

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 year ended 31 December 2022

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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Ladies and Gentlemen,

In 2022, we faced numerous challenges and pivotal moments. Emerging stronger, more resilient, and poised for future growth, Grupa Pracuj delivered its best year to date. Despite the demanding market conditions, we achieved a record number of recruitment projects on Pracuj.pl, our core business. Additionally, we witnessed a consistent, double-digit increase in the number of active customers using our recruitment management systems, eRecruiter and softgarden. These milestones, coupled with a noteworthy European acquisition and robust financial performance, underscore our remarkable operational achievements.



In late February, we were all deeply affected by the news of Russia initiating an armed conflict in Ukraine. The emotions experienced at that time are indescribable. As an organisation, we prioritised the safety of our Ukrainian employees and the continuity of our Robota.ua service. I would like to extend my gratitude to everyone involved, particularly our Polish colleagues for their incredible mobilisation and kindness, and our Ukrainian team for their trust during this most challenging period.

Today, despite the ongoing turmoil across our eastern border, we strive to perform our work to the best of our ability. Ukraine faces considerable challenges, yet people continue to live, seek employment, and connect with potential employers. Grupa Pracuj remains dedicated to fulfilling its mission, bridging the needs of both parties. Adapting to new circumstances, our team perseveres, sometimes operating from shelters or amidst bomb alerts, holding onto the belief that this ordeal will soon become a distant memory.

In 2022, we completed the acquisition of softgarden, a leading German HR Tech platform and Talent Acquisition System provider offering modern online recruitment tools through a Software as a Service (SaaS) model. This acquisition, valued at nearly EUR 118 million, marks the largest foreign investment by a Polish technology company in the DACH region in recent years. Funded partially through our own resources and a loan, the softgarden acquisition has not only expanded our reach into a new region, but also granted us access to Europe's largest economy and SaaS market. We remain steadfast in pursuing our strategy of revenue diversification, focusing on technology and business models resilient to fluctuating economic conditions.

In terms of economic conditions, it is fair to state that the latter half of the year presented its fair share of challenges. Our customers found themselves in a state of anticipation, uncertain of what the coming months and quarters might hold. This sentiment manifested in the volume of published job advertisements. Nonetheless, as entrepreneurs, we have gleaned valuable lessons from the pandemic, and today businesses avoid hasty decisions and focus on ongoing analysis of developments, adapting flexibly to the evolving market landscape.

Despite the demanding economic climate, the Pracuj Group team remains committed to our core values, constantly seeking new avenues to provide added value to our customers and users. We acknowledge the increasing significance of incorporating sustainability into our organisation's operations. In 2022, we initiated steps to identify our organisation's priority ESG issues and assess the expectations of our external and internal stakeholders, conducting a Materiality Survey with over 450 participants for the first time. Recognising the critical nature of climate change, we also calculated the carbon footprint of the entire Pracuj Group for the first time, enabling us to devise an action plan to minimise our environmental impact.

The latter half of the year also saw an intensive focus on the development of our products and technology. The new version of the Pracuj.pl website and modifications to key processes on the eRecruiter.pl platform, which debuted at the beginning of the current year, are testament to the efforts of numerous teams. Innovative features such as Easy Apply and Multi-Apply have already gained recognition from many users, while the Pracuj AI toolkit, which utilises artificial intelligence solutions, assists employers in their recruitment endeavours. At Pracuj.pl, we also overhauled our range of services for employers and expanded the eCommerce platform, tailoring our offerings based on job level and location. Our aim is to consistently deliver innovative products to our customers, enhancing the value and quality of our services year upon year.

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Last year also marked the first full 12 months of Grupa Pracuj's presence on the Warsaw Stock Exchange, a period abundant with inspiring investor meetings, the completion of our first reporting cycle, and the payment of our inaugural dividend since the IPO. We believe that our strong performance and unwavering commitment to strategic objectives demonstrate the trust placed in us. All teams involved in daily communication and supplying the market with financial and operational information about the Group as a whole merit immense recognition.

Today, Grupa Pracuj is an international company operating in five markets, boasting over a thousand employees representing a diverse range of nationalities and 18 offices facilitating close client relationships. We are well on our way to becoming the leading HR technology platform in Europe, just as we envisioned.

I would like to extend my gratitude to all stakeholders once again, and invite you to peruse our annual report.

