%	5.9%	16.7%	6.9%	9.8%
Employee benefits	29.7%	30.8%	(1.1%)	27.7%	26.0%	1.7%
Other expenses	1.1%	1.0%	0.1%	1.6%	0.9%	0.7%
Other operating income	(0.3%)	(0.2%)	(0.1%)	(0.3%)	(0.2%)	(0.1%)
Other operating costs	0.6%	0.1%	0.5%	0.2%	0.1%	0.1%
Expected credit losses	0.2%	(0.1%)	0.3%	(0.1%)	0.0%	(0.1%)
Operating profit margin	45.4%	51.1%	(5.7%)	40.6%	53.0%	(12.4%)

Revenue from contracts with customers:

- Revenue growth in both reporting periods, both in the third quarter and in nine months of 2022, by 45.3% q/q and 34.9% y/y, respectively, mainly due to the growing average price of Recruitment Projects while maintaining their stable number in a demanding market. The high dynamics of revenue from contracts with customers was also reflected in the consolidation of revenue from contracts with customers of the Germany segment, especially Doftgarden, a company operating in the SaaS (Software as a Service) subscription model. Both eRecruiter and Doftgarden are systematically increasing their customer base.

Operating expenses:

- An increase in the marketing expenses by 27.3% y/y to PLN 38.4 million as a result of greater marketing activity of the Group and higher y/y costs of wide-ranging campaigns. In September 2022, the next edition of the campaign "W środowisku Pracuj.pl" was launched with an additional initiative "Po Robocie" with non-standard activities in urban space, such as a mural and cooperation with one of the largest retail chains in Poland. In addition, the Company conducted promotional activities of the Dryg.pl and the:protocol brands.
- Increase in employee benefits by 30.2% y/y to PLN 137.7 million cumulatively by the third quarter and by 55.0% y/y to PLN 50.8 million in the third quarter of 2022, mainly as a result of recognizing costs relating to employees employed in Germany and an increase in the level of employment and an increase in the wages of employees employed in Poland.
- Increase in other external services mainly due to recognition in connection with the acquisition in the 3-month period ended 30 September 2022 costs of recruitment advertisements for resale as part of softgarden's multiposting service, i.e. simultaneous publication of a job offer on various recruitment websites; and as a result of increasing the use of hosting and outsourcing services.
- An increase in software as services by 40.2% to nearly PLN 6.0 million among others as a result of an increase in prices y/y, number of licenses and systems in use.
- The increase in other operating costs to PLN 2.6 million is mainly due to the Group's involvement in activities to support Ukraine and donations to non-governmental organizations in Poland and Ukraine.

Grupa Pracuj S.A. Group

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All amounts in PLN thousands, unless otherwise stated

Grupa Pracuj S.A.

Table 5 Financial results of the Entity

	9 months ended			3 months ended		
	30 September		Change (y/y)	30 September		Change (y/y)
	2022 (unaudited)	2021 (unaudited)		2022 (unaudited)	2021 (unaudited)	
Revenue from contracts with customers	369 717	287 303	28.7%	118 483	104 721	13.1%
Depreciation and amortisation	(6 628)	(6 026)	10.0%	(2 246)	(1 967)	14.2%
Marketing expenses	(32 789)	(22 188)	47.8%	(10 423)	(9 917)	5.1%
Software as services	(3 883)	(3 317)	17.1%	(1 404)	(610)	130.2%
Other external services	(24 394)	(14 555)	67.6%	(6 205)	(8 600)	(27.8%)
Employee benefits	(91 018)	(77 911)	16.8%	(28 472)	(23 449)	21.4%
Other expenses	(3 217)	(1 783)	80.4%	(1 742)	(548)	217.9%
Other operating income	823	687	19.8%	296	195	51.8%
Other operating costs	(1 180)	(133)	787.2%	(73)	(4)	1725.0%
Expected credit losses	(570)	274	(308.0%)	446	(37)	(1305.4%)
Operating profit, including:	206 861	162 351	27.4%	68 660	59 784	14.8%
Finance income	11 876	109 965	(89.2%)	9 677	14 637	(33.9%)
Finance costs	(21 300)	(2 080)	924.0%	(9 425)	(865)	989.6%
Net finance income/(costs)	(9 424)	107 884	(108.7%)	252	13 771	(98.2%)
Share of net results of equity-accounted investees	(546)	5 285	(110.3%)	(405)	2 018	(120.1%)
Profit before tax	196 891	275 521	(28.5%)	68 507	75 574	(9.4%)
Income tax	(41 463)	(52 221)	(20.6%)	(14 208)	(13 064)	8.8%
Net profit	155 428	223 300	(30.4%)	54 299	62 510	(13.1%)

Table 6 % share of revenue and operating expenses in revenue from contracts with customers of the Entity

	9 months ended			3 months ended		
	30 September		Change p.p. (y/y)	30 September		Change p.p. (y/y)
	2022 (unaudited)	2021 (unaudited)		2022 (unaudited)	2021 (unaudited)	
Revenue from contracts with customers	369 717	287 303	82 414	118 483	104 721	13 762
Depreciation and amortisation	1.8%	2.1%	(0.3%)	1.9%	1.9%	0.0%
Marketing expenses	8.9%	7.7%	1.1%	8.8%	9.5%	(0.7%)
Software as services	1.1%	1.2%	(0.1%)	1.2%	0.6%	0.6%
Other external services	6.6%	5.1%	1.5%	5.2%	8.2%	(3.0%)
Employee benefits	24.6%	27.1%	(2.5%)	24.0%	22.4%	1.6%
Other expenses	0.9%	0.6%	0.2%	1.5%	0.5%	0.9%
Other operating income	(0.2%)	(0.2%)	0.0%	(0.2%)	(0.2%)	(0.0%)
Other operating costs	0.3%	0.0%	0.3%	0.1%	0.0%	0.1%
Expected credit losses	0.2%	(0.1%)	0.2%	(0.4%)	0.0%	(0.4%)
Operating profit margin	56.0%	56.5%	(0.5%)	57.9%	57.1%	0.8%

Revenue from contracts with customers:

- Revenue growth in the third quarter of 2022 by 13.1% y/y and cumulatively by 28.7% y/y, among others due to the higher average price of Recruitment Projects and gradual diversification of revenue by increasing the value of image products.

Operating expenses:

- An increase in the marketing expenses by 47.8% y/y mainly as a result of higher y/y costs of wide-range campaigns and greater marketing activity of brands Dryg.pl and the:protocol to strengthen their market position. In September 2022, the next edition of the campaign "W środowisku Pracuj.pl" was launched, in which characters are animal avatars. In this edition, the Pracuj.pl website encouraged various forms of rest after work as part of the "Po robocie" initiative.
- The increase in the employee benefits is mainly due to an increase in the level of employment, an increase in salaries and higher expenditures on employee development.
- Increase in the software as services mainly as a result of an increase in prices y/y, number of licenses and systems in use.
- Increase in the other external services as a result of increased use of hosting and outsourcing services.
- An increase in other expenses, among others due to an increase in the prices of utilities and municipal services.

Grupa Pracuj S.A. Group

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All amounts in PLN thousands, unless otherwise stated

3.3 Financial position

Grupa Pracuj S.A. Group

Table 7

Assets of the Group	30 September 2022 (unaudited)	31 December 2021	Change %
Non-current assets, including:	827 469	227 271	264.1%
Intangible assets	30 477	6 176	393.5%
Property, plant and equipment	12 977	9 910	30.9%
Right-of-use assets	19 031	20 854	(8.7%)
Goodwill	551 471	-	n/d
Equity-accounted investees	27 708	32 484	(14.7%)
Other financial assets	132 361	127 229	4.0%
Other non-financial assets	969	227	326.9%
Deferred tax assets	52 475	30 391	72.7%
Current assets, including:	202 796	272 434	(25.6%)
Inventories	3 967	-	n/d
Trade receivables	69 828	55 739	25.3%
Other financial assets	9 320	25 060	(62.8%)
Other non-financial assets	35 173	6 799	417.3%
Cash and cash equivalents	84 508	184 836	(54.3%)
Total assets	1 030 265	499 705	106.2%

Non-current assets increased to PLN 827.5 million, mainly due to the acquisition of shares in Spoonbill Holding GmbH. As at 30 September 2022, the process of purchase price allocation has not been completed by the Group yet. Therefore, the fair value of the acquired assets and liabilities and the goodwill recognized related to this acquisition may change within 12 months from the date of taking control over Spoonbill Holding GmbH. As part of the provisional settlement of the acquisition, as at the reporting date of 30 September 2022, The Entity recognized a surplus of the price paid over the value of the acquired net assets in the amount of PLN 551.5 thousand as goodwill.

Decrease in current assets mainly as a result of lower other short-term financial assets as a result of decreased cash invested in bonds.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

Table 8

Equity and liabilities of the Group	30 September 2022 (unaudited)	31 December 2021	Change %
Equity, including:	307 438	249 157	23.4%
Equity attributable to owners of the Parent Entity	307 431	249 145	23.4%
Non-controlling interests	7	12	(41.7%)
Total liabilities, including:	722 827	250 548	188.5%
Non-current liabilities, including:	362 235	51 212	607.3%
Bank loans	318 908	-	n/d
Lease liabilities	13 335	17 135	(22.2%)
Other financial liabilities	9 396	13 481	(30.3%)
Employee benefits	1 451	1 451	0.0%
Deferred tax liabilities	19 145	19 145	0.0%
Current liabilities, including:	360 592	199 336	80.9%
Bank loans	63 396	-	n/d
Lease liabilities	12 685	9 191	38.0%
Other financial liabilities	2 590	7 097	(63.5%)
Employee benefits	19 589	14 860	31.8%
Trade payables	34 722	15 770	120.2%
Other payables	21 477	15 999	34.2%
Current tax liabilities	5 765	5 197	10.9%
Contract liabilities	200 368	131 222	52.7%
Total equity and liabilities	1 030 265	499 705	106.2%

As of the end of September 2022, the Group's equity increased to PLN 307.4 million.

Total equity and liabilities increased mainly as a result of the drawdown of funds from the credit line of nearly PLN 400.0 million drawn down in the second quarter of 2022 to partially finance the acquisition of shares in Spoonbill Holding GmbH. The acquisition transaction is described in detail in Note 6.4 of the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022. The balance of liabilities resulting from the loan as of 30 September 2022 amounted to PLN 382.3 million.

Grupa Pracuj S.A. Group

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All amounts in PLN thousands, unless otherwise stated

Grupa Pracuj S.A.

Table 9

Assets of the Entity	30 September 2022 (unaudited)	31 December 2021	Change %
Non-current assets, including:	793 227	228 001	247.9%
Intangible assets	7 737	4 525	71.0%
Property, plant and equipment	8 047	6 363	26.5%
Right-of-use assets	10 944	13 464	(18.7%)
Investments in subsidiaries	575 693	21 486	2579.4%
Equity-accounted investees	27 708	32 484	(14.7%)
Other financial assets	131 681	127 229	3.5%
Other non-financial assets	756	-	n/d
Deferred tax assets	30 661	22 450	36.6%
Current assets, including:	94 049	224 171	(58.0%)
Trade receivables	49 887	45 987	8.5%
Other financial assets	9 025	31 801	(71.6%)
Other non-financial assets	3 438	4 568	(24.7%)
Cash and cash equivalents	31 699	141 815	(77.6%)
Total assets	887 276	452 172	96.2%

Non-current assets increased to PLN 793.2 million. It was caused mainly due to the acquisition of shares in Spoonbill Holding GmbH.

Decrease in the value of current assets mainly as a result of lower other short-term financial assets as a result of a lower value of cash invested in bonds.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

Table 10

Equity and liabilities of the Entity	30 September 2022 (unaudited)	31 December 2021	Change %
Equity, including:	299 695	267 138	12.2%
Total liabilities, including:	587 581	185 034	217.6%
Non-current liabilities, including:	347 622	32 280	976.9%
Bank loans	318 908	-	n/d
Lease liabilities	8 238	11 804	(30.2%)
Employee benefits	1 331	1 331	0.0%
Deferred tax liabilities	19 145	19 145	0.0%
Current liabilities, including:	239 959	152 754	57.1%
Bank loans	63 396	-	n/d
Lease liabilities	7 080	6 494	9.0%
Employee benefits	10 598	11 465	(7.6%)
Trade payables	10 575	14 685	(28.0%)
Other payables	11 095	12 253	(9.5%)
Other financial liabilities	2 590	7 097	(63.5%)
Current tax liabilities	5 588	3 943	41.7%
Contract liabilities	129 037	96 817	33.3%
Total equity and liabilities	887 276	452 172	96.2%

At the end of September 2022, the Entity's equity increased by some PLN 300.0 million.

Total equity and liabilities increased mainly as a result of the withdrawal of funds from the credit line launched in the second quarter of 2022 in the amount of nearly PLN 400.0 million to partially finance the acquisition of shares in Spoonbill Holding GmbH. The acquisition transaction is described in detail in note 6.4 of the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022. The carrying amount of liabilities resulting from the loan as at 30 September 2022 amounted to PLN 382.3 million.

Grupa Pracuj S.A. Group

Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the 9-month period ended on September 30, 2022

All amounts in PLN thousands, unless otherwise stated

3.4 Cash flows

Grupa Pracuj S.A. Group

Table 11

	9 months ended			3 months ended		
	30 September		Change (y/y)	30 September		Change (y/y)
	2022 (unaudited)	2022 (unaudited)		2022 (unaudited)	2022 (unaudited)	
Net cash flows from operating activities	186 147	153 461	21.3%	40 562	38 417	5.6%
Net cash flows from investing activities	(515 417)	(18 600)	2671.1%	5 999	(4 245)	(241.3%)
Net cash flows from financing activities	228 877	(120 513)	(289.9%)	(163 815)	(6 415)	2453.6%
Total net cash flows	(100 393)	14 348	(799.7%)	(117 254)	27 757	(522.4%)

Net cash flows from operating activities

Net cash flow from operating activities increased year-on-year by 21,3% in the 9 months ended 30 September 2022 and 5.6% in the 3 months ended 30 September 2022, respectively, mainly as a result of higher revenue from contracts with customers.

Net cash flows from investing activities

On net cash flow from investing activities the biggest impact was acquisition of shares in Spoonbill Holding GmbH and higher expenditures on development works related to the development of software for own needs and modernization of infrastructure.

Net cash flows from financing activities

In the third quarter of 2022, the Group recorded negative flows from financing activities mainly due to the payment of a dividend of PLN 136.5 million, repayment of the capital part of the loan in the amount of PLN 16.0 million and payment of interest resulting from the loan. On the other hand, in cumulative terms in 2022, cash in the amount of PLN 399.9 million had a positive impact on cash flows, resulting primarily from the term loan received.

Grupa Pracuj S.A. Group

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All amounts in PLN thousands, unless otherwise stated

Grupa Pracuj S.A.

Table 12

	9 months ended			3 months ended		
	30 September		Change (y/y)	30 September		Change (y/y)
	2022 (unaudited)	2021 (unaudited)		2022 (unaudited)	2021 (unaudited)	
Net cash flows from operating activities	208 661	143 137	45.8%	58 168	35 708	62.9%
Net cash flows from investing activities	(551 246)	(17 564)	3038.5%	7 287	(4 669)	(256.1%)
Net cash flows from financing activities	232 406	(114 264)	(303.4%)	(161 828)	(2 335)	68.3%
Total net cash flows	(110 179)	11 309	(1074.3%)	(96 373)	28 704	(435.7%)

Net cash flows from operating activities

The changes in cash flows from the Company's operating activities in both reporting periods resulted primarily from the increase in inflows from contracts with customers.