Przemysław Gacek

CEO and President of the Management Board

SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected consolidated financial data for the years ended 31 December 2022 and 2021¹

Financial results

	PLN thousand		EUR thousand	
	2022	2021	2022	2021
Revenue from contracts with customers	608,549	475,113	129,802	104,023
Operating profit	252,554	227,508	53,868	49,811
Profit before tax	227,245	319,547	48,470	69,963
Net profit attributable to:	169,013	255,683	36,049	55,980
Owners of the Parent	171,040	254,693	36,481	55,763
Non-controlling interests	(2,027)	990	(432)	217
Total comprehensive income attributable to:	169,476	255,369	36,149	55,911
Owners of the Parent	171,503	254,379	36,581	55,694
Non-controlling interests	(2,027)	990	(432)	217

Cash flows

	PLN thousand		EUR thousand	
	2022	2021	2022	2021
Net cash flows from operating activities	239,019	218,662	50,986	47,875
Net cash flows from investing activities	(517,650)	(21,781)	(110,417)	(4,769)
Net cash flows from financing activities	203,332	(146,814)	43,370	(32,144)
Total net cash flows	(75,299)	50,068	(16,061)	10,962

Financial position

	PLN thousand		EUR thousand	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Non-current assets	804,615	227,271	171,563	49,413
Current assets	218,058	272,434	46,495	59,233
Total assets	1,022,673	499,705	218,059	108,646
Equity attributable to owners of the Parent	315,381	249,145	67,247	54,169
Non-controlling interests	33	12	7	3
Non-current liabilities	341,119	51,212	72,783	11,134
Current liabilities	366,140	199,336	78,022	43,340
Total equity and liabilities	1,022,673	499,705	218,059	108,646

¹The selected financial data was translated into the euro in accordance with the principles described in Note 1.7 in the consolidated financial statements for the 12 months ended on 31 December 2022.

Grupa Pracuj S.A.

Selected financial data for the years ended 31 December 2022 and 2021²

Financial results

	PLN thousand		EUR thousand	
	2022	2021	2022	2021
Revenue from contracts with customers	477,251	398,361	101,797	87,218
Operating profit	242,644	215,553	51,755	47,194
Profit before tax	215,479	328,710	45,961	71,969
Net profit	164,766	266,261	35,144	58,296
Total comprehensive income	164,632	266,496	35,116	58,347

Cash flows

	PLN thousand		EUR thousand	
	2022	2021	2022	2021
Net cash flows from operating activities	257,019	193,529	54,822	42,372
Net cash flows from investing activities	(546,399)	(7,335)	(116,546)	(1,606)
Net cash flows from financing activities	206,830	(140,996)	44,116	(30,870)
Total net cash flows	(82,550)	45,198	(17,608)	9,896

Financial position

	PLN thousand		EUR thousand	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Non-current assets	796,061	228,001	169,739	49,572
Current assets	112,314	224,171	23,948	48,739
Total assets	908,375	452,172	193,687	98,311
Total equity	324,205	267,138	69,128	58,081
Non-current liabilities	329,603	32,280	70,279	7,018
Current liabilities	254,567	152,754	54,280	33,212
Total equity and liabilities	908,375	452,172	193,687	98,311

²The selected financial data was translated into the euro in accordance with the principles described in Note 1.7 in the consolidated financial statements for the 12 months ended on 31 December 2022.

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Significant events and material agreements at the Parent and the Group in 2022

Russia's invasion of Ukraine

The outbreak of armed conflict in Ukraine on 24 February 2022 has had, and continues to have, an adverse impact on both financial results of segment Ukraine and operating activities in the Ukrainian market, conducted mainly through the Robota.ua website.

Since 24 February 2022, the Grupa Pracuj S.A. Group has been prioritising the safety of its employees in Ukraine while striving to maintain the smooth operation of its services. The following immediate measures were taken:

- A crisis management team was established to identify, analyse, and continuously monitor key operational and strategic risks in connection with the outbreak and continuation of war;
- The entire infrastructure was moved to overseas cloud servers;
- To ensure business continuity and avoid decision-making paralysis, critical and key staff positions in Ukrainian companies were promptly identified and a comprehensive succession plan was prepared;
- During the first few months, the Robota.ua service allowed for free publication of ads and was adapted to meet the challenging market conditions;
- To ensure the livelihoods of its employees in Ukraine and mitigate the effects of the outbreak of war, the Group immediately paid three months' wages in advance to all workers located in Ukraine. Additionally, logistical support and housing were provided to all Ukrainian workers who chose to relocate to Poland;
- The Polish Pracuj.pl portal was adapted to meet the needs of Ukrainian citizens, enabling them to actively search for work under the new conditions.