Net cash flows from investing activities

On net cash flow from investing activities both for the 9 months ended 30 September 2022 year, as well as for the period of 3 months ended in the period in question had the greatest impact acquisition of shares in Spoonbill Holding GmbH and in connection with higher expenditures on development works related to the development of software for own needs and modernization of infrastructure.

Net cash flows from financing activities

In the third quarter of 2022, the Company recorded negative flows from financing activities in connection with the payment of a dividend of PLN 136.5 million, repayment of the capital part of the loan in the amount of PLN 16.0 million and payment of interest on its account. On the other hand, in cumulative terms in 2022, cash in the amount of PLN 399.9 million had a positive impact on cash flows, resulting primarily from the term loan received.

3.5 Factors which, in the opinion of the Management Board, will have an impact on the achieved financial results of the Company and the Group in the perspective of at least the next quarter

- The demanding economic situation and the unpredictability of the market environment, along with the unobvious behavior of the labor market in Europe, allow us to assume that in the coming months in the recruitment sector there will be a slight slowdown and stabilization. The fourth quarter is characterized by a lower number of working days, and in addition, the current market situation may cause employers to refrain from making decisions regarding employment and postponing them to next year;
- Systematic increase in recruitment projects' prices and services in the whole Group;
- Increased market penetration of the SME and micro-enterprise market due to the well-received offer of Flexible Price List (Elastyczny Cennik) in the e-commerce channel;
- Development of mobile applications in the particular websites and TAS of Grupa Pracuj, as a response to the growing demands of customers and users;
- Strengthening the Group's position through the use of innovation and flexible response to customer needs - the priority remains to further strengthen the market position of the Group and its individual brands, as well as stronger penetration of segments in which the Group has so far been present, but less active;
- Building a strong brand on the markets of the German-speaking Europe region through the development of softgarden and the search for product synergies within the Group;
- Long-term armed conflict in Ukraine – high uncertainty accompanying the course of military operations and their geopolitical consequences;
- Maintaining cost discipline and possible cost optimization based on the current analysis of the situation of the Group's market environment;

3.6 Additional information

Position of the Management Board regarding the realization of financial forecasts

The Management Board of Grupa Pracuj S.A. had not published forecast financial results of the Group for 2022.

Litigation

As at the date of this Report there have been no significant proceedings before a court, arbitration body or public administration body related to liabilities or receivables of the Entity or the Group's entities.

Bank loans

On 14 June 2022, the Management Board of the Entity informed about the signing of a term bank loan agreement between the Entity as a borrower and BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. as lenders of a term bank loan agreement.

On the basis of the above-mentioned agreement, the Banks undertook to provide the Entity with a term loan up to PLN 400,000,000.00 to finance general corporate objectives, including planned future investments and further development of the Entity.

As the Management Board informed in the current report number 17/2022 of 27 June 2022, on 24 June 2022 the acquisition by the Entity of 25,000 shares representing 100% of the share capital in Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH from Eden Investment S.à r.l. (controlled by the alternative investment company Investcorp) and Stefan Schüffler Beteiligungs UG was closed (haftungsbeschränkt).

The closing of the transaction, including the payment of the final total sale price of PLN 552,488,195.69 (EUR 117,602,664) and the transfer of legal title to the acquired shares to the Entity, was confirmed by the parties by signing the relevant protocol on 27 June 2022. Part of the sale price in the amount of PLN 399,999,999 was financed from a term loan, and the remaining part in the amount of PLN 152,488,196.69 was financed by the Entity from its own funds.

The final repayment date of the loan was set by the parties for 14 June 2027. The loan bears interest at a variable interest rate plus the Banks' margin.

Details of the loan debt are described in the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022 in the note "4.3 Debt liabilities".

Information on the granting by the Company or by a subsidiary of a loan or loan guarantee or the provision of guarantees – jointly to one entity or a subsidiary of that entity, if the total value of the existing sureties or guarantees is significant

In the 9-month period ended 30 September 2022, the Entity did not grant sureties for loans, advances or guarantees that meet the criterion indicated in this point.

Related party transactions

In the 9-month period ended 30 September 2022, the Entity and its subsidiaries did not conclude transactions with related parties on terms other than market conditions. Transactions between related parties shall take place on terms equivalent to those applicable to transactions concluded on market terms. Transactions with related parties are described in the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022 in the note "7.2 Transactions with related parties".

Other information which, in the Company's opinion, is relevant for the assessment of the personnel, property, financial position, financial result and their changes, and information that is relevant for the assessment of the Group's ability to meet its obligations

The Group's operating and financial results, together with a description of events and factors having a significant impact on them, are presented in the chapter 'Overview of financial results and financial position' of this Report.

4. CORPORATE BODIES OF GRUPA PRACUJ S.A.

4.1 Supervisory Board

Composition of the Entity's Supervisory Board as at 30 September 2022 and as the date of preparation of this Report was as follows:

Table 14 Composition of the Supervisory Board of the Company

First and last name	Position	Date of first appointment
Maciej Noga	Chairman of the Supervisory Board	1 November 2018
John Doran	Member of the Supervisory Board	14 August 2017
Wojciech Stankiewicz	Independent Member of the Supervisory Board	7 November 2016
	Member of the Audit Committee	
Przemysław Budkowski	Independent Member of the Supervisory Board	1 June 2020
	Member of the Audit Committee	
Agnieszka Słomka-Gołębiowska	Independent Member of the Supervisory Board	11 August 2021
	Chairman of the Audit Committee	
Mirosław Stachowicz	Member of the Supervisory Board	29 October 2021

None of the above-mentioned members of the Supervisory Board conducts activities competitive to entities from the Group

4.2 Management Board

Composition of the Entity's Management Board as at 30 September 2022 and as the date of preparation of this Report was as follows:

Table 15 Composition of the Management Board of the Company

First and last name	Position	Date of first appointment
Przemysław Gacek	President of the Management Board	6 November 2015
Gracjan Fiedorowicz	Member of the Management Board	6 November 2015
Rafał Nachyna	Member of the Management Board	17 October 2016

5. SHAREHOLDER STRUCTURE

The current Entity's shareholder structure is published on the corporate website of Grupa Pracuj at https://grupapracuj.pl/dla-inwestorow/akcje_

As at 30 September 2022, the Entity's share capital amounted to PLN 341,325,130.00 (three hundred and forty one million three hundred and twenty-five thousand one hundred and thirty zlotys) and was divided into 68,265,026 (sixty-eight million two hundred and sixty-five thousand twenty six) shares, with a nominal value of PLN 5.00 (five zlotys) each, including:

- a) 48,686,990 (forty-eight million six hundred and eighty-six thousand nine hundred and ninety) series A ordinary bearer shares;
- b) 18,155,860 (eighteen million one hundred and fifty-five thousand eight hundred and sixty) series B ordinary bearer shares;
- c) 1,261,400 (one million two hundred and sixty-one thousand four hundred) series C ordinary bearer shares.
- d) 160,776 (one hundred sixty thousand seven hundred and seventy-six) ordinary bearer series D shares.

As at 30 September 2022 the total number of votes in the Entity from all shares was 68,265,026. One share corresponds to one vote at the General Meeting of Shareholders.

There are no restrictions on the exercise of voting rights in the Entity other than those resulting from generally applicable laws

Shareholders holding at least 5% of the total number of votes

To the best of the Company's knowledge, as at 30 September 2022, significant shareholders of Grupa Pracuj S.A., holding at least 5% of the total number of votes at the Entity's General Meeting, were the following persons and entities:

Shareholder	30 September 2022		
	Number of shares owned	Par value of shares (PLN)	Share %
Przemysław Gacek*	36 130 187	180 650 935	52.93%
TCV Luxco Perogie S.à r.l.	8 638 861	43 194 305	12.65%
Maciej Noga	5 799 227	28 996 135	8.50%
Pozostali	17 696 751	88 483 755	25.92%
Total	68 265 026	341 325 130	100.00%

* directly and indirectly through Frascati Investments sp. z o.o. which is controlled by Przemysław Gacek and also taking into account the shares held by persons for whom there is a presumption of the existence of an agreement referred to in Article 87(1)(5) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.

Shares held by managing and supervising persons

As at 30 September 2022, the shares in the Entity held by the managing and supervising persons were as follows:

Supervising persons	30 September 2022		
	Number of shares owned	Par value of shares (PLN)	Share %
Przemysław Gacek*	36 130 187	180 650 935	52.93%
Gracjan Fiedorowicz	522 910	2 614 550	0.77%
Rafał Nachyna	490 640	2 453 200	0.72%
Total	37 143 737	185 718 685	54.42%

* directly and indirectly through Frascati Investments sp. z o.o., which is controlled by Przemysław Gacek and taking into account the shares held by persons for whom there is a presumption of the existence of an agreement referred to in Article 87(1)(5) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.

Osoby nadzorujące	30 September 2022		
	Number of shares owned	Par value of shares (PLN)	Share %
Maciej Noga	5 799 227	28 996 135	8.50%
Mirosław Stachowicz	112 066	560 330	0.16%
Total	5 911 293	29 556 465	8.66

Changes in shareholdings by management and supervisory personnel in the reporting period

Supervising persons	Number of shares owned on 30 September 2022	Change	Number of shares owned on 31 December 2021
	Przemysław Gacek*		36 130 187
Gracjan Fiedorowicz	522 910	-	522 910
Rafał Nachyna	490 640	-	490 640
Maciej Noga	5 799 227	-	5 799 227
Mirosław Stachowicz	112 066	3 336	108 730

Information on agreements concerning changes in the shareholder structure

In 2022 the Entity had the following employee share-based payment programmes:

- **Incentive Programme 1**

On 29 October 2021 the Extraordinary General Meeting of the Parent Entity adopted a resolution establishing an incentive programme no. 1 ('Incentive Programme 1') for members of the Management Board and Supervisory Board and key employees (persons employed under an employment contract or mandate contract, regardless of the applicable law governing the contract). Two main objectives of the Incentive Programme 1 are to achieve long-term business goals of the Parent Entity and retain an employment relationship with employees who have a key impact on developing and implementing of the Parent Entity's strategy. The Incentive Programme 1 will be implemented in the years 2022-2024.

A detailed description of the programme is presented in the note 'Liabilities to employees' in the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022 (note 6.9).

• **Incentive Programme 2 and 3**

On 29 October 2021 the Extraordinary General Meeting of the Parent Entity adopted resolutions establishing the regulations for the incentive programme no. 2 and 3 (each separately hereinafter: 'Incentive Programme 2' and 'Incentive Programme 3'. together 'Incentive Programmes 2 and 3'). Two main objectives of Incentive Programmes 2 and 3 are as follows:

- achieving the Entity's long-term business goals;
- retaining an employment relationship with employees who have a key impact on developing and implementing the Parent Entity's strategy.

Incentive Programmes 2 and 3 were based on shares issued under the authorization granted to the Management Board to increase the share capital within the authorized share capital pursuant to a resolution no. 5 of the Extraordinary General Meeting of 22 October 2021. with the possibility of exclusion of the pre-emptive right with the consent of the Supervisory Board.

The Incentive Programme 2 was intended for employees (persons employed under an employment contract or a mandate contract (regardless of the applicable law governing the contract)) of the Group as well as members of the Management Board and Supervisory Board of the Parent Entity.

The Incentive Programme 3 was intended for the Group's associates (persons conducting business activity who provide services to the Group on the basis of a separate contract for the provision of services (regardless of the applicable law governing the contract)).

A detailed description of the programme is presented in the note 'Liabilities to employees' in the interim condensed consolidated financial statements for the 9-month period ended 30 September 2022 (note 6.9).

Quotations on the WSE

The shares of Grupa Pracuj S.A. have been listed on the Warsaw Stock Exchange since 9 December 2021. The Entity's shares have been listed on the WSE main market in the continuous trading system under the name of 'GPP'.

Grupa Pracuj S.A. shares are included in the following indices:

- WIG;
- mWIG40
- WIG-Poland;
- WIG-MEDIA;
- InvestorMS.



**Interim condensed consolidated
financial statements
of Grupa Pracuj S.A. Group
for the nine-month period
ended September 30, 2022**



Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended September 30, 2022

All amounts in PLN thousands, unless otherwise stated

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Revenue from contracts with customers	2.2	463 751	343 848	183 460	126 254
Depreciation and amortisation		(14 378)	(8 838)	(8 146)	(2 918)
Marketing expenses		(38 422)	(30 188)	(14 480)	(12 853)
Software as services		(5 995)	(4 276)	(2 198)	(1 137)
Other external services		(49 226)	(16 323)	(30 595)	(8 677)
Employee benefits	7.4	(137 722)	(105 760)	(50 810)	(32 780)
Other expenses		(5 124)	(3 597)	(2 887)	(1 187)
Other operating income	2.3	1 222	812	505	248
Other operating costs	2.3	(2 590)	(292)	(441)	(110)
Expected credit losses		(929)	364	117	49
Operating profit		210 587	175 750	74 525	66 889
Finance income	2.4	7 330	88 046	4 381	916
Finance costs	2.4	(16 694)	(1 247)	(10 603)	(562)
Net finance income / (costs)		(9 364)	86 799	(6 222)	354
Share of financial result of equity-accounted investees	6.5	(546)	5 285	(405)	2 018
Profit before tax		200 677	267 834	67 898	69 261
Income tax	3.1	(45 845)	(55 217)	(15 277)	(14 715)
Profit from continuing operations		154 832	212 617	52 621	54 546
Net profit		154 832	212 617	52 621	54 546

OTHER COMPREHENSIVE INCOME	Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Items that may be reclassified to profit or loss		22 231	(359)	23 997	(380)
Foreign exchange differences from the translation of foreign entities		22 231	(359)	23 997	(380)
Total other comprehensive income		22 231	(359)	23 997	(380)
TOTAL COMPREHENSIVE INCOME		177 063	212 258	76 618	54 166

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended September 30, 2022

All amounts in PLN thousands, unless otherwise stated

	Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Net profit attributable to:					
Owners of the Parent Entity		157 651	210 739	53 145	53 431
Non-controlling interests		(2 819)	1 878	(524)	1 115
		154 832	212 617	52 621	54 546
Total comprehensive income attributable to:					
Owners of the Parent Entity		179 800	210 380	77 060	53 050
Non-controlling interests		(2 737)	1 878	(442)	1 115
		177 063	212 258	76 618	54 165
Basic profit per share (PLN) - continuing operations	7.1	2.31	3.15	0.78	0.80
Diluted profit per share (PLN) - continuing operations	7.1	2.30	3.14	0.77	0.80

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended September 30, 2022

All amounts in PLN thousands, unless otherwise stated

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2022 (unaudited)	31 December 2021
Intangible assets	6.1	30 477	6 176
Property, plant and equipment	6.2	12 977	9 910
Right-of-use assets	6.3	19 031	20 854
Goodwill	6.4	551 471	-
Equity-accounted investees	6.5	27 708	32 484
Other financial assets	5.2	132 361	127 229
Other non-financial assets	6.7	969	227
Deferred tax assets	3.1	52 475	30 391
Non-current assets		827 469	227 271
Inventories	6.6	3 967	-
Trade receivables	5.4	69 828	55 739
Other financial assets	5.2	9 320	25 060
Other non-financial assets	6.7	35 173	6 799
Cash and cash equivalents	4.4	84 508	184 836
Current assets		202 796	272 434
Total assets		1 030 265	499 705

EQUITY AND LIABILITIES	Note	30 September 2022 (unaudited)	31 December 2021
Share capital	4.2	341 325	340 521
Reserve capital		238 247	108 516
Reserve capital for the acquisition of own shares		1 080	1 080
Share-based payments	6.9	42 111	29 256
Other reserves		(14 521)	(15 792)
Translation reserve		22 137	(94)
Merger reserve		(586 707)	(586 707)
Retained earnings		263 759	372 365
Equity attributable to owners of the Parent Entity		307 431	249 145
Non-controlling interests		7	12
Total equity		307 438	249 157
Bank loans	4.3	318 908	-
Lease liabilities	4.3	13 335	17 135
Other financial liabilities	5.3	9 396	13 481
Employee benefits	6.9	1 451	1 451
Deferred tax liabilities	3.1	19 145	19 145
Non-current liabilities		362 235	51 212
Bank loans	4.3	63 396	-
Lease liabilities	4.3	12 685	9 191
Employee benefits	6.9	19 589	14 860
Trade payables	5.4	34 722	15 770
Other payables	6.8	21 477	15 999
Other financial liabilities	5.3	2 590	7 097
Current tax liabilities	3.1	5 765	5 197
Contract liabilities	2.2	200 368	131 222
Current liabilities		360 592	199 336
Total liabilities		722 827	250 548
Total equity and liabilities		1 030 265	499 705

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended

September 30, 2022

All amounts in PLN thousands, unless otherwise stated

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)
Cash flows from operating activities			
Profit before tax		200 677	267 834
Adjustments for:			
Share in (profit) / loss of equity-accounted investees		546	(5 285)
Depreciation and amortization		14 378	8 838
(Gain) / Loss due to exchange differences		1 813	(1 313)
(Gain) / Loss on interest		9 653	855
(Profit) / Loss on investment activities		(2 032)	(85 562)
Impairment of equity-accounted investees		4 230	-
Equity-settled share-based payment transactions		12 855	11 317
Income tax paid		(49 532)	(36 334)
Changes in working capital:			
Employee benefits	6.9	(22 803)	(2 860)
Change in inventories	6.6	15 428	-
Trade receivables	5.4	6 847	(16 982)
Other non-financial assets	6.7	(8 521)	(1 500)
Trade payables	5.4	(10 747)	1 246
Other payables	6.8	(7 517)	4 818
Contract liabilities		21 209	8 274
Other adjustments		(337)	115
Net cash flows from operating activities		186 147	153 461
Cash flows from investing activities			
Expenditures for the acquisition of subsidiaries less cash and cash equivalents in acquired subsidiaries		(514 047)	-
Acquisition of financial assets		(56 053)	(71 768)
Proceeds from the sale of financial assets		65 000	52 163
Dividend received		-	6 619
Proceeds from sale of property, plant and equipment and intangible assets		224	341
Acquisition of property, plant and equipment and intangible assets		(10 541)	(5 955)
Net cash flows from investing activities		(515 417)	(18 600)
Cash flows from financing activities			
Dividends paid	4.2	(136 530)	(82 879)
Acquisition of own shares		-	(7 796)
Net proceeds from the issue of shares	4.2	804	6 307
Proceeds from bank loans	4.3	400 000	-
Repayment of bank loans	4.3	(16 000)	(29 181)
Payment of lease liabilities	4.3	(8 048)	(5 996)
Interest paid	4.3	(9 349)	(968)
Commissions paid related to bank loans	4.3	(2 000)	-
Net cash flows from financing activities		228 877	(120 513)
Total net cash flows		(100 393)	14 348
Cash and cash equivalents at the beginning of the period			
		184 836	135 227
Effect of movements in exchange rates on cash and cash equivalents		65	350
Cash and cash equivalents at the end of the period		84 508	149 925
Cash and cash equivalents in the statement of financial position	4.4	84 508	149 925

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended

September 30, 2022

All amounts in PLN thousands, unless otherwise stated

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Reserve capital for the acquisition of own shares	Share-based payments	Other reserves	Translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the Parent Entity	Non-controlling interests	Total equity
1 January 2022	340 521	108 516	1 080	29 256	(15 792)	(94)	(586 707)	372 365	249 145	12	249 157
Net profit / (loss) for the period	-	-	-	-	-	-	-	157 651	157 651	(2 819)	155 132
Other comprehensive income for the period	-	-	-	-	-	22 231	-	-	22 231	-	22 231
Total comprehensive income for the period	-	-	-	-	-	22 231	-	157 651	179 883	(2 819)	177 064
Increase in share capital	804	-	-	-	-	-	-	-	804	-	804
Equity-settled share-based payment	-	-	-	12 855	-	-	-	-	12 856	-	12 855
Distribution of retained earnings	-	129 731	-	-	-	-	-	(129 731)	-	-	-
Put option valuation	-	-	-	-	1 271	-	-	-	1 271	2 814	4 085
Dividends	-	-	-	-	-	-	-	(136 530)	(136 530)	-	(136 530)
Transactions with owners	804	129 731	-	12 855	1 271	-	-	(266 259)	(121 597)	2 814	(118 783)
30 September 2022 (unaudited)	341 325	238 247	1 080	42 111	(14 521)	22 137	(586 707)	263 759	307 431	7	307 438

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended

September 30, 2022

All amounts in PLN thousands, unless otherwise stated

	Share capital	Reserve capital	Reserve capital for the acquisition of own shares	Share-based payments	Other reserves	Translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the Parent Entity	Non-controlling interests	Total equity
1 January 2021	334 867	107 247	2 960	16 685	37 812	488	(586 707)	189 839	103 191	(216)	102 975
Net profit / (loss) for the period	-	-	-	-	-	-	-	210 739	210 739	1 878	212 617
Other comprehensive income for the period	-	-	-	-	-	(359)	-	-	(359)	-	(359)
Total comprehensive income for the period	-	-	-	-	-	(359)	-	210 739	210 380	1 878	212 258
Acquisition of own shares	-	-	(7 796)	-	-	-	-	-	(7 796)	-	(7 796)
Distribution of retained earnings	-	-	6 532	-	-	-	-	(6 532)	-	-	-
Equity-settled share-based payment	-	-	-	11 317	-	-	-	-	11 317	-	11 317
Creation of reserve capital	-	1 269	(1 269)	-	-	-	-	-	-	-	-
Put option valuation	-	-	-	-	(14 921)	-	-	-	(14 921)	1 440	(13 481)
Dividends	-	-	-	-	(38 040)	-	-	(65 634)	(103 674)	(3 114)	(106 788)
Unregistered capital	-	-	-	-	6 307	-	-	-	6 307	-	6 307
Transactions with owners	-	1 269	(2 533)	11 317	(46 654)	-	-	(72 166)	(108 767)	(1 674)	(110 441)
30 September 2021 (unaudited)	334 867	108 516	427	28 002	(8 842)	129	(586 707)	328 412	204 804	(12)	204 792

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 9-month period ended September 30, 2022

All amounts in PLN thousands, unless otherwise stated

1. GENERAL INFORMATION

1.1 General information about the Parent Entity

Name of the Entity	Grupa Pracuj spółka akcyjna
Registered office	Prosta 68 Street, 00-838 Warszawa
District Court	District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register (KRS)
KRS number	0000913770
Tax identification number (NIP)	527-27-49-631

Grupa Pracuj spółka akcyjna (hereinafter referred to as 'Grupa Pracuj S.A.', the 'Parent Entity' or the 'Entity') is the Parent Entity of Grupa Pracuj S.A. Group (hereinafter referred to as the 'Group').

On 2 August 2021, the Entity was transformed from a limited liability entity into a joint-stock company.

Grupa Pracuj S.A. is a leading technology platform in the HR industry in the region of Central and Eastern Europe, which is based on online job advertisements and provides support to a variety of entities in the area of recruitment, retention and development of employees. The Group enables the users of the services to find appropriate workplaces that enable them to fully utilize their potential, as well as to create world-class technologies that determine the future of the HR market. The Group's brands create an advanced digital ecosystem for the HR industry, the most important of which are Pracuj.pl, Robota.ua, eRecruiter and softgarden.

1.2 Composition of the Management Board and Supervisory Board of the Parent Entity

As at 30 September 2022 and as at the date of approval of these interim condensed consolidated financial statements the composition of the Management Board of the Entity was as follows:

- Przemysław Gacek - President of the Management Board,
- Gracjan Fiedorowicz - Member of the Management Board,
- Rafał Nachyna - Member of the Management Board.

Up to the date of approval of these interim condensed consolidated financial statements there were no changes in the composition of the Management Board of the Entity.

As at 30 September 2022 and as at the date of approval of these interim condensed consolidated financial statements the Supervisory Board of the Entity consisted of:

- Maciej Noga - Chairman of the Supervisory Board,
- Wojciech Stankiewicz - Member of the Supervisory Board,
- John Doran - Member of the Supervisory Board,
- Przemysław Budkowski - Member of the Supervisory Board,
- Agnieszka Słomka-Gołębiowska - Member of the Supervisory Board,
- Mirosław Stachowicz - Member of the Supervisory Board.

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1.3 Composition of the Group and basis for consolidation

The Group consists of the Parent Entity, i.e., Grupa Pracuj S.A. and its subsidiaries.

Interim condensed consolidated financial statements comprise financial data of the Parent Entity and its subsidiaries. The data of the subsidiaries are presented based on the full consolidation method.

In addition, the Group holds shares in associates, which are measured using the equity method.

The financial statements of all subsidiaries and associates have been prepared for the same reporting periods as those of the Parent Entity, using consistent accounting policies.

As at 30 September 2022 and 31 December 2021, the share in the total number of votes held by the Group in subsidiaries is equal to the Group's share in the capital of these entities.

Changes in the composition of the Group

On 14 June 2022, Grupa Pracuj S.A. concluded with Eden Investment S.à r.l.(a company controlled by an alternative investment company Investcorp) and Stefan Schüffler Beteiligungs UG (haftungsbeschränkt) the share purchase agreement regarding the acquisition of 25,000 shares representing 100% of the share capital in Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH. The closing of the transaction, including the payment of the final total sale price of PLN 552,488,195.69 (EUR 117,602,664.00) and the transfer of legal title to the acquired shares to the Entity, was confirmed by the parties by signing the relevant protocol on 24 June 2022 (note 6.4).

The table below shows the Group's subsidiaries and associates.

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Entity name	Seat	Core activities	Interest in the share capital as at	
			30 September 2022 (unaudited)	31 December 2021
Direct and indirect subsidiaries				
Robota International TOV	Ukraine	marketing services	67%	67%
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
eRecruitment Solutions Ukraine TOV	Ukraine	activities related to data bases	100%	100%
HumanWay sp. z o.o. w likwidacji	Poland	IT services	100%	100%
BinarJobs sp. z o.o.	Poland	marketing services	100%	100%
Snowless Global Ltd	Cyprus	activities related to licenses	67%	67%
Spoonbill Holding GmbH	Germany	services connected with non-financial holdings	100%	-
Spoonbill GmbH	Germany	services connected with non-financial holdings	100%	-
softgarden e-recruiting GmbH	Germany	IT services	100%	-
absence.io GmbH	Germany	IT services	100%	-
Associates				
Epicode sp. z o.o.	Poland	IT services	35%	35%
Resolutio sp. z o.o.	Poland	services related to HR management	34%	34%
Video Recruiting Solutions s.r.o., v likvidaci	Czech Republic	IT services	30%	30%
Work Ukraine TOV	Ukraine	marketing services	33%	33%
WorkIP Ltd	Cyprus	activities related to licenses	33%	33%
Coders Lab sp. z o.o.	Poland	training services	22%	22%
Fitqbe sp. o.o.	Poland	IT services	35%	35%

1.4 Basis for the preparation of these interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard No. 34, 'Interim Financial Reporting', as approved by the European Union (hereinafter: 'IAS 34'). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021 approved for publication on 21 April 2022.

The accounting policies applied as the basis for the preparation of these interim condensed consolidated financial statements are consistent with those applied as the basis for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

These interim condensed consolidated financial statements have been prepared based on the historical cost principle except for investments in equity instruments measured at fair value through profit or loss, derivatives and put option liabilities.

The Management Board of the Parent Entity declares that, according to its best judgment, these interim condensed consolidated financial statements have been prepared in accordance with the accounting principles currently in force and give a true, fair and clear view of the financial position and financial result for the period of the Group.

These interim condensed consolidated financial statements have been prepared under the assumption that the Group will continue to operate on a going concern basis in the period not shorter than 12 months starting from 30 September 2022. As at the date of preparation of these interim condensed consolidated financial statements, The Management Board of the Parent Entity does not identify any facts or circumstances that would indicate a threat to the going concern of the Group. The impact of the armed conflict in Ukraine on the Group's operations has been analyzed and described in detail in note 7.7.

Financial data for the 3-month period ended 30 September 2022 were calculated as a difference between cumulative data for the period ended 30 September 2022 and financial data presented in the interim condensed consolidated financial statements of Grupa Pracuj S.A. Group for the 6-month period ended 30 June 2022 published on 27 September 2022.

These consolidated quarterly report is prepared in accordance with the requirements of the Regulation of Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and terms for recognizing as equivalent information required by the laws of a non-member state (unified text, Official Journal 2019, item 757) and present reporting period from 1 January to 30 September 2022 and comparative period from 1 January to 30 September 2021 for interim condensed statement of comprehensive income, interim condensed statement of cash flows and interim condensed statement of financial position as at 30 September 2022 and as at 31 December 2021.

1.5 Significant estimates and judgements

The preparation of financial statements in accordance with IFRS requires using significant accounting estimates. Estimates and judgements are reviewed on an ongoing basis taking into account past experience and other factors, including predictions about future events that seem reasonable in a given situation. The Group makes estimates and assumptions relating to the future. Accounting estimates obtained this way, by definition will rarely coincide with the actual results. Estimates and judgements which carry significant risk of material adjustment to the carrying amounts of assets and liabilities in the next financial year are described in explanatory notes to the interim condensed consolidated financial statements.

In the period of 9 months ended on 30 September 2022, no substantial changes were introduced to the way of making estimates.

The estimates and assumptions that entail a significant risk of a material adjustment to the reported carrying amounts of assets and liabilities within the next financial period are described in particular explanatory notes to these interim condensed consolidated financial statements.

Financial statements line items to which significant estimates and judgments relate	Note
Revenue from contracts with customers	2.2
Deferred tax assets	3.1
Payables/receivables due to taxes	3.1
Lease liabilities	4.3
Financial assets measured at amortised cost	5.1
Trade receivables	5.1
Unlisted shares	5.2
Equity-accounted investees	6.5
Employee benefits	6.9
Share-based payments	6.9

1.6 Functional currency and presentation currency

Functional currency and presentation currency

Financial statements of the Group's subsidiaries and associates are prepared in the currency of their primary economic environment in which they operate, i.e. their functional currency.

Polish zloty (PLN) is the functional currency of the Parent Entity and of some of the Group's entities (apart from foreign operations listed below) as well as the presentation currency of these interim condensed consolidated financial statements.

All figures in these interim condensed consolidated financial statements have been rounded to the nearest thousand PLN, unless otherwise indicated.

The Group's foreign operations with a functional currency other than Polish zloty are Robota International TOV, eRecruitment Solutions Ukraine TOV and Work Ukraine TOV, for which the functional currency is Ukrainian hryvnia (UAH), and Snowless Global Ltd, WorkIP Ltd, Spoonbill Holding GmbH,

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Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH for which the functional currency is the euro (EUR).

For the translation of financial data of foreign entities into PLN and translation of transactions and balances expressed in foreign currencies, the following exchange rates were used:

currency	The exchange rate at the reporting date	
	30 September 2022	31 December 2021
EUR	4.8698	4.5994
USD	4.9533	4.0600
UAH	0.1258	0.1487

currency	The exchange rate at the reporting date	
	9 months ended 30 September 2022	9 months ended 30 September 2021
EUR	4.6880	4.5495
USD	4.4413	3.8034
UAH	0.1385	0.1385

1.7 Error corrections and the change of accounting policies

In the reporting period the Group did not make any corrections of prior period errors and did not change accounting policies.

2. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME

2.1 Operating segments

According to IFRS 8 Operating Segments ('IFRS 8'), an operating segment is a separable component of the Group for which separable financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

The Group has identified the following operating segments:

- Segment Poland – this segment includes entities that generate revenue on the Polish market and whose results are regularly reviewed by the Parent Entity's Management Board as the main decision-making authority. This segment consists of the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji and BinarJobs sp. z o.o. The entities included in this segment offer comprehensive recruitment, branding and advertising projects.
- Segment Ukraine – this segment includes entities that generate revenue from contracts with customers on the Ukrainian market. The financial results of entities included in this segment are periodically reviewed by the Management Board of the Parent Entity. This segment includes the following entities: Robota International TOV, eRecruitment Solutions Ukraine TOV and Snowless Global Ltd (an entity registered in Cyprus, providing licensing services for Robota International TOV). Entities operating on the Ukrainian market offer comprehensive recruitment projects similarly to entities operating on the Polish market.

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- **Segment Germany**– the segment includes companies generating revenue mainly on the German market. The results of the companies included in this segment are subject to periodic verification by the Management Board of the Parent Company. This segment consists of the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH. Companies operating on the German market offer comprehensive services for recruitment processes as well as services supporting the management of working time and absences.

The Group decided to disclose certain information regarding profit or loss for the periods by operating segments. The Group applies the exemption available in IFRS 8 for assets and liabilities and does not report the assets and liabilities for the segments as the Management Board of the Parent Entity (i.e., chief operating decision maker as defined in IFRS 8) does not analyze segment data considering the division of assets and liabilities.

Selected data on revenue and expenses analyzed by the Management Board of the Parent Entity for both operating segments are presented in the following tables:

9 months ended 30 September 2022 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intra segment adjustments	Total
External revenue	392 705	19 417	51 629	-	463 751
Other operating income	900	31	291	-	1 222
Inter-segment revenue	46	75	-	(121)	-
Segment revenue	393 651	19 523	51 920	(121)	464 973
Depreciation and amortization	(7 122)	(2 153)	(5 103)	-	(14 378)
Operating expenses other than depreciation and amortization	(172 245)	(24 895)	(42 989)	121	(240 008)
Operating profit	214 284	(7 525)	3 828	-	210 587

3 months ended 30 September 2022 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intra segment adjustments	Total
External revenue	126 545	5 286	51 629	-	183 460
Other operating income	322	(108)	291	-	505
Inter-segment revenue	21	7	-	(28)	-
Segment revenue	126 888	5 185	51 920	(28)	183 965
Depreciation and amortization	(2 477)	(566)	(5 103)	-	(8 146)
Operating expenses other than depreciation and amortization	(52 962)	(5 371)	(42 989)	28	(101 294)
Operating profit	71 449	(752)	3 828	-	74 525

9 months ended 30 September 2021 (unaudited)	Segment Poland	Segment Ukraine	Intra segment adjustments	Total
External revenue	306 632	37 216	-	343 848
Other operating income	786	26	-	812
Inter-segment revenue	31	131	(161)	-
Segment revenue	307 449	37 373	(161)	344 660
Depreciation and amortization	(6 300)	(2 538)	-	(8 838)
Operating expenses other than depreciation and amortization	(131 529)	(28 703)	161	(160 072)
Operating profit	169 618	6 132	-	175 750

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3 months ended 30 September 2021 (unaudited)	Segment Poland	Segment Ukraine	Intra segment adjustments	Total
External revenue	111 339	14 915	-	126 254
Other operating income	247	1	-	248
Inter-segment revenue	16	62	(78)	-
Segment revenue	111 602	14 978	(78)	126 502
Depreciation and amortisation	(2 055)	(863)	-	(2 918)
Operating expenses other than depreciation and amortisation	(47 317)	(9 456)	78	(56 695)
Operating profit	62 230	4 659	-	66 889

2.2 Revenue from contracts with customers

Characteristics of key types of products and services

The following list presents revenue from contracts with customers by the timing of satisfaction of performance obligations and by country.

The most important categories of services offered by the Group are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2021.

Structure of revenue from contracts with customers by the timing of satisfaction of performance obligations

Revenue from contracts with customers by the timing of revenue recognition	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Over time	312 601	220 648	128 875	75 598
At a point in time	151 150	123 200	54 584	50 656
Total	463 751	343 848	183 459	126 254

Geographical structure of revenue from contracts with customers

Revenue from contracts with customers by country	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Poland	392 705	306 632	127 766	111 391
Ukraine	19 417	37 216	4 064	14 863
Germany	51 629	-	51 629	-
Total	463 751	343 848	183 459	126 254

Contract liabilities

Contract liabilities represent the amount of the transaction price allocated to the unfulfilled performance obligation at the end of the reporting period - the most significant items relate to the sale of recruitment projects.

Contract liabilities	30 September 2022 (unaudited)	31 December 2021
Short-term	200 368	131 222
Total	200 368	131 222

The Group expects to recognise as revenue the amounts presented as contract liabilities during 12 months following the payment, which is a consequence of the characteristics of the contracts with customers, which are signed for a maximum of 1 year.

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The Group has applied the practical expedient provided in IFRS 15 based on which the Group does not have to disclose the transaction price allocated to the unsatisfied performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

2.3 Other operating income and expenses

Other operating income

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Profit from sale of non-financial non-current assets	187	52	108	6
Other operating income	1 035	760	397	242
Total	1 222	812	505	248

Other operating costs

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Donations given	2 470	124	467	30
Other operating costs	120	168	(26)	80
Total	2 590	292	441	110

The Group donated PLN 1,000 thousand to organizations acting for Ukraine in Poland, including the Polish Humanitarian Action and the Ukrainian House in Warsaw. Additional UAH 9,431 thousand were donated by Robota International TOV, among others to the Ukrainian Red Cross.

2.4 Financial income and costs

Financial income

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Interest income	5 496	787	2 379	262
Valuation of derivative financial instruments	1 516	-	1 516	-
Net change in fair value of investments measured at fair value through profit or loss	318	86 222	486	-
Foreign exchange income and others	-	1 037	-	654
Total	7 330	88 046	4 381	916

In the 9-month period ended 30 September 2022 valuation of derivative financial instruments (instruments not intended for hedge accounting purposes) concerned interest rate collateral under the loan obtained (note 4.3).

In the 9-month period ended 30 September 2021, the Group measured to fair value the investment in Beamery Inc. as a result of which PLN 86,222 thousand was recognised in finance income (note 5.2).

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Financial costs

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Interest on bank loans	9 077	198	8 441	-
Interest on lease liabilities	577	663	197	218
Impairment of shares in equity-accounted investees	4 230	742	169	742
Foreign differences	2 438	(407)	1 481	(407)
Other	372	51	315	9
Total	16 694	1 247	10 603	562

Changes in impairment losses on investments measured using the equity method are described in note 6.5.

Changes between the opening and closing balance sheets for investments measured at fair value through profit or loss are presented in note 5.2.

3. EXPLANATORY NOTES REGARDING TAXATION

3.1 Corporate income tax

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Current tax	50 439	37 902	12 997	12 462
Deferred tax	(4 594)	17 315	2 280	2 253
Total tax expense in the statement of comprehensive income	45 845	55 217	15 277	14 715

Reconciliation of effective tax rate

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Profit before tax	200 677	267 834	67 898	69 261
Income tax using 19% tax rate	38 129	50 888	12 901	13 160
Effect of different tax rates in foreign jurisdictions	462	(66)	407	(43)
Effect of recognising tax revenue from dividends received by Grupa Pracuj S.A. from Robotia International TOV and Work Ukraine TOV	-	1 201	-	1 201
Non-deductible expenses and other permanent differences	3 966	2 048	1 393	473
Share-based payments	2 443	2 150	499	307
Share of profit of equity-accounted investees	104	(1 004)	77	(383)
Impairment of shares in equity-accounted investees	741	-	-	-
Income tax in the statement of comprehensive income	45 845	55 217	15 277	14 715

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Tax rates

	Tax rates
Poland	19%
Ukraine	18%
Germany	30%-33%
Cyprus	13%

Deferred income tax

Deferred tax assets and deferred tax liabilities recognised in respect of temporary differences resulting from assets and liabilities are presented in the table below:

	30 September 2022 (unaudited)	31 December 2021
Deferred tax assets related to other sources		
Contract liabilities	27 897	23 973
Right-of-use assets and lease liabilities (IFRS 16)	1 325	1 040
Trade receivables	328	274
Trade payables	2 375	-
Other payables	39	109
Employee benefits	2 664	2 948
Other non-financial assets	1 325	1 460
Tax losses to be settled in subsequent periods	17 192	-
Other negative temporary differences	302	1 220
Total deferred tax assets	53 447	31 024

	30 September 2022 (unaudited)	31 December 2021
Deferred tax liabilities related to other sources		
Positive temporary differences between the carrying amount of property, plant and equipment and intangible assets, and their tax base	656	518
Other positive temporary differences	316	116
Total deferred tax liabilities related to other sources	972	634
Deferred tax liabilities related to capital gains		
Deferred tax liabilities related to investments measured at fair value	19 145	19 145
Net deferred tax liabilities related to capital gains	19 145	19 145

Net deferred tax assets related to other sources	52 475	30 391
Net deferred tax liabilities related to capital gains	19 145	19 145

Unrecognised deferred tax asset

The Group has not recognised deferred tax assets in respect of tax losses of some subsidiaries in the amount of PLN 429 thousand. In the Group's opinion, the forecasts relating to the performance of these subsidiaries do not justify the possibility of recognising deferred tax assets on these losses, as it is not probable that they will generate sufficient tax profits in the future to utilize respective benefits.

	30 September 2022 (unaudited)		31 December 2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	2 258	429	2 226	423
Total	2 258	429	2 226	423

Unused tax losses in respect of which deferred tax assets have been recognised and the expiry dates of those losses

	30 September 2022 (unaudited)		31 December 2021	
	Gross amount	Year of expiry	Gross amount	Year of expiry
BinarJobs sp. z o.o.	2 204	do 2027	2 180	do 2026
HumanWay sp. z o.o. w likwidacji	54	do 2027	46	do 2026
Total	2 258	-	2 226	-

4. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AND INFORMATION ON INDEBTNESS

4.1 Capital management policy and net debt

The purpose of the Group's capital management policy is to ensure continuous operations of the Group in order to increase value for shareholders and other stakeholders as well as to maintain the optimal structure of capital taking into account its cost and appropriate levels of credit ratings. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders and volume of treasury shares, amount of new shares to be issued or assets to be sold in order to reduce the level of net debt.

The capital management policy takes into account:

- operating results in combination with investment and development plans,
- financial debt repayment schedule,
- credit rating and capital ratios,
- increase of value for shareholders.

As at 31 December 2021, no external capital requirements were imposed on the Group. As at 30 September 2022, the Group had financial liabilities resulting from Credit Agreement (note 4.3).

The Group monitors the level of equity using a leverage ratio calculated as the level of net debt (sum of total liabilities less cash) divided by the total amount of the Group's equity.

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The table below presents the level of the leverage ratio at the end of the periods covered by these financial statements.

	30 September 2022 (unaudited)	31 December 2021
Total liabilities	722 827	250 548
Less: cash and cash equivalents	(84 508)	(184 836)
Net debt	638 319	65 712
Equity	307 438	249 157
Leverage ratio	2.08	0.26

4.2 Equity

Share capital

As at 30 September 2022 share capital consists of 68,265,026 shares of PLN 5.00 each. All issued shares as at 30 September 2022 have a nominal value of PLN 341,325,130 and have been fully paid. As at the reporting date share capital was fully paid up.

Changes in equity in the 9-month period ended 30 September 2022

On 23 May 2022 Management Board of the Parent Entity adopted a resolution on the increase of the Parent Entity's share capital within the limits of the authorized capital by issuing 160,776 ordinary registered shares of series D (hereinafter referred to as 'Series D Shares'). Pursuant to the resolution, Management Board decided to increase the Entity's share capital from PLN 340,521,250.00 to PLN 341,325,130.00, i.e. by PLN 803,880.00.

On 8 July 2022, the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register registered amendments to § 5 section 1 of the Company's Articles of Association adopted based on the resolution of the Management Board of the Entity of 23 May 2022. The increase in the Entity's share capital took place as part of the authorized capital, and the authorized capital of the Entity remaining to be issued is currently PLN 5,155,235.

On August 12, 2022, 160,776 Series D Shares were registered with the National Depository for Securities.

All newly issued Series D Shares were offered in the form of a private subscription by Management Board to the Entity's employees and cooperators and its subsidiaries as part of the incentive programmes established by resolutions No. 4 and 5 of the Extraordinary General Meeting of the Entity on 29 October 2021, regarding establishment of the rules for the incentive programmes No. 2 and 3 for key persons employed by the Group. Entitled employees and cooperators subscribed for Series D Shares at the issue price of PLN 5.00 per share. Series D Shares are subject to a temporary ban on sale (the so called 'lock up') until 9 September 2022.

On 22 June 2022, the Ordinary Meeting of Shareholders of the Entity adopted the resolution No. 8 on a distribution of the net profit for the financial year ended 31 December 2021 in the amount of PLN 266,261,411.34 as follows:

- the amount of PLN 129,731,359.34 was allocated to a reserve capital,
- the amount of PLN 136,530,052.00 was intended to be paid as a dividend.

The dividend payment in the amount of PLN 136,530,052.00 was made in September 2022.

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4.3 Debt liabilities

At the moment of initial recognition bank loans are recognized at fair value, less costs of obtaining the bank loan. After the initial recognition, bank loans are measured at amortised cost, using the effective interest rate method. In determining the amortised cost, costs of obtaining the loan and discounts or premiums are taken into consideration.

Debt liabilities

	30 September 2022 (unaudited)	31 December 2021
Bank loans	382 304	-
- long-term	318 908	-
- short-term	63 396	-
Lease liabilities	26 020	26 326
- long-term	13 335	17 135
- short-term	12 685	9 191
Total	408 324	26 326

Bank loans – terms, repayment schedule

Bank loans	Currency	Face value	Credit limit	Interest rate	Maturity
Fixed-term bank loan granted by Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.	PLN	399,999,999	400,000,000	WIBOR 3M + margin 1.2-1.9%; *for the periods shorter than 3M linear interpolation rate	14.06.2027

On 14 June 2022, an agreement was concluded between the Parent Entity as the borrower and BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. (hereinafter: 'Banks') as lenders of the term bank loan agreement (hereinafter: 'Credit Agreement'). Based on the Credit Agreement, the Banks made available to the Parent Entity a term bank loan up to PLN 400,000,000.00 to finance general corporate objectives, including planned future investments and further development of the Parent Entity. The final repayment date of the bank loan was set by the parties on June 14, 2027. The loan bears interest at a variable interest rate plus the Banks' margin.

Conclusion of transactions hedging interest rate risk

On 11 July 2022, Grupa Pracuj S.A. signed framework agreements with banks, the subject of which is to regulate the rules for concluding and settling term financial operations referred to in Article 85(2) of the Bankruptcy Law, in order to manage the risk of a variable interest rate adversely affecting financial costs related to financial debt. Based on the concluded agreements, the Entity secured the variable interest rate of the WIBOR 3M bank loan by concluding a transaction of converting IRS interest rates into a fixed interest rate of 6.94% for a period of 3 years, i.e. until September 30, 2025. The value of derivative financial instruments not covered by the hedge accounting of collateral of the interest rate risk as at 30 September 2022 amounted to PLN 1,516 thousand.

Collateral for repayment of bank loans

In order to secure the repayment of the Entity's liabilities resulting from the Credit Agreement concluded on 14 June 2022, the Parent Entity entered on 14 June 2022 with the Banks into agreement of registered

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pledges on trademarks and the Internet domain and concluded with the Banks an agreement on registered pledges and financial pledges on bank accounts of Grupa Pracuj S.A.