Thanks to the measures and initiatives implemented in both Poland and Ukraine, the Company is currently able to operate according to its business model. Despite a significant decline in revenue from contracts with customers, the Group has maintained business continuity.

The Management Board is closely monitoring the situation in Ukraine and assessing the potential impact on the Group's ability to continue its operations in that country.

In mid-2022, the Management Board made a decision to recognise a PLN 3.9 million impairment charge on equity-accounted investees that operate in Ukraine (specifically WorkIP Ltd and Work Ukraine TOV). For further details please refer to Note 7.8 in the Group's consolidated financial statements for the year ended 31 December 2022.

To date, no assets used to generate cash flows in the companies operating in Ukraine have been destroyed, and there are currently no restrictions on access to these assets, including those available through banking systems. However, due to regulatory restrictions, Ukrainian companies are unable to make dividend payments outside of Ukraine.

For further information about the impact of the armed conflict in Ukraine on the Group's operations and financial condition please refer to Note 7.8 in the Group's consolidated financial statements for the year ended 31 December 2022.

Grupa Pracuj S.A. included in the mWIG40 index

Grupa Pracuj S.A. shares have been listed on the Warsaw Stock Exchange since 9 December 2021. The Company shares were added to the mWIG40 mid-cap index in June 2022.

Purchase of shares in Spoonbill Holding GmbH – acquisition of softgarden

On 24 June 2022, Grupa Pracuj S.A. signed a Share Purchase Agreement (SPA) to acquire 100% of shares in Spoonbill Holding GmbH, which included the acquisition of 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH (owner of the softgarden brand), and absence.io GmbH (owner of the absence.io brand). Grupa Pracuj S.A. acquired the shares from Eden Investment S.à r.l., which was controlled by the alternative asset manager Investcorp, and from Stefan Schöffler Beteiligungs UG.

The conditions of the transaction were satisfied, and the acquisition was completed on 27 June 2022. The final price was EUR 117.6 million. The transaction was partially financed with the Group's own funds and the remainder was funded through a bank credit facility.

softgarden is a leading TAS (Talent Acquisition System) that supports recruitment processes and automates their management through a Software-as-a-Service (SaaS) model. It also offers multiposting services, which enable the simultaneous publication of job offers in a wide range of recruitment portals in a particular country. The company primarily operates in the German market, but is expanding into several other European markets. absence.io is a brand that offers dedicated HR Tech software for the SME sector, supporting effective and transparent time and absence management through a SaaS model.

The acquisition was part of the Group's growth strategy and aims to reinforce the Company's position as a prominent HR Tech player in Europe, especially in the DACH region.

By acquiring softgarden, Grupa Pracuj S.A. became the owner of a leading HR Tech player in Germany and the DACH region, gaining expertise, experience, and scalable online recruitment products and services. softgarden's market position and access to a broad customer base can provide the basis for further growth in these markets by building an ecosystem of HR Tech solutions by the Grupa Pracuj S.A. Group.

Leading European HR Tech platform

Grupa Pracuj is a leading European 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 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 3.0 million in Ukraine.**

On the group's platforms, in which Poland's largest recruitment platform, Pracuj.pl, remains key, an average of 91,000 job offerings are posted each month. As of the end of 2022, over 1,800 companies used the eRecruiter system, the most frequently used tool in Poland supporting the conduct of recruitment procedures. Another more than 1,400 firms chose the services of softgarden systems, mainly in the DACH region.

The company's strategic objectives include strengthening its position in existing markets, improving existing and providing new technological solutions in the HR area, increasing revenues by investing in tools and services in the SaaS model and also through potential acquisitions of solutions that complement or expand Grupa Pracuj's HR ecosystem.

Grupa Pracuj in numbers in 2022



(1) average in 2022 (excluding job centers announcements)
(2) as of 31 December 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 90,000, while over 57,700 employers use the paid services of the platform (as of the end of December 2022), including the biggest Polish and international companies. In 2022 Pracuj.pl was visited by 4.9 million users every month (according to Gemius/PBI). Since 2021 Pracuj.pl is complemented with the: protocol – an online job portal for IT specialists.