As at the balance sheet date of 30 September 2022, the Entity established the following collateral on the assets:

- registered pledge on the set of assets of Grupa Pracuj S.A. up to the amount of PLN 852,450 thousand,
- registered pledge on verbal and figurative 'pracuj.pl' up to the amount of PLN 852,450 thousand,
- registered pledge on verbal trademark 'pracuj.pl' up to the amount of PLN 852,450 thousand,
- registered pledge on the Internet domain 'pracuj.pl' up to the amount of PLN 852,450 thousand,
- registered pledges and financial pledges on bank accounts up to PLN 852,450 thousand each,
- the Entity's statement on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure.

During the period covered by these interim condensed consolidated financial statements or after the reporting date, there were no defaults on principal or interest or breaches of other terms of loan agreements.

Reconciliation of movements in debt liabilities to cash flows arising from financing activities in consolidated statements of cash flows

	Bank loans	Lease liabilities	Total
1 January 2022	-	26 326	26 326
Changes from financing cash flows			
New bank loans	400 000	-	400 000
Repayments of bank loans	(16 000)	-	(16 000)
Commissions paid on bank loans	(2 000)	-	(2 000)
Interest paid on bank loans	(8 772)	-	(8 772)
Payment of lease liabilities	-	(8 048)	(8 048)
Interest paid on lease liabilities	-	(577)	(577)
Net cash flows from financing activities	373 228	(8 625)	(364 603)
Other changes			
Lease agreements recognised due to the acquisition	-	5 485	5 485
New lease agreements	-	454	454
Modifications to lease agreements	-	(871)	(871)
Accrued interest	9 077	576	9 653
Effect of changes in foreign exchange rates	-	2 675	2 675
Total of other changes	9 077	8 319	17 396
30 September 2022 (unaudited)	382 304	26 020	408 324

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	Bank loans	Lease liabilities	Total
1 January 2021	29 294	32 146	61 440
Changes from financing cash flows			
Repayments of bank loans	(29 181)	-	(29 181)
Interest paid on bank loans	(310)	-	(310)
Payment of lease liabilities	-	(5 996)	(5 996)
Interest paid on lease liabilities	-	(658)	(658)
Net cash flows from financing activities	(29 491)	(6 654)	(36 145)
Other changes			
New lease agreements	-	1 002	1 002
Modifications to lease agreements	-	528	528
Accrued interest	197	658	855
Effect of changes in foreign exchange rates	-	577	577
Total of other changes	197	2 765	2 962
30 September 2021 (unaudited)	-	28 257	28 257

Information regarding the Group's exposure to interest rate risk, currency risk and liquidity risk are described in note 5.4. Information regarding fair value is contained in note 5.1.

4.4 Cash and cash equivalents

Cash and cash equivalents

	30 September 2022 (unaudited)	31 December 2021
Cash in bank accounts	61 462	24 105
Short-term bank deposits	21 998	160 612
Cash in transit	1 048	119
Total	84 508	184 836

The Group has cash deposited in banks in Ukraine being restricted due to the announced restrictions resulting from the prohibitions established by the National Bank of Ukraine. On 24 February 2022 additional moratorium on cross-border foreign exchange payments was introduced. The total value of cash deposited in Ukrainian bank accounts as at 30 September 2022 amounted to PLN 8,560 thousand. The Ukrainian entity Robota International TOV has full ability to settle its liabilities and has the cash accumulated in these bank accounts at disposal, due to the predominant nature of liabilities in domestic trade.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS MANAGEMENT

5.1 Financial instruments and fair value

According to the Group's assessment, the reporting value of trade receivables, cash and short-term deposits, cash deposits, bonds, trading liabilities and other financial liabilities at the end of each of the reporting periods covered by this interim condensed consolidated financial statement is a reliable approximation of their fair value due to the short-term nature of those items.

The fair value of interest-bearing loans is estimated based on the discounted cash flow model using a discount rate that reflects the Banks' interest rate. On the basis of such calculation, the Group assessed

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that the reporting value of loans at the end of each of the presented periods is a reliable approximation of their fair value.

In the period ended 30 September 2022 and, in the period, ended 30 September 2021, there have been no transfers between level 1 and level 2 of the fair value hierarchy, and none of the instruments was transferred from or to the level 3 of the fair value hierarchy.

There have been no changes to the valuation process and techniques, nor the types of inputs used in the fair value measurement in the current period.

	30 September 2022 (unaudited)	31 December 2021	Fair value hierarchy
Financial assets measured at fair value through profit or loss			
Unlisted shares	128 256	122 172	Level 3
Derivatives	1 516	-	Level 2
Other financial assets	2 467	2 149	Level 3
Total	132 239	124 321	
Financial assets measured at amortised cost			
Trade receivables	69 828	55 739	
Cash and cash equivalents	84 508	184 836	
Cash deposits	4 483	2 991	
Bonds	4 959	24 977	
Total	163 778	268 543	
Other financial liabilities			
Bank loans	382 304	-	
Lease liabilities	26 020	26 326	
Trade payables	34 722	15 770	
Other financial liabilities	11 986	20 578	Level 3
Total	455 032	62 674	

5.2 Other financial assets

Other financial assets

	30 September 2022 (unaudited)	31 December 2021
Long-term	132 361	127 229
Unlisted shares	128 256	122 172
Cash deposits	4 105	2 908
Other financial assets	-	2 149
Short-term	9 320	25 060
Bonds	4 959	24 977
Cash deposits	378	83
Other financial assets	3 983	-
Total	141 681	152 289

In accordance with the provisions of the agreement regarding the investment in Fitqbe Sp. z o.o (hereinafter: 'Fitqbe') (note 5.3), the Entity is entitled to call options for Fitqbe shares and the remaining shareholders of Fitqbe are entitled to put options. At the time of signing the agreement the options have been priced using the Monte-Carlo simulation model. The value of Fitqbe's shares and the exercise price of the option resulting from the price formula specified in the contract were subject to simulation.

The simulation processes of both sizes were correlated using a correlation coefficient determined on a group of companies similar to the simulated sizes quoted on stock exchanges, based on their historical prices. The volatility of the share price and the price formula were determined based on observable historical stock market prices for similar companies quoted on stock exchanges. The most important unobservable variable that affects the valuation of an option is the price of Fitqbe shares as at the date of valuation date. This price was estimated by the Group based on the formula for the option exercise price applied at the date of valuation and Fitqbe's cash balance.

The options were recognised at the reporting date as financial instruments measured at fair value through profit or loss in correspondence with other financial assets. At their initial recognition, due to their combined nature and manner of exercise, the value of the option in the amount of PLN 2,778 thousand was recognised in net value and presented in other financial assets. The Entity recognizes income resulting from the difference between the transaction price and the fair value of the option arising on the date of purchase of the option, until the ultimate moment the option could be executed. As a result of a change in one of the conditions of a contract regarding investment in Fitqbe, this period was shortened to 30 April 2023. Financial assets measured at fair value through profit or loss are measured at each balance sheet date and revaluations to fair value are recognised in profit or loss. The fair value of the option amounted to PLN 2,467 thousand as at 30 September 2022. The effect of the option revaluation for the 9-month period ended 30 September 2022 in the amount of PLN 932 thousand was presented in the statement of comprehensive income as the decrease in finance income for this period in the amount of PLN 318 thousand (note 2.4). As at 30 September 2022 the options have been presented in short-term other financial assets taking into account the time of execution lasting until 30 April 2023.

In addition, other financial assets in the amount of PLN 1,516 thousand relate to financial instruments (IRS) not covered by the hedge accounting of collateral of the interest rate risk of the term loan.

Changes in the value of unlisted shares in each of the reporting periods presented in these interim condensed consolidated financial statements:

	9 months ended 30 September 2022 (unaudited)	2021
Unlisted shares measured at fair value through profit and loss at opening balance	122 172	32 089
Acquisition of unlisted shares measured at fair value	6 084	3 614
Net change in fair value recognised in net finance income / (costs)	-	86 469
Unlisted shares measured at fair value through profit and loss at closing balance	128 256	122 172
<i>including:</i>		
Beamery Inc.	107 730	107 730
Pracuj Ventures sp. z o.o. ASI sp. k.	20 526	14 442

Shares in unlisted entities are measured by the Group to fair value classified at level 3 of the fair value hierarchy. The Group uses its own estimates for this valuation, based on the assumption that there is no reasonably available information that would indicate that market participants would make different assumptions.

In accordance with the resolution No. 2 of the Shareholders' Meeting of Pracuj Ventures spółka z ograniczoną odpowiedzialnością ASI sp.k. (hereafter: 'Pracuj Ventures') dated 16 February 2022 regarding the increase in contributions, Grupa Pracuj S.A. made an additional cash contribution in the amount of PLN 6,084 thousand to Pracuj Ventures. Payment was made on 21 February 2022.

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Management Board analyses factors which could have an impact on fair value measurement of shares on an ongoing basis. As at 30 September 2022 Management Board assessed, that fair value of unlisted shares remained at the same level, excluding the cash contribution in the amount of PLN 6,084 thousand described above.

Valuation of shares not listed on active markets

The fair value measurement of the shares in Beamery Inc. is performed with reference to the valuation of the shares issued by the entity in further funding rounds. In June 2021, Beamery Inc. completed the C funding round, under which it raised funds for the development of further activities from investors not related to the Group, among others Ontario Teachers' Pension Plan and Accenture Ventures in the total amount of USD 138 million. The valuation of the shares issued by Beamery Inc. in this financing round resulted in revaluing the fair value of its shares in this company by the Group and increasing it by PLN 86,222 thousand. The revaluation concerned the Poland segment.

Evaluation of the status of the Entity's involvement in Pracuj Ventures

The Entity has classified its involvement in Pracuj Ventures as an investment, despite contributing to this entity 71.96% of all contributions as at 30 September 2022. The status of the Group's involvement in Pracuj Ventures has been described in detail in note 4.5. to the consolidated financial statements for the period ended 31 December 2021 and has not changed until the date of preparation of these interim condensed consolidated financial statements.

5.3 Other financial liabilities

Other financial liabilities

	30 September 2022 (unaudited)	31 December 2021
Long-term financial liabilities		
Long-term liabilities due to put option	9 396	13 481
Short-term financial liabilities		
Current liability due to acquisition of shares in an associate	2 590	7 097
Total	11 986	20 578

Liabilities due to put option

Long-term liabilities due to put options relate to the estimated value of liabilities arising from potential future payments to non-controlling shareholders of Robota International TOV. The liability in the amount of PLN 9,396 thousand was recognised in correspondence with equity (other reserves). Detailed information has been described in note 5.3 to the consolidated financial statements for the year ended 31 December 2021.

Liability due to acquisition of shares in an associate

On 28 May 2021 an agreement was signed regarding investment in Fitqbe under which on 2 August 2021, the Parent Entity acquired 44 shares, with a nominal value of PLN 50.00 each. In accordance with the provisions of the agreement, the Parent Entity is entitled to the call option ('Call option') for additional shares. Consequently, on 7 October 2021 the Parent Entity and Pracuj Ventures entered into a preliminary share purchase agreement concerning the purchase of 33 additional shares in the share capital of Fitqbe. Grupa Pracuj S.A. will probably acquire these shares by 31 December 2022. As a result of the preliminary agreement and the provisions regarding the Call option, a liability for the acquisition of financial assets in the amount of PLN 2,590 thousand was recognized and presented as

other financial liabilities in correspondence with the investment measured using the equity method. Additionally, on 22 December 2021, the Parent Entity accepted offers to purchase shares thus acquiring additional 39 shares in Fitqbe, which were fully paid on 11 January 2022. Taking the acquisition of additional 33 shares into consideration, the Parent Entity will hold a total of 116 shares representing 35% of the share capital of Fitqbe.

5.4 Financial risk management

5.4.1 Principles of financial risk management

The Group is exposed in its business activities to the following types of financial risk:

- credit risk,
- liquidity risk,
- currency risk,
- interest rate risk.

This note provides information about the Group's exposure to each of the risks identified above and describes the Group's risk management objectives and policies. The overall objective of the financial risk management policy is to minimize the negative impact of the identified financial risks on the Group's financial results.

5.4.2 Credit risk

Credit risk is associated with a potential credit event that may materialize in the future in the form of the following: customer insolvency, partially repaid receivables, a significant delay in the repayment of receivables, other unexpected deviation from contractual terms, or the risk of not recovering cash placed in banks. This risk primarily relates to trade receivables, cash and cash equivalents, and other financial assets, under which the Group recognises, in particular, short-term bonds and cash deposits paid.

The following table shows the Group's maximum exposure to credit risk:

	30 September 2022 (unaudited)	31 December 2021
Trade receivables	69 828	55 739
Other financial assets	9 442	27 968
Cash and cash equivalents	84 508	184 836
Total	163 778	268 543

Credit risk related to cash balances

The Group periodically allocates free cash on short-term deposits with banks to earn finance income from interest.

The credit risk associated with cash at bank and bank deposits is low as the Group concludes transactions with banks with high rating and stable market position. The expected credit loss estimated by the Group is close to zero, therefore no allowance for such loss has been recognised.

The maximum exposure to this risk is equal to the reporting value of cash and cash equivalents.

Credit risk related to trade receivables

The following table provides information about the gross carrying amount and expected credit loss allowance for trade receivables measured at amortised cost.

	Weighted-average loss rate	Gross carrying amount	Expected credit loss allowance	Net carrying amount
30 September 2022 (unaudited)	3.35%	72 246	2 418	69 828
31 December 2021	3.10%	57 520	1 781	55 739

The changes in the allowance for expected credit losses for trade receivables during the periods covered by these interim condensed consolidated financial statements were as follows:

	9 months ended 30 September 2022 (unaudited)	2021
Opening balance	1 781	2 283
Net remeasurement of expected credit losses	929	(142)
Amounts written off	(282)	(353)
Translation reserve	(10)	(7)
Closing balance	2 418	1 781

Credit risk related to the bonds

The Group holds commercial bonds which were issued by a financial institution with a reliable rating (mLeasing sp. z o.o.) and are presented as short-term financial assets. The maximum exposure of this item to credit risk is equal to its amount recognised in the statement of financial position. The Group assesses that the credit risk related to this item of financial assets is low and therefore no loss allowance has been recognised.

5.4.3 Liquidity risk

The Group is exposed to liquidity risk, i.e., risk of losing its ability to meet its financial obligations on time. The Group manages the liquidity risk by monitoring payment dates and demand for cash with respect to the handling of short-term payments and long-term demand for cash. Cash demand is compared with available sources of cash and with available free cash. In addition, the Group pursues a policy of diversification of financing sources.

The Group's liquidity risk management policy is based on ensuring cash required to meet the Group entities' obligations using the most attractive financing sources. The following measures are applied to reduce liquidity risk:

- current monitoring of liquidity of the Group's entities,
- monitoring and optimization of the level of working capital,
- current monitoring of the settlement of liabilities under the loan agreements conditions.

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The tables below present analysis of financial liabilities of the Group based on the maturity date at the reporting date. The amounts presented in the table are undiscounted cash flows including interest based on contractual terms.

30 September 2022 (unaudited)	Carrying amount	Contractual cash flows				Total
		<1 year	1-3 years	3-5 years	>5 years	
Bank loans	382 304	94 123	250 297	134 906	-	479 326
Lease liabilities	26 020	11 924	13 729	1 946	-	27 599
Trade payables	34 721	34 721	-	-	-	34 721
Put option liabilities	9 396	-	12 319	-	-	12 319
Liabilities due to acquisition of shares in equity-accounted investees	2 590	2 590	-	-	-	2 590
Total	455 031	143 358	276 345	136 852	-	556 555

31 December 2021	Carrying amount	Contractual cash flows				Total
		<1 year	1-3 years	3-5 years	>5 years	
Lease liabilities	26 326	8 942	18 465	19	-	27 426
Trade payables	15 770	15 770	-	-	-	15 770
Other financial liabilities	20 578	7 097	15 527	-	-	22 624
Total	62 674	31 809	33 992	19	-	65 820

Working capital, defined as the difference between current assets and current liabilities, at the end of the reporting periods presented in these interim condensed consolidated financial statements is presented in the table below. The decrease in working capital in 2022 was mainly influenced by: a decrease in cash and cash equivalents, as well as an increase in bank loan liabilities. Contract liabilities are a significant part of current liabilities and constitute an obligation of the Entity to provide services for customers, for which the Entity has already obtained remuneration (or remuneration is due) from the customer.

	30 September 2022 (unaudited)	31 December 2021
Current assets	202 796	272 434
Short-term liabilities	(360 592)	(199 336)
Working capital	(157 796)	73 098

5.4.4 Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and liabilities are denominated and the respective functional currencies of Group entities.

The Group presents financial results in Polish zloty (PLN), while foreign subsidiaries have a different functional currency in which they conduct their operating activities. The Group identifies currency risk in connection with transactions concluded by subsidiaries in currencies other than the functional currency of a particular company. As part of the monitoring of currency risk in the Group, all transactions denominated in currencies other than the functional currency of a particular company are periodically analyzed and changes resulting from exchange rate fluctuations are verified. The Group's currency risk is minimized.

5.4.5 Interest rate risk

The Group is exposed to cash flow volatility risk due to changes in interest rates resulting from assets and liabilities for which interest income and interest expense depend on variable interest rates (bank loans, leases). The main objective of interest rate risk management is to minimize the fluctuations of items bearing variable-rate interest.

The following table presents the profile of the Group's exposure to interest rate risk by presenting interest-bearing financial assets and liabilities by fixed and floating interest rates.

	30 September 2022 (unaudited)	31 December 2021
Interest-bearing financial instruments		
- fixed-rate instruments	(19 545)	(1 349)
Lease liabilities	(26 020)	(26 326)
Bonds	4 959	24 977
Derivatives	1 516	-
- variable-rate instruments	(293 648)	187 492
Bank loans	(382 304)	-
Cash deposits	4 148	2 656
Cash and cash equivalents	84 508	184 836
Interest rate risk exposure (net) (variable-rate instruments)	(293 648)	187 492

An increase in interest rates may lead to higher financing costs, and in consequence, decrease in financial results and financial efficiency of investments. In order to minimize the interest rate risk, the Group secured the variable interest rate WIBOR 3M by concluding a transaction to convert IRS interest rates into a fixed interest rate of 6.94% for a 3-year period, i.e. until September 30, 2025.

6. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.1 Intangible assets

The Group identifies the following categories of intangible assets: property rights acquired, other intangible assets, and internally developed software. The above-mentioned items are mostly related to software used in the Group's operating business. Capital expenditures for internally generated software constitute development costs incurred before the period in which the software is used to generate revenue from contracts with customers.

In the current reporting period, the Group did not conclude any individually significant transactions related to acquisition or sale of intangible assets.

6.2 Property, plant and equipment

The most significant item of the Group's property, plant and equipment is hardware infrastructure (computers, servers, telephones) and capital expenditures connected with leased office space included in building and premises. In vehicles the Group presents its own car fleet used for business purposes.

In the current reporting period, the Group did not conclude any individually significant transactions related to acquisition or sale of property, plant and equipment.

6.3 Right-of-use assets

The Group is a lessee under agreements relating to the use of office space leased for the purposes of its business activities and car lease agreements.

In the current reporting period, the Group signed a few new lease agreements.

At the end of the periods presented in these interim condensed consolidated financial statements, the Entity assessed that there were no objective indications of impairment of right-of-use assets.

6.4 Goodwill

Acquisition of Spoonbill Holding GmbH's shares

On 14 June 2022, Grupa Pracuj S.A. concluded an agreement for the acquisition of shares between the Entity as a buyer and Eden Investment S.à r.l.(a company controlled by an alternative investment company Investcorp) and Stefan Schöffler Beteiligungs UG (haftungsbeschränkt) as sellers of the share purchase agreement regarding the acquisition of 25,000 shares representing 100% of the share capital in Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH. From the acquisition date till 30 June 2022 there have been no significant transactions in Spoonbill Holding GmbH and its subsidiaries.

Part of the sale price in the amount of PLN 399,999,999.00 was financed from a term bank loan, and the remaining part in the amount of PLN 152,488,196.69 was financed by the Entity from its own funds.

Acquisition of Spoonbill Holding GmbH together with the indirectly acquired shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH is an important step for Grupa Pracuj S.A. Group in the implementation of its international expansion strategy and aims to strengthen the position of Grupa Pracuj S.A. Group as a leading player in the area of HR Tech in Central and Eastern Europe and the DACH region (i.e. Germany, Austria, Switzerland).

Softgarden e-recruiting GmbH (hereinafter: 'Softgarden') is the owner of the leading TAS (Talent Acquisition System), which supports and automates the recruitment processes and their management, offered in a subscription model (hereinafter: 'SaaS'). Softgarden also offers multiposting functionalities, i.e., simultaneous posting of a job offer on a wide list of job portals in a particular country. The company operates mainly on the German market, while building structures on several European markets.

Absence.io GmbH (hereinafter: 'Absence.io') offers dedicated HR Tech software for small and medium-sized enterprises supporting effective and transparent worktime and absences management in the SaaS model. Absence.io operates mainly on the German market, but also has customers in other countries.

As a result of this transaction, Grupa Pracuj S.A. Group gained the know-how and experience of one of the leading companies in the HR Tech industry. Access to a wide customer base may be the basis for further development on these markets by building an ecosystem of HR Tech solutions by the Group.

As at 30 September 2022, the process of purchase price allocation has not been completed by the Group yet. Therefore, the fair value of the acquired assets, liabilities and the goodwill recognized on the acquisition may change within 12 months from the date of taking control over Spoonbill Holding GmbH. As part of the provisional settlement of the acquisition, as at the balance sheet date of 30 September 2022, the Entity recognized the surplus of the price paid over the value of the acquired net assets in the amount of PLN 551,471 thousand as goodwill.

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As at 30 September 2022, the Group waived the presentation of revenues and financial result of the acquired entity and its subsidiaries for the current reporting period, calculated as if the acquisition date were the beginning of the reporting period, i.e. 1 January 2022, due to the inability to obtain sufficient financial data for the reporting period to the date of preparation of these interim condensed consolidated financial statements.

The provisional amounts of identifiable acquired assets and liabilities as at the acquisition date are presented below:

	Provisional amounts as at the acquisition date thousand EUR	Provisional amounts as at the acquisition date thousand PLN
Acquired assets		
Intangible assets	4 045	18 934
Property, plant and equipment	1 584	7 416
Inventories	4 144	19 395
Trade receivables	4 473	20 936
Cash and cash equivalents	8 213	38 442
Other assets	4 609	21 571
Deferred tax assets	3 594	16 822
Total assets	30 662	143 516
Acquired liabilities		
Employee benefits	5 882	27 532
Trade payables	6 345	29 699
Contract liabilities	10 242	47 937
Lease liabilities	1 089	5 098
Other liabilities and accruals	2 744	12 844
Total liabilities	26 302	123 110
Net assets	4 360	20 405
Acquired percentage of share capital	100%	100%
Purchase price	117 603	552 488
Provisional goodwill recognised as at 30 June 2022	113 243	530 047
Provisional goodwill recognised as at 30 September 2022	113 243	551 471

6.5 Equity-accounted investees

A summary of associates together with the Group's share in the equity of these entities for all periods covered by these interim condensed consolidated financial statements is presented in note 1.3.

The table below presents the value of investments in associates accounted for using the equity method:

	30 September 2022 (unaudited)	31 December 2021
Equity-accounted interests in associates		
WorkIP Ltd	13 533	16 390
Work Ukraine TOV	1 877	2 954
Fitqbe sp. z o.o.	12 250	13 045
Other associates	48	95
Total	27 708	32 484

On 28 May 2021, an agreement was signed regarding investment in Fitqbe, under which on 2 August 2021, the Entity acquired 44 shares, with a nominal value of PLN 50.00 each (note 5.3).

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In the case of WorkIP Ltd and Work Ukraine TOV, the assessment of the existence of impairment indicators is made for both companies jointly, due to the fact that in the Entity's opinion, the operating relationships between these companies are so significant that it cannot be considered that the cash flows generated by both companies are largely independent of each other (WorkIP Ltd owns trademarks and domains and its main revenues are license fees paid by Work Ukraine TOV for the use of these rights, while Work Ukraine TOV generates operating revenue through the use of WorkIP Ltd licenses). Impairment indicators resulting mainly from armed conflict in Ukraine are described in note 7.7.

Changes in the value of equity-accounted interests in each of the periods presented in these interim condensed consolidated financial statements

	9 months ended 30 September 2022 (unaudited)	2021
Equity-accounted interests at the beginning of the period	32 484	23 945
Acquisition of shares	-	13 105
Dividends received	-	(6 619)
Share in profit of equity-accounted investees	(546)	3 133
Exchange differences on the translation of the profit share of entities measured using the equity method	-	(187)
Impairment loss	(4 230)	(893)
Equity-accounted interests at the end of the period	27 708	32 484

In the period of 9 months ended 30 September 2022, the Entity recognized an impairment loss on financial assets classified financial assets measured using the equity method in the amount of PLN 330 thousand due to the failure to achieve the business objectives assumed at the time of the Entity's investment in these entities (concerns Poland segment) and in the amount of PLN 3,900 thousand, reasons for which were described in note 7.7 (concerns Ukraine segment). In the corresponding period of the previous year, an impairment loss in the amount of PLN 893 thousand was recognized for Poland segment. The discount rates applied by the Entity to the current and previous estimates of value in use were in the range of 30-40% (prior period 25-35%).

At the end of the periods presented in these interim condensed consolidated financial statements, there were no reversals of impairment losses on investments measured using the equity method.

6.6 Inventories

Due to the acquisition by the Entity 25,000 shares representing 100% in the share capital of Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence i.o. GmbH as at the balance sheet date of 30 September 2022 the Group presents the provisional amounts of the identifiable assets and liabilities of the Entity as inventories in the statement of financial position. The transaction of acquisition of shares and the assets and liabilities provisionally recognised in the statement of financial are described in detail in note 6.4.

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6.7 Other non-financial assets

	30 September 2022 (unaudited)	31 December 2021
Long-term	969	227
Other	969	227
Short-term	35 173	6 799
Prepaid services		
Website domains	156	156
Prepaid marketing expenses	895	519
Prepaid hardware and software maintenance	2 634	1 820
Prepaid other external services	11 359	1 193
Other	602	162
Other assets		
Receivables from the State	4 311	492
Employees settlements	14 681	-
Shareholders settlements	-	1 704
Other	535	753
Total	36 142	7 026

6.8 Other payables

	30 September 2022 (unaudited)	31 December 2021
Tax liabilities (other than corporate income tax) and social security liabilities	14 988	14 923
Other payables	6 489	1 076
Total	21 477	15 999

6.9 Employee benefits

	30 September 2022 (unaudited)	31 December 2021
Long-term	1 451	1 451
Provisions	1 451	1 451
Post-mortem severance	765	765
Retirement benefits	589	589
Disability benefits	97	97
Short-term	19 589	14 860
Provisions	33	1 246
Post-mortem severance	20	20
Retirement benefits	1	1
Disability benefits	12	12
Bonuses	-	1 213
Other employee related liabilities	19 556	13 614
Liability for unused vacation entitlements	5 108	4 324
Liabilities for bonuses and commissions for employees	14 448	9 290
Total	21 040	16 311

Long-term employee incentive arrangements for key employees

Selected employees were included in the long-term employee incentive arrangement for key employees ('DPM 2018-2020') in the years 2018-2020. The employees under the arrangement were eligible to receive bonuses for participating in the arrangement if they remained in an employment (or collaboration) relationship and they were not in a termination period on 31 May 2021. The bonus could

equal to at least 60% of the annual total salary. The amount of the DPM 2018-2020 bonus depended in 80% on the level of achievement of the EBIT target and in 20% on the achievement of special targets for a given year (dedicated special targets for each of the years 2018, 2019 and 2020). The right to receive a bonus for a given year was each time confirmed by the Management Board and depended on the achievement of the targets in particular years. The bonus could not be paid to employees whose break in performing duties under their employment agreement with the Entity exceeded 10% of the annual working time (except for maternity, paternity or parental leaves, in which cases the bonus was calculated in the amount proportional to the time worked). Furthermore, participants were not entitled to receive DPM bonuses if they acted to the detriment of the Entity or engaged in conducting competitive activities. The Entity recognised provisions for employee benefits related to DPM 2018-2020. In July 2021, DPM 2018-2020 was paid in full to its participants.

Selected employees were included in the long-term employee incentive arrangement for key employees ('DPM 2021-2023') in the years 2021-2023. The employees under the arrangement were eligible to receive bonuses for participating in the arrangement if they remained in an employment (or collaboration) relationship and they were not in a termination period on 1 January 2024. The bonus could equal to at least 60% of the annual total salary. The amount of the DPM 2021-2023 bonus depended in 80% on the level of achievement of the EBIT target and in 20% on the achievement of the special targets for a given year (dedicated special targets for each of the years 2021, 2022 and 2023). The right to receive a bonus for a given year was each time confirmed by the Management Board and depended on the achievement of the targets in particular years. The bonus could not be paid to employees whose break in performing duties under their employment agreement with the Entity exceeded 10% of the annual working time (except for maternity, paternity or parental leaves, in which cases the bonus is calculated in the amount proportional to the time worked). Furthermore, a participant was not entitled to receive the DPM 2021-2023 bonus if he acted to the detriment of the Entity or engaged in conducting a competitive activity. In December 2021, the Management Board of the Entity decided to terminate this programme early and pay the bonus for the first year in December 2021, with the exception of the liability of PLN 1,213 thousand, which was paid in July 2022. The total cost of the programme included in the statement of comprehensive income for 2021 was PLN 6,913 thousand (including PLN 5,970 thousand in the period from 1 January to 30 September 2021).

Share-based payments programme

The shareholder agreements regarding the options to acquire shares were signed on 5 December 2017. According to those agreements, the entitled participants could receive options (entitlements) convertible into shares in exchange for a cash contribution of a certain amount.

On August 11, 2021, the Extraordinary General Meeting of the Entity changed the existing incentive programme for members of the Entity's Management Board. The effect of the change in this programme, in the total amount of PLN 11,317 thousand, was included in employee benefits' costs in the 9-month period in 2021. The total cost of this programme recognised in the Group's equity amounted to PLN 28,002 thousand.

In addition, on August 11, 2021, all entitled participants exercised all acquired rights resulting from the programme, and the increase in the share capital in connection with the Entity's shares issued on this basis was registered on October 5, 2021.

Incentive Programme 1

On 29 October 2021 the Extraordinary General Meeting of the Entity adopted a resolution establishing incentive programme No. 1 (hereinafter: 'Incentive Programme 1') for members of the Management Board and Supervisory Board and key employees (persons employed under an employment contract or

mandate contract, regardless of the applicable law governing the contract). Incentive Programme 1 is based on shares issued under the authorization granted to the Management Board to increase the share capital within the authorized share capital pursuant to resolution No. 5 of the Extraordinary General Meeting of October 22, 2021 (hereinafter: 'Bonus Shares 1'). The Management Board is entitled to issue a maximum of 1,021,563 Bonus Shares 1, representing a maximum of 1.5% of the share capital, in order to execute the Incentive Programme 1, with the possibility of exclusion of the pre-emptive right with the consent of the Supervisory Board. The main objectives of the Incentive Programme 1 are to achieve long-term business goals of the Entity and retain an employment relationship with employees who have a key impact on developing and implementing of the Entity's strategy. Incentive Programme 1 will be implemented in the years 2022-2024. The participant's right to receive Bonus Shares 1 will be conditionally vested at the end of each calendar year within the duration of the Incentive Programme 1 and will be subject to the following conditions, which will be specified by the Management Board:

- realization of a specific financial result for a given period of results (in the proportion of 80%),
- achieving of a specific business goal for a given period of results (in the proportion of 20%).