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 2022 was about 41,600, while about 42,200 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 over 1,800 companies from dozens of industries (as of the end of December 2022). The eRecruiter system provides a single tool for managing the entire recruitment process, including publishing job advertisements, verifying skills, managing the candidate database in compliance with GDPR, and researching candidate experience. eRecruiter supports process optimisation and improves process efficiency through the automation of activities and the ability to integrate with multiple HR tools, making it the centre of an effective and automated ecosystem of HR tools within an organisation.

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 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 multiposting-automated publication

of job offers on multiple platforms. Over 1,400 employers use softgarden's services (as of the end of December 2022).

The logo for pracuj.pl, featuring the text "pracuj.pl" in white lowercase letters inside a dark blue rounded rectangle.The logo for robota.ua, featuring a red circle with a white lowercase "r" inside, followed by the text "robota.ua" in bold black lowercase letters.The logo for eRecruiter, featuring two teal circles of different sizes followed by the text "eRecruiter" in teal lowercase letters.The logo for (softgarden), featuring a stylized multi-colored wave icon followed by the text "(softgarden)" in a black script font.

Worksmile is a modern platform combines fringe benefits for employees with building an integrated corporate culture through which Grupa Pracuj is expanding its services beyond the field of recruitment.

The logo for the:protocol, featuring the text "the:protocol" in a teal sans-serif font.The logo for worksmile, featuring the text "worksmile" in a dark blue sans-serif font with a yellow smiley face.

THE GROUP'S STRATEGY AND DEVELOPMENT DIRECTIONS

Mission, vision and values of the Grupa Pracuj S.A. Group, Europe's leading HR Tech platform.



The mission of Grupa Pracuj is to provide support to organisations throughout recruitment, employee retention and employee development processes, while also helping individuals in discovering the best job opportunities and unlocking their full professional potential. To accomplish this, the Group utilises modern and highly effective technologies.



Customer focus



Responsibility
for my work
and company's goals

Joy
at work



Courage
to act and learn
from mistakes

Respect
for diversity

At the core of any company's success lies the commitment to its goals, principles, and values, along with a continuous drive towards improvement and learning through innovation.

Our success is founded on a clearly defined mission and vision and transparent values, which encompass: (i) Customer in focus; (ii) Responsibility for one's work and company goals; (iii) Respect for diversity; (iv) Courage to act and the ability to learn from mistakes; and (v) Finding joy at work. We endeavour to embed these values into the Group's growth and expansion processes.

They form the cornerstone of our development strategy. Since its inception, the Company has adopted a dynamic organisational culture model. This approach has facilitated the implementation of innovative solutions and inspired motivation for further development.

Strong brand awareness and market position enable the Group to attract the most talented individuals. The long-standing emphasis on recruiting highly qualified employees has been a driving force behind our success, which is evidenced by the performance we deliver.

Key strategic assumptions

The Group's objective is to achieve dynamic growth while upholding the values that guide its companies in their daily operations, relationships with all stakeholders, and internal culture.

Strategic directions 2021+

Strategic objective:

Enhance our position as the foremost online recruitment and HR Tech provider in Europe

Accordingly, the Management Board has identified the following strategic directions for the Group:

-  To be the platform of first choice for employee recruitment in targeted segments in Poland;
-  To acquire, integrate, develop, and create HR Tech solutions, with a particular focus on those based on the Software-as-a-Service (SaaS) model;
-  To be the platform of first choice for employee recruitment in Ukraine;
-  To create a company culture that reinforces commitment of employees and supports them in achieving their goals, and to adapt the culture to the changing environment;
-  To flexibly shape and continuously improve the Group's efficiency.

In response to evolving market trends and customer expectations, we made the strategic decision in 2022 to expand our business beyond recruitment services and bolster our presence in the HR Tech and SaaS sectors. This led to the acquisition of softgarden, a leading Talent Acquisition System platform in Germany.

The Management Board is committed to reinforcing the Group's position in all business markets by continuously expanding its portfolio with innovative functionalities and products, while prioritising exceptional experiences for both customers, that is employers, and users.



Gaining access to the largest and fastest-growing market, the German economy, and our extensive internationalisation efforts have prompted a revaluation of our strategic assumptions, with a greater emphasis on diversifying revenue streams and expanding into complementary business areas. This approach allows us to effectively monetise our customer base while shaping the changing market.

We closely monitor the market situation and the rapidly changing economic conditions, and we intend to develop a long-term strategy for the Group in 2023 as part of a strategic planning project.