Each participant will pay the issue price for Bonus Shares 1 according to one of the methods chosen below:

- in the amount of the equivalent in PLN of 33% of the final price per share in the tranche for individual investors determined as part of the initial public offering after rounding down to the nearest penny (PLN 1/100), or
- according to the nominal value of one share, i.e. PLN 5.00.

By 30 June 2022, the Group's employees have received an invitation and joined the Incentive Program 1 in the part related to the results of 2022. The vesting period lasts from 1 June 2022 till 31 March 2025. The total cost of the programme recognised in the Entity's equity as at the balance sheet date of 30 September 2022 amounted to PLN 827 thousand, while PLN 670 thousand was included in employee benefits' costs in the reporting period. The maximum estimated total cost of the programme that can be included in the Entity's equity during its term amounts to PLN 29,492 thousand.

The following table sets out the key valuation assumptions and terms of the programme:

Fair value measurement of the programme at grant date, i.e., 1 June 2022	
Fair value of share option at grant date	32.48
Number of options valued	907 893
Total fair value (in PLN thousand) of the programme	29 492
Key inputs used in the measurement of the fair values	
Exercise price (PLN)	24.42 lub 5.00
Expected exercise date	31 March 2025
Expected rate of dividends	2.70%
Model used	Black-Scholes Merton

Incentive Programme 2 and 3

On 29 October 2021, the Extraordinary General Meeting of the Entity adopted resolutions establishing the regulations for the incentive programme No. 2 and 3 (each separately hereinafter: 'Incentive Programme 2' and 'Incentive Programme 3', together 'Incentive Programmes 2 and 3').

The main objectives of Incentive Programmes 2 and 3 are to achieve long-term business goals of the Entity and maintain an employment relationship with employees who have a key impact on developing

and implementing the Entity's strategy. Incentive Programmes 2 and 3 are based on shares issued under the authorization granted to the Management Board to increase the share capital within the authorized share capital pursuant to a resolution No. 5 of the Extraordinary General Meeting of 22 October 2021, with the possibility of exclusion of the pre-emptive right with the consent of the Supervisory Board. The Incentive Programme 2 is intended for employees (persons employed under an employment contract or a mandate contract (regardless of the applicable law governing the contract)) of the Group as well as members of the Management Board and the Supervisory Board of the Entity. The Incentive Programme 3 is intended for the Group's cooperators (persons conducting business activity who provide services to the Group based on a separate contract for the provision of services (regardless of the applicable law governing the contract)). The Management Board was authorized to issue a maximum of 163,113 bonus shares 2 (hereinafter referred to as 'Bonus Shares 2') and 7,147 bonus shares 3 (hereinafter: 'Bonus Shares 3'), representing in total not more than 0.25% of the Entity's share capital for the execution of Incentive Programmes 2 and 3.

The number of shares that each participant of Incentive Programmes 2 and 3 received was determined at the Management Board's discretion based on two:

- total seniority or period of cooperation with the Group, and
- the amount of remuneration of the participant of Incentive Programmes 2 and 3, which reflects his impact on the development of the Entity.

The vesting period in these programmes ended in the first half of 2022. The Management Board of the Entity offered a total of 160,776 shares that were admitted to trading on the regulated market of the Warsaw Stock Exchange on August 9, 2022 (note 7.8).

Bonus Shares 2 and Bonus Shares 3 were subject to lock-up until 9 September 2022. Incentive Programmes 2 and 3 were executed in the years 2021-2022. On December 17, 2021, each participant of the program was informed of Bonus Shares 2 and Bonus Shares 3 to receive, while obtaining information about the number of shares granted. The valuation of a single equity instrument granted is equal to the share price on the Warsaw Stock Exchange on 17 December 2021, less the nominal value of that share. Each participant in the programme took up shares at the nominal price. Therefore, as at 31 December 2021, the costs of employee benefits in the amount of PLN 1,254 thousand were recognised for the period from grant date of shares to 31 December 2021. The total value of the programme in the amount of PLN 10,658 thousand was recognised in the Entity's equity. The total cost of the programme, which was included in the employee benefits' costs in the 9-month period ended 30 September 2022, amounts to PLN 9,404 thousand.

The Extraordinary General Meeting of the Entity adopted a resolution authorizing the Management Board to issue new bearer shares in the number of not more than 1,191,823 with a nominal value of PLN 5.00 each and with a total nominal value of not more than PLN 5,959,115.00. Within the limits of the authorized share capital, the Management Board is entitled to make one or several subsequent increases in the Entity's share capital for the purposes related to the execution of Incentive Programmes 2 and 3 and the Incentive Programme 1, referred to above. The authorization of the Management Board to increase the share capital within the authorized share capital expires three years after the registration by a registry court competent for the Entity of the amendment to the Entity's Statute, i.e. the amendment made pursuant to the resolution of the General Meeting of the Entity No. 5/2021 of 22 October 2021. Taking into account that allocation of Bonus Shares 1 will take place no earlier than on March 31, 2025, the General Meeting adopted a resolution to extend the Management Board's right to increase the share capital within the authorized share capital along with the possibility of exclusion by the Management Board of pre-emptive rights to shares issued as part of the authorized share capital in whole or in part

with the consent of the Supervisory Board, in such a way that the increase in the share capital and the issue of Bonus Shares 1 are possible in 2025.

7. OTHER EXPLANATORY NOTES

7.1 Earnings per share

Earnings per share are calculated by dividing the profit for the financial year attributable to the owners of the Parent Entity by the weighted average number of ordinary shares in a given reporting period adjusted proportionally for the effect of the change in the number of shares occurring as a result of the transformation of the legal form of the Parent Entity from a limited liability company into a joint-stock company, assuming no simultaneous change of resources.

In the periods covered by these interim condensed consolidated financial statements, there were equity instruments diluting the weighted average number of ordinary shares used to calculate basic earnings per share and resulted from entitlements granted under the share-based payment programme described in note 6.9. For purposes of calculating the number of shares having a dilutive effect on the earnings per share ratio, the weighted average prices of the Entity's shares were used, determined by reference to the Entity's actual share purchases in 2021 in connection with the Entity's share repurchases for redemption, while for the 9-month period ended on September 30, 2022, the market prices of the Entity's shares were used.

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Net profit attributable to the owners of the Parent Entity				
Continued operations	157 651	210 739	53 145	53 431
Net profit attributable to the owners of the Parent Entity	157 651	210 739	53 145	53 431
Net profit attributable to the owners of the Parent Entity, adjusted for the effect of dilution	157 651	210 739	53 145	53 431
Weighted average number of ordinary shares - for the purpose of calculation of basic earnings per share	68 265 026	6 695 649	68 265 026	6 695 649
Weighted average number of ordinary shares* - for the purpose of calculation of basic earnings per share - after transformation into a joint-stock company	-	66 956 488	-	66 956 488
Effect of dilution (share-based payments)	410 669	109 114	410 669	109 114
Weighted average number of ordinary shares* for the purpose of calculation of diluted earnings per share - after transformation into a joint-stock company	68 675 695	67 037 890	68 675 695	67 037 890
Basic earnings per share (in PLN) - continuing operations	2.31	3.15	0.78	0.80
Diluted earnings per share (in PLN) - continuing operations	2.30	3.14	0.78	0.80

*The weighted average number of ordinary shares has been calculated taking into account the transformation of the legal form of the Parent Entity from a limited liability company into a joint-stock company. The number of shares after the transformation is 66,973,370 which means the conversion according to parity of 1 share into 10 shares. The weighted average number of shares in each period was converted proportionally to take into account the effect of the company's transformation.

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7.2 Related party transactions

In the periods covered by these interim condensed consolidated financial statements, there were no transactions between the Group and its related parties concluded on terms other than market terms.

The members of the Parent Entity's Management Board, Supervisory Board and their close family members have not entered into transactions with the entities from the Group that significantly affected the profit or loss for the reporting period or the financial position of the Group.

7.3 Remuneration and other transactions with key management personnel

Remuneration of key management personnel

The Group identifies the Management Board and the Supervisory Board of the Parent Entity as members of the key management personnel.

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Short-term employee benefits	2 275	1 807	749	609
Share-based payments	604	11 317	412	1 616
Total	2 879	13 124	1 161	2 225

Short-term employee benefits relate to salary costs and bonuses including surcharges for members of the Management Board and Supervisory Board.

Non-cash benefits received by members of the Group's key management personnel primarily relate to medical packages, entity cars and phones used for private purposes and their value is not significant.

Payments to key management personnel arising from their shares in the Parent Entity

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Flows:				
- dividends paid	(86 110)	(52 970)	(4 920)	-
- remuneration paid for the acquisition of the Company's shares held by Members of the Management Board	-	(6 610)	-	(6 610)
Total	(86 110)	(59 580)	(4 920)	(6 610)

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7.4 Employee benefits costs

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Wages and salaries	94 715	56 577	38 160	15 945
Bonuses	10 657	23 870	2 885	10 216
Share-based payments	12 856	11 317	2 624	1 616
Social security contributions	16 111	11 667	5 776	3 652
Other employee benefits	3 383	2 329	1 365	1 350
Total	137 722	105 760	50 810	32 780

7.5 Other information relevant to the assessment of the financial position and profit or loss

Apart from the information disclosed in these interim condensed consolidated financial statements, the Group has no other material information that it considers relevant to the assessment of its financial position and profit or loss.

7.6 Contingent liabilities

Issuer of a guarantee	Currency	30 September 2022 (unaudited)	31 December 2021
PKO Bank Polski S.A.	EUR	498	487
Total	EUR	498	487

The Group recognises as contingent liabilities bank guarantees issued at the request of the Parent Entity. These guarantees provide security for lease payments arising from agreements for the lease of office space where the Group is the lessee.

7.7 The impact of the armed conflict in Ukraine on the Group's business activity

On 24 February 2022, martial law was introduced in Ukraine in connection with the entry of the Russian Federation troops into Ukraine and the beginning of an armed conflict, which creates new and unpredictable circumstances for the Ukrainian economy. The Entity has not generated significant revenue from contracts with customers from Ukraine, as well as from Russia and Belarus, but it has shares in entities conducting business operations in Ukraine (hereinafter: 'Ukrainian Entities'). The Management Board of the Entity monitors the development of the military and economic situation in Ukraine on an ongoing basis, analyzing its impact on the activities of Ukrainian Entities. Despite difficult and unstable situation that has caused since 24 February 2022 a very significant decrease in revenue from contracts with customers in these entities, they are able to continue as a going concern.

The armed conflict in Ukraine may have a long-term negative impact on the operating and financial results of entities operating there. The biggest risk may be the long-term deteriorating economic situation in Ukraine, which will result in a persistent decline in revenues, difficulties with repayment of receivables in Ukrainian Entities, and consequently impairment of the Entity's assets involved in Ukraine. However, so far, no assets used to generate cash flows in Ukrainian Entities have been destroyed and there are no restrictions on access to these assets, in particular to assets available through banking systems, but Ukrainian Entities cannot make dividend payments outside Ukraine. In addition, Ukrainian Entities have

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sufficient cash resources to continue operations in the coming months. The risk of losing the possibility of using Internet domains that Ukrainian Entities use to conduct operating activities based on license agreements is low or does not exist. These domains are registered by entities with their registered office in Cyprus in which the Entity holds shares.

Nevertheless, in the context of further escalation of the armed conflict, dynamically changing conditions regarding financial flows and the scope of applicable sanctions, in the first half of 2022 the Management Board decided to make an impairment allowance related to investees measured using the equity method in the amount of PLN 3,900 thousand (concerning WorkIP Ltd and Work Ukraine TOV).

The Management Board of the Parent Entity monitors the development of the military and economic situation in Ukraine on an ongoing basis, analyzing its impact on the activities of Ukrainian Entities and the Group. Despite the difficult and unstable situation, which caused a very significant decrease in revenues from contracts with customers in these companies from 24 February 2022, they maintain business continuity.

The table below presents assets of Robota recognised in the consolidated statement of financial position as at 30 September 2022, which are exposed to impairment risk and respective assets of the Group presented in the consolidated statement of financial position as at 30 September 2022.

	Assets of Robota as at 30 September 2022	Group' assets as at 30 September 2022
	Assets of Robota	Group' assets
Intangible assets	17	30 477
Property, plant and equipment	1 968	12 977
Right-of-use assets	3 520	19 031
Deferred tax assets	4 191	52 475
Trade receivables	3 988	69 828
Other non-financial assets	1 798	969
Cash and cash equivalents	8 560	84 508

In the Group's assets are presented equity-accounted investees (WorkIP Ltd and Work Ukraine TOV) operating in Ukraine and which amounted to PLN 15,410 thousand as at 30 September 2022 and PLN 19,344 thousand as at 31 December 2022.

The table below presents liabilities of the Group related to the operations in Ukraine and respective liabilities of the Group presented in the consolidated statement of financial position as at 30 September 2022:

	Group's liabilities related to operations in Ukraine as at 30 September 2022 (unaudited)	Group's liabilities as at 30 September 2022 (unaudited)
Long-term lease liabilities	3 699	13 335
Short-term lease liabilities	2 424	12 685
Employee benefits	2 046	19 589
Trade payables	373	34 722
Other non-financial liabilities	753	21 477
Contract liabilities	22 440	200 368

In addition, the Group has a put option liability to non-controlling shareholders in Robota. The value of the liability as at 30 September 2022 amounted to PLN 9,396 thousand.

The Group has no direct significant transactions with customers or suppliers from Russia and Belarus.

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The Management Board of the Entity underlines that the effects of the armed conflict in Ukraine, and thus the impact on the financial results of Ukrainian Entities in future periods, are still difficult to predict, therefore the Management Board monitors on an ongoing basis the premises that could indicate the loss of the possibility of continuing the operations of Ukrainian Companies and will make the necessary decisions.

7.8 Subsequent events

After the reporting date, there were no significant events affecting these interim condensed consolidated financial statements.



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for the nine-month period
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Revenue from contracts with customers	1.2	369 717	287 303	118 483	104 721
Depreciation and amortisation		(6 628)	(6 026)	(2 246)	(1 967)
Marketing expenses		(32 789)	(22 188)	(10 423)	(9 917)
Software as services		(3 883)	(3 317)	(1 404)	(610)
Other external services		(24 394)	(14 555)	(6 205)	(8 600)
Employee benefits	1.3	(91 018)	(77 911)	(28 472)	(23 449)
Other expenses		(3 217)	(1 783)	(1 742)	(548)
Other operating income		823	687	296	195
Other operating costs		(1 180)	(133)	(73)	(4)
Expected credit losses		(570)	274	446	(37)
Operating profit		206 861	162 351	68 660	59 784
Finance income		11 876	109 965	9 677	14 637
Finance costs		(21 300)	(2 080)	(9 425)	(865)
Net finance income / (costs)		(9 424)	107 884	252	13 771
Share of profit of equity-accounted investees		(546)	5 285	(405)	2 018
Profit before tax		196 891	275 521	68 507	75 574
Income tax		(41 463)	(52 221)	(14 208)	(13 064)
Profit from continuing operations		155 428	223 300	54 299	62 510
Net profit		155 428	223 300	54 299	62 510
OTHER COMPREHENSIVE INCOME					
TOTAL COMPREHENSIVE INCOME		155 428	223 300	54 299	62 510
Basic profit per share (PLN) - continuing operations		2.28	3.34	0.80	0.93
Diluted profit per share (PLN) - continuing operations		2.26	3.33	0.79	0.93

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2022 (unaudited)	31 December 2021
Intangible assets		7 737	4 525
Property, plant and equipment		8 047	6 363
Right-of-use assets		10 944	13 464
Investments in subsidiaries	1.4	575 693	21 486
Equity-accounted investees	1.5	27 708	32 484
Other financial assets		131 681	127 229
Other non-financial assets		756	-
Deferred tax assets		30 661	22 450
Non-current assets		793 227	228 001
Trade receivables		49 887	45 987
Other financial assets		9 025	31 801
Other non-financial assets		3 438	4 568
Cash and cash equivalents		31 699	141 815
Current assets		94 049	224 171
Total assets		887 276	452 172

EQUITY AND LIABILITIES	Note	30 September 2022 (unaudited)	31 December 2021
Share capital		341 325	340 521
Reserve capital		238 247	108 516
Reserve capital for the acquisition of own shares		1 080	1 080
Share-based payments		42 111	29 256
Other reserves		32	32
Merger reserve		(585 375)	(585 375)
Retained earnings		262 275	373 108
Total equity		299 695	267 138
Bank loans		318 908	-
Lease liabilities		8 238	11 804
Employee benefits		1 331	1 331
Deferred tax liabilities		19 145	19 145
Non-current liabilities		347 622	32 280
Bank loans		63 396	-
Lease liabilities		7 080	6 494
Employee benefits		10 598	11 465
Trade payables		10 575	14 685
Other payables		11 095	12 253
Other financial liabilities		2 590	7 097
Current tax liabilities		5 588	3 943
Contract liabilities		129 037	96 817
Current liabilities		239 959	152 754
Total liabilities		587 581	185 034
Total equity and liabilities		887 276	452 172

INTERIM CONDENSED STATEMENT OF CASH FLOWS

Note	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)
Cash flows from operating activities		
Profit before tax	196 891	275 521
Adjustments for:		
Share in (profit) / loss of equity-accounted investees	546	(5 286)
Depreciation and amortisation	6 628	6 026
(Gain) / Loss due to exchange differences	725	(502)
(Gain) / Loss on interest	9 335	78
(Gain) / Loss on investment activities	(426)	(99 758)
Impairment loss of dividend receivables	6 740	-
Impairment loss of shares in subsidiaries	-	(8 897)
Reversal of impairment loss of shares in equity-accounted investees	4 230	-
Equity-settled share-based payment transactions	11 137	11 317
Income tax paid	(48 030)	(33 423)
Changes in working capital:		
Employee benefits	(866)	(2 673)
Trade receivables	(3 900)	(13 485)
Other non-financial assets	375	(1 020)
Trade payables	(4 110)	486
Other payables	(1 311)	4 451
Contract liabilities	32 220	9 541
Other adjustments	(1 523)	761
Net cash flows from operating activities	208 661	143 137
Cash flows from investing activities		
Interest received	-	4
Repayment of loans granted (capital part)	-	600
Loans granted	-	(300)
Expenses on the acquisition of subsidiaries	(552 488)	-
Acquisition of financial assets	(56 053)	(72 201)
Proceeds from the sale of investments	65 000	52 163
Dividends received	-	6 600
Proceeds from sale of property, plant and equipment and intangible assets	134	316
Acquisition of property, plant and equipment and intangible assets	(7 839)	(4 746)
Net cash flows from investing activities	(551 246)	(17 564)
Cash flows from financing activities		
Dividends paid	(136 530)	(79 765)
Acquisition of own shares	-	(7 796)
Net proceeds for the issuance of shares	804	6 307
Expenses on repayment of loans	(16 000)	(29 181)
Payment of lease liabilities	(4 838)	(3 634)
Proceeds from bank loans	400 000	-
Interest paid	(9 030)	(195)
Provisions paid in relation to bank loans	(2 000)	-
Net cash flows from financing activities	232 406	(114 264)
Total net cash flows	(110 179)	11 309
Cash and cash equivalents at the beginning of the period		
	141 815	97 121
Effect of movements in exchange rates on cash and cash equivalents	63	(399)
Cash and cash equivalents at the end of the period	31 699	108 031
Cash and cash equivalents in the statement of financial position	31 699	108 031

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Reserve capital for the acquisition of own shares	Share-based payments	Other reserves	Merger reserve	Retained earnings	Total equity
1 January 2022	340 521	108 516	1 080	29 256	32	(585 375)	373 108	267 138
Net profit / (loss) for the period	-	-	-	-	-	-	155 428	155 428
Total comprehensive income for the period	-	-	-	-	-	-	155 428	155 428
Increase in the share capital	804	-	-	-	-	-	-	804
Equity-settled share-based payment	-	-	-	12 855	-	-	-	12 855
Distribution of retained earnings	-	129 731	-	-	-	-	(129 731)	-
Dividends	-	-	-	-	-	-	(136 530)	(136 530)
	804	129 731	-	12 855	-	-	(266 261)	(122 871)
30 September 2022 (unaudited)	341 325	238 247	1 080	42 111	32	(585 375)	262 275	299 695

	Share capital	Reserve capital	Reserve capital for the acquisition of own shares	Share-based payments	Other reserves	Merger reserve	Retained earnings	Total equity
1 January 2021	334 867	107 247	2 960	16 685	37 837	(585 375)	179 014	93 235
Net profit / (loss) for the period	-	-	-	-	-	-	223 300	223 300
Total comprehensive income for the period	-	-	-	-	-	-	223 300	223 300
Equity-settled share-based payment	-	-	-	11 317	-	-	-	11 317
Distribution of retained earnings	-	-	6 532	-	-	-	(6 532)	-
Creation of reserve capital	-	1 269	(1 269)	-	-	-	-	-
Dividends	-	-	-	-	(38 040)	-	(65 635)	(103 675)
Acquisition of own shares	-	-	(7 796)	-	-	-	-	(7 796)
Unregistered capital	-	-	-	-	6 307	-	-	6 307
	-	1 269	(2 533)	11 317	(31 733)	-	(72 167)	(93 847)
30 September 2021 (unaudited)	334 867	108 517	427	28 002	6 104	(585 375)	330 147	222 688

1. EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL INFORMATION OF GRUPA PRACUJ S.A.

1.1 Statement of accounting policies

This quarterly financial information should be read together with the separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards and containing explanatory notes, approved for publication on 21 April 2022.

This quarterly financial information has been prepared on the assumption that the Company will continue its business activity for a period of not less than 12 months from 30 September 2022. As at the date of preparation of this quarterly financial information, the Management Board does not state the existence of facts and circumstances indicating a threat to the continuation of the Company's operations.

The accounting policies and calculation methods used to prepare quarterly financial information are consistent in all material respects with those described in the separate financial statements for the year ended 31 December 2021.

The functional currency of the Company and the currency of presentation of this quarterly financial information is the zloty Polish (PLN). Items are presented rounded to the nearest thousand zloty, unless otherwise indicated.

1.2 Revenue from contracts with customers

Characteristics of key product and service groups

The following summary presents revenue from contracts with customers by the timing of satisfaction of performance obligation and geographical structure by countries.

The most important categories of services offered by the Company are consistent with those used in the preparation of the separate financial report for the year ended 31 December 2021.

Structure of revenue from contracts with customers by the timing of satisfaction of performance obligations

Revenue from contracts with customers by the timing of revenue recognition	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Over time	227 872	170 988	74 139	61 328
At a point in time	141 845	116 315	44 344	43 393
Total	369 717	287 303	118 483	104 721

Geographical structure of revenue from contracts with customers

Revenue from contracts with customers by country	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Poland	358 453	278 912	115 345	101 565
Abroad	11 264	8 391	3 138	3 156
Total	369 717	287 303	118 483	104 721

Contract liabilities

Contract liabilities represent the amount of the transaction price allocated to the unfulfilled performance obligation at the end of the reporting period - the most significant items relate to the sale of recruitment projects.

Contract liabilities	30 September 2022 (unaudited)	31 December 2021
Short-term	129 037	96 817
Total	129 037	96 817

1.3 Employee benefits

	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2021 (unaudited)	3 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2021 (unaudited)
Wages and salaries	61 486	46 114	21 182	15 702
Bonuses	5 803	9 845	1 696	2 411
Share-based payments	11 137	11 317	2 125	1 617
Social security contributions	9 934	9 073	2 577	3 135
Other employee benefits	2 658	1 562	892	584
Total	91 018	77 911	28 472	23 449

1.4 Investments in subsidiaries

A summary of subsidiaries and associates, together with the Entity's share in the equity of these entities for all periods covered by this quarterly financial information, is presented in note 1.3 of the interim condensed consolidated financial statements of the Group for the 9-month period ended 30 September 2022.

The table below presents the values of investments in subsidiaries measured at historical cost.

	30 September 2022 (unaudited)	31 December 2021
Gross shares in subsidiaries	578 053	23 846
Foreign entities	566 917	14 074
Domestic entities	11 136	9 772
Impairment allowance of shares in subsidiaries	2 360	2 360
Foreign entities	-	-
Domestic entities	2 360	2 360
Total	575 693	21 486

	30 September 2022 (unaudited)	31 December 2021
Impairment allowance of shares in subsidiaries		
At the beginning of the period	2 360	10 497
Impairment loss recognised in the period	-	760
Reversal of impairment allowance in the period	-	(8 897)
Impairment allowance at the end of the period	2 360	2 360

In the first quarter of 2021, the reasons for which the impairment loss on the investment in Robota International TOV was made ceased to exist, therefore the Company reversed the previously made impairment loss in the amount of PLN 8,897 thousand.

In accordance with the investment agreements in Robota International TOV and Work Ukraine TOV, the Company has issued and acquired put and purchase options for shares in both entities, which are activated after the occurrence of the events specified in the investment agreement.

Options are derivative financial instruments and are recognised as financial assets or liabilities that consider changes in the statement of comprehensive income. Since, in accordance with the investment agreements and the assessment of the Management Board of the Company as to the value of the entities, the estimated redemption price of the shares does not differ significantly from the fair value of the shares in these entities as at the date of exercise of each option, the Company has measured the above instruments to a fair value of zero at each presented balance sheet date.

1.5 Events affecting assets, liabilities, equity, net result or cash flows that are unusual due to their nature, size or frequency

The impact of the armed conflict in Ukraine on the Entity's business activity

On 24 February 2022, martial law was introduced in Ukraine in connection with the entry of the Russian Federation troops into Ukraine and the beginning of an armed conflict, which creates new and unpredictable circumstances for the Ukrainian economy.

The Management Board of the Company analyzed the value of assets related to operations in Ukraine in terms of potential impairment. Due to the potential impact of the armed conflict in Ukraine, the previously predicted distribution over time and the amount of cash inflows from these assets, as well as the discount rate used to calculate the value in use, have changed.

In the context of further escalation of the armed conflict, dynamically changing conditions regarding financial flows and the scope of applicable sanctions, the Management Board decided to create an impairment allowance related to investees measured using the equity method in the amount of PLN 3,900 thousand (concerning WorkIP Ltd and Work Ukraine TOV) and to make an impairment allowance of PLN 6,650 thousand for dividend receivables from Robota International TOV.

The Entity's assets as at 30 September 2022 related to operations in Ukraine, which are exposed to the risk of impairment, are as follows:

	Asset value
Investments in subsidiaries	14 426
Equity-accounted investees	15 410
Total	29 836

In addition, in the 9 months ended 30 September 2022, the Company recorded a share in the loss of entities measured using the equity method that conduct operating activities in Ukraine, reported in the statement of comprehensive income in the amount of PLN 35 thousand.

1.6 Fair value of financial instruments

The reported value of trade receivables, cash and short-term deposits, cash deposits, bonds, trade payables and other financial liabilities is a reliable approximation of their fair value due to the short-term nature of these items at the end of each of the reporting periods covered by this quarterly financial information.

The fair value of interest-bearing bank loans is estimated based on a discounted cash flow model using a discount rate reflecting the bank interest rate

1.7 Related party transactions

In the periods covered by this quarterly financial information, there were no transactions between the Entity and its related parties concluded on terms other than market terms.

The members of the Entity's Management Board, Supervisory Board and close members of their families have not entered into transactions with the Entity that significantly affected the profit or loss for the reporting period or the financial position of Grupa Pracuj S.A.

DEFINITIONS

Unless the context requires otherwise, in this document the following terms shall have the following meanings:

Shares	Existing shares issued by the Entity.
Euro, EUR or €	The euro, the single currency of the Member States participating in the third stage of Economic and Monetary Union as set out in the Treaty establishing the European Community, as amended.
Frascati Investments	Frascati Investments sp. z o.o. with its registered office in Warsaw, at Grzybowska street 43, 00-855 Warsaw, entered in the register of entrepreneurs kept by the District Court for the capital city of Warsaw in Warsaw, XIII Business Division of the National Court Register under number KRS 0000905362 (REGON: 389166213, NIP: 5272960722)
Fund, Pracuj Ventures	Pracuj Ventures spółka z ograniczoną odpowiedzialnością Alternatywna Spółka Inwestycyjna spółka komandytowa.
GPW, Exchange, Stock Exchange	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna with its registered office in Książęca street 4, 00-498 and, unless the context suggest otherwise, the regulated market run by such entity.
Group, Grupa Pracuj, Grupa Pracuj S.A. Group	The Entity and its subsidiaries, i.e.: eRecruitment Solutions sp. z o.o., eRecruitment Solutions Ukraine TOV oraz HumanWay sp. z o.o. w likwidacji.Ro bota International TOV oraz Snowless Global Ltd. and Spoonbill GmbH. softgarden e-recruiting GmbH i absence.io GmbH (through Spoonbill Holding GmbH)
Parent Entity	Grupa Pracuj S.A. (formerly: Grupa Pracuj sp. z o.o.).
KNF	Polish Financial Supervision Authority.
IFRS	Standards and interpretations adopted by the International Accounting Standards Board (IASB), published by the European Commission. These comprise: International Financial Reporting Standards, International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee.
GDP	Gross Domestic Product.
PLN	Polish zloty, the official currency in the Republic of Poland.
Report	Consolidated quarterly report for the 9-month period ended on September 30, 2022
Russia	Russian Federation.
y/y, YtY	Year to year.
q/q, QtQ	Quarter to quarter
S.A.	Joint-stock company

SaaS	Software as a Service — a cloud based service model in which users access cloud applications delivered by the provider via a variety of client devices e.g. through a browser or application client and in which the user does not manage or control the cloud infrastructure, including the networks, servers, operating system, mass storage or even the application's configuration parameters except for limited user-specific configuration settings.
multiposting	The service of publishing a job offer simultaneously on many recruitment portals in a particular country. Currently in the offer of softgarden
Operating segment	Segment Poland and/or Segment Ukraine.
Sp. z o.o.	Limited liability company.
Articles of Association	Articles of Association of Grupa Pracuj Spółka Akcyjna
TCV Luxco	TCV Luxco Perogie S.à.r.l. with its registered office in Luxembourg, Grand Duchy of Luxembourg.
UAH, hryvnia	The hryvnia, the official currency in the territory of Ukraine.
General Meeting	The meeting of the Entity's shareholders authorised to vote, along with the pledgees and usufructuaries holding the voting rights attached to Shares or the Entity's body whose members hold voting rights attached to Shares (as appropriate).

Approval of the consolidated quarterly report for the 9-month period ended 30 September 2022

These consolidated quarterly report for the 9-month period ended 30 September 2022 have been approved for publication by the Management Board of the Company on 23 November 2022.

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Przemysław Gacek

President of the Management Board

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Gracjan Fiedorowicz

Member of the Management Board

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Rafał Nachyna

Member of the Management Board