Strategic directions 2023+

Strategic objective:

Grupa Pracuj as Europe's leading HR Tech platform:



-  **Leader in online recruitment and recruitment services in Poland and Ukraine**
-  **The largest TAS (Talent Acquisition System) in the DACH region**

Considering recent market challenges faced by European businesses, the Management Board aims to diversify revenues and progressively enhance the Group's competitive advantage in its existing markets over the coming years, while remaining open to potential geographic expansion:



-  Organic growth of the Group's core business;
-  Bolt-on acquisitions in HR Tech.

The Management Board continually reviews the implementation of the Group's strategic plans and operational activities, and thus can adapt the Company's resources flexibly in response to changing market conditions. One of the key aspects is the level of employee engagement. The Group is rooted in values such as a responsibility for one's work and company goals, courage to act and learn from mistakes, and finding joy at work. Strong employee engagement enables effective growth of individual brands and areas within the chosen directions.

Recruitment services:

-  Data-driven product portfolio development – AI and Big Data solutions;
-  Increasing volume market shares in selected segments, e.g., blue collar.

HR Tech SaaS:

-  Consistently enhancing customer value through existing products and launch of innovative offerings;
-  Expanding operations into new markets.

RISK FACTORS AND RISK MANAGEMENT

Risk management

One of the key priorities of the Management Board is to ensure the security of the Group's operations. The Company has in place a risk management process to identify, mitigate, or eliminate risks in its growth and development. The Management Board, assisted by the Director of Information Security and Risk Management, is responsible for the efficiency of the risk management system, which encompasses policies, processes, and tools. The Supervisory Board, particularly the Audit Committee, provide continuous support to the Company in monitoring risks and ensuring the proper implementation of the risk management process. The roles and responsibilities pertaining to risk management are clearly defined below:



In 2022, we took steps to enhance the efficiency and effectiveness of our risk management and internal audit processes. The risk management process ensures a consistent approach to risk identification, analysis, classification, and assessment. It also includes measures for monitoring and mitigating and/or preventing potential threats.



The Group identifies risks at the strategic, operational and financial levels. For a detailed description of financial risks please refer to Note 5.4 in the consolidated financial statements for the year ended 31 December 2022.

For the purpose of evaluating the effectiveness of the risk management systems at the Company and the Group, the Management Board prepares periodic analyses, which are subsequently assessed by the Supervisory Board based on the recommendations of the Audit Committee.

The Management Board reviews risks primarily in the context of challenges facing the organisation, an approach that enables the Group to build a strong position in the market and mobilises it for further continuous development, providing ongoing opportunities for growth.

Risk identification covers all areas of the Group's business. The Company identifies risks at the strategic, operational and financial levels. For a detailed description of financial risks please refer to Note 5.4 in the consolidated financial statements for the year ended 31 December 2022.

Strategic risks are evaluated in terms of their potential impact, likelihood of occurrence, and effects on the Group's business, financial, corporate image, and continuity goals over one- and three-year timeframes.

Material risk factors

Measures taken by the Group to minimise the impact of deterioration in the economic situation may not be fully effective

A deterioration in the economic situation in Poland or Europe could have an adverse effect on the Group's financial position and operations. The Group's business activities are primarily focused in Poland, but have expanded to include the German market in 2022. The results of our business activities are closely linked to the level of employment demand and the overall condition of the labour market. A favourable economic situation promotes increased employment and motivates customers to post more job vacancies. Simultaneously, users visit the Group's websites in search of more appealing job opportunities. A financial crisis or economic downturn, as well as fluctuations in the financial markets, could result in a higher unemployment rate and lower disposable incomes, leading to a decrease in consumption, which in turn may adversely affect individuals' propensity to seek new employment opportunities, thereby impacting the Group's user traffic. Additionally, a deteriorating financial condition of the Group's customers may lead to a decline in the number of job postings. If the financial condition of the Group's customers deteriorates, that will result in a lower number of job postings. Through continuous analysis of the market situation and trends the Company is able to respond flexibly to changing conditions and customer preferences by implementing cost optimisation measures, adjusting prices and products, and offering discounts when appropriate.

The Group's market position may deteriorate as a result of the activities of its competitors or technological changes in the industry

The Group companies continuously analyse the market to track trends and identify factors influencing the HR industry. Each company within the Group addresses the risks associated with competitor activities by implementing well-structured sales, marketing, product, and investment strategies.

The market for recruitment services in Poland is highly competitive, with numerous entities offering services both online and through traditional channels. The Group acknowledges the risk of new competitors in online recruitment.

The Group operates in an industry characterised by rapid technological advancements, which can increase competitive pressures through the introduction of new technologies. The Group's competitiveness and success depend on its ability to continuously enhance its technology platform to provide new products and services that improve the quality and standard of its services. Therefore, the Group faces the risk of negative business and financial outcomes if it fails to make relevant and timely decisions or makes incorrect decisions based on inadequate assessment of strategic directions. This includes failure to identify or adequately assess the importance of new technologies and failure to incorporate them into operations, potentially reducing the attractiveness of the Group's services to existing and potential customers and resulting in a loss of market share to competitors.

A cyber-attack or leakage of personal data may result in a deliberate disruption of the proper functioning of the Group's websites and systems, posing a risk to the confidentiality, integrity, and availability of sensitive data

The nature of the Group's operations, which involve the processing of significant amounts of personal data and extensive use of technology and the Internet, expose the Group to the risk of information security breaches. The main causes of data security risks include:

- Use of insufficient security and safety monitoring mechanisms;
- Errors in device configurations and system access controls;
- Incorrect infrastructure change management process;
- Insufficient employee awareness;
- Ineffective incident response procedures or lack thereof;
- Lack of established process for assessing third-party vendors' access to personal data;
- Lack of regular security assessments, system audits, and process reviews.

The Group is subject to various regulations governing the use of personal data, and as such, must comply with data protection and privacy laws. Due to the wide range of regulations on the use of personal data, non-compliance with applicable laws or other legal requirements could damage the Group's reputation among customers and result in increased costs, adversely affecting its operations, financial condition, or growth prospects. Any leakage of sensitive data stored by the Group could lead to regulatory penalties and adversely affect the Group's reputation and credibility.

Unforeseen ICT events may have irreversible consequences for the proper functioning of the Group's services, websites, and systems

The Group uses and relies on an advanced information technology infrastructure to operate its business and deliver its services to customers. Interruption, disruption, or sudden loss of a key information system may occur due to various factors or causes, including:

- Equipment failures;
- Ineffective business continuity processes or lack thereof;
- Architecture that does not support efficient disaster recovery;
- Cyberattacks;
- Physical attack or other critical disruption caused by actions of third parties;
- Unavailability of third-party services.

The proper functioning of the Group's online recruitment services is dependent on third-party IT platforms, facilities, and equipment, including computer hardware and software and technology applications. Any interruption, disruption, or failure of these systems may pose a risk to the continuity of services. This could potentially lead to temporary disruptions in the provision of services or a limited ability of the Group to fully restore operations.

The Group may experience reduced availability or loss of key personnel

There is a risk that the Group may experience reduced availability or loss of key personnel as it operates in an industry where human resources and employee skills are crucial for success. This is particularly due to the limited number of suitable candidates available on the labour market, especially highly skilled IT, sales, and customer care specialists with the necessary educational background and expertise. Loss of a significant number of employees in departments such as product development, technology, sales, and customer service, combined with the difficulty of hiring suitable

replacements, could impede the Group's operations, delay its ability to address emerging challenges, and have an adverse effect on the operations of the Group.

In the event of regulatory changes the Company may fail to effectively adapt to new formal and legal requirements

The Group is exposed to various risks, including the possibility of facing administrative penalties and sanctions such as the suspension or exclusion of its shares from trading on the WSE. The risk of non-compliance with laws and regulations may arise due to various factors, such as misinterpretation of legal requirements, making business decisions that result in non-compliance, disregarding or failure to fulfil legal obligations, insufficient time to implement changes resulting from new laws, or lack of an effective process for reporting to the stock market.

The Group's acquisitions or internal investments may fail to yield expected profits

The Group's strategy is grounded in pursuing stable growth while prioritising the development of innovations to consistently enhance its product portfolio. The Group also seeks to capitalise on new growth opportunities by expanding into new markets or business segments. Erroneous operational and legal assessment of the growth potential, insufficient capabilities, negative effects of changes in macroeconomic factors, or a flawed risk estimation process can all have an adverse effect on the Group's reputation and financial condition.

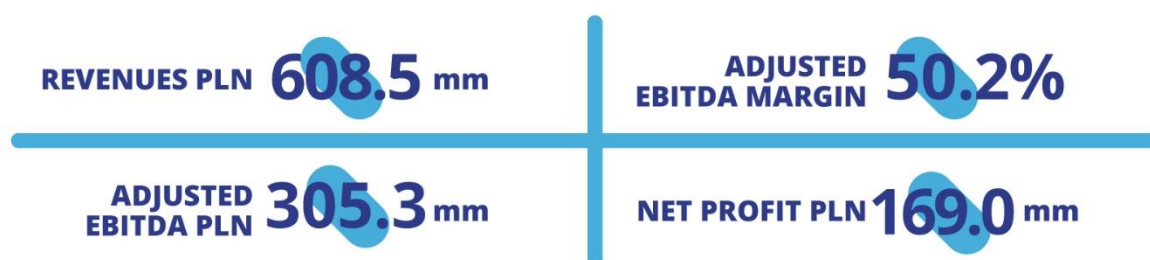
The Group' may be unable to continue its operations in Ukraine

The Group conducts operations in Ukraine, mainly through the Robota.ua website. The current military conflict in Ukraine, which began in February 2022, is resulting in the loss of a considerable part of the country's production capacity, which drives a significant decline in its GDP, thereby adversely affecting the job market. Some of the Company's trading partners operating in the Polish market conduct or have conducted business in areas affected by the hostilities (such as Ukraine) or in countries subject to international sanctions (such as Russia and Belarus). This may have an adverse effect on their financial condition and recruitment plans. The outcome of the ongoing conflict in Ukraine remains uncertain, and there is a risk that Ukraine may lose all or part of its territory. Such developments could adversely affect the Group's operations in Ukraine, potentially resulting in a complete cessation of activities in extreme cases.

ANALYSIS OF 2022 RESULTS

Overview of the Group's activities

Grupa Pracuj in numbers in 2022



- In 2022, the Grupa Pracuj S.A. Group earned revenue of PLN 608.5 million, representing a 28.1% increase on 2021. Segment Poland recorded a nearly 20% year-on-year growth. Despite a challenging second half of the year, the number of recruitment projects on the pracuj.pl job board was 549.3 thousand, having increased by 7.3% on 2021. The number of active customers of the eRecruiter system is also steadily growing at a double-digit rate. At the end of 2022, it stood at 1,816, that is 13.9% more than at year-end 2021. The share of segment Germany's revenue, which amounted to PLN 74.0 million, was also in line with expectations (the segment has been consolidated since 1 July 2022). The number of active softgarden customers is growing and stood at 1,443 at the end of 2022. Revenue earned by segment Ukraine fell year on year by 48.7%. The number of recruitment projects on Robota.ua decreased by 51.8% year on year in 2022, mainly due to a decline in recruitment activities amid the armed conflict in Ukraine.
- The Group's adjusted EBITDA increased by 18.6% year on year in 2022, to PLN 305.6 million. The Company saw an increase in consolidated adjusted EBITDA to PLN 305.3 million, from PLN 257.3 million in 2021, a year-on-year growth of 18.6%.
- Adjusted EBITDA margin in 2022 was 50.2%, compared with 54.2% a year earlier, which is primarily due to an increase in the Group's operating expenses.
- In 2022, the Group's consolidated net profit amounted to PLN 169.0 million, which represents a decrease of 33.9% on the previous year. The decline can be attributed mainly to higher finance costs incurred in connection with the credit facility taken out to finance the acquisition of softgarden in mid-2022 and higher finance income reported for 2021, as well as an increase in the fair value of Beamery Inc. Net profit adjusted for this one-off event fell 8.7% year on year.

Non-recurring events with a significant impact on the comparability of financial results:

2021:

- Costs of the Company's initial public offering of PLN 5.2 million;
- Increase in the fair value of shares in Beamery Inc. by PLN 86.2 million;

2022:

- Transaction costs of the softgarden acquisition of PLN 8.8 million;
- Cost of the gratuitous transfer of shares of PLN 14.0 million at the consolidated level and PLN 11.6 million at the level of the Company's separate accounts.

Market environment

Economic situation and macroeconomic factors

Poland

Poland has one of the lowest unemployment rates in the European Union.

According to the Ministry of Family and Social Policy, the registered unemployment rate in Poland stood at 5.2% at the end of 2022.³ This represents a decrease of 0.6 percentage points on year-end 2021 and a slight increase of 0.1 percentage points compared to November 2022. At year-end 2022, 813.2 thousand individuals were registered as unemployed, according to data from the Ministry.

According to EUROSTAT, the statistical office of the European Union, the unemployment rate in Poland in December 2022 was 2.9%,⁴ which is significantly below the rate of 6.1% recorded for the European Union as a whole, and 6.6% for the eurozone. Only the Czech Republic recorded a lower unemployment rate (2.3%), with Germany reporting the same rate as Poland (2.9%).

The average monthly salary in the national economy, net of pension, disability, and sickness insurance premiums, was PLN 5,540.25 in the whole of 2022, and PLN 5,783.75 in the second half of the year. This represents year-on-year growth of 12.0% and 13.3%, respectively.

The average annual inflation rate rose to 14.4% in 2022, a significant increase from the 5.1% rate in 2021.

According to preliminary estimates by Statistics Poland, Poland's GDP grew by 4.9% year on year in 2022. The World Bank estimates Poland's GDP growth at 4.4%⁵, and the International Monetary Fund at 3.8%⁶.

Germany

According to estimates by the Federal Statistical Office Destatis, the German economy experienced a slowdown in the fourth quarter of 2022, with GDP contracting by 0.4% quarter on quarter and growing by 0.3% year on year. In 2022 as a whole, Germany's GDP grew by 1.9% year on year⁷.

The average annual inflation rate in 2022 was 7.9%. It is expected to rise in the first few months of 2023, but the Ministry of Economy forecasts a single-digit growth for the year.

Ukraine



The Ukrainian economy faced a severe setback in 2022, with a significant contraction of 30.4 percent, primarily due to the Russian invasion and continued hostilities since February 2022. The International Monetary Fund also estimates a considerable decline of 35.0 percent in the country's GDP for the same year.

The National Bank of Ukraine believes that the Ukrainian economy may start growing again in 2023-2024 if its ports reopen and Ukraine resumes exports. The Economy Ministry estimates the GDP growth rate for 2023 at 1.0 percent based on International Monetary Fund estimates.

Inflation in 2022 was 26.6 percent, and the central bank estimates that unemployment was around 24.5 percent.

Labour market

The labour market, both locally and globally, is undergoing significant changes triggered by various factors, such as the COVID-19 pandemic and Generation Z entering employment. The main factors that are currently driving the labour market include:

-  Pay pressures;
-  Growing pressures for pay transparency, as employees demand greater disclosure of pay;

³ <https://www.gov.pl/web/rodzina/stopa-bezrobocia-w-grudniu-na-poziomie-52>

⁴ <https://ec.europa.eu/eurostat/news/euro-indicators>

⁵ <https://www.worldbank.org/en/publication/global-economic-prospects>

⁶ <https://www.imf.org/en/Countries/POL>

⁷ https://www.destatis.de/EN/Themes/Economy/_node.html

- Policies promoting diversity and the expectation of closing gender and racial pay gaps;
- Changing forms of work and the expected shift towards a more flexible work delivery model;
- Digital transition of the labour market and the adoption of new HR Tech solutions to enhance recruitment processes, such as online recruitment.

In today's uncertain economic climate, it is challenging to speak with certainty about whether the labour market favours employers or employees. However, the trends mentioned above are just the beginning of a structural shift that will continue to shape the labour market and the relationship between employers, employees, and job seekers.

Despite the challenging economic and political landscape, the labour market in Poland continues to demonstrate remarkable strength and resilience against economic fluctuations. The Group's management carefully analyses all data and events that could affect sentiment, both among employers and employees.

The willingness of companies to bring wages in line with inflation is lower with each quarter, and rising labour costs are stiffening companies' stance on compensation policies. On the other hand, wage pressures, especially among skilled workers, remain high and affect employee turnover rates at companies. The percentage of companies experiencing wage pressures remains relatively high at 74.0%⁸.

According to recent data, nearly half (48.2%) of businesses surveyed are planning to raise wages in the first quarter of 2023, indicating a slight increase from the previous quarter (46.2%)⁸.

The data suggests a slight weakening of demand for labour in Poland. The proportion of companies that report having job openings dropped to 41% in the fourth quarter of 2022, compared with 46% in the previous quarter, with the manufacturing and transport industries experiencing the most significant reductions⁸.

Despite some caution, the employment outlook for the short term, as forecast by the National Bank of Poland, is expected to remain relatively stable. It appears more optimistic in the longer term of one year. Furthermore, companies do not explicitly cite employment reduction as a primary measure to be potentially taken in response to a sudden economic downturn.

Over the course of a year since 24 February 2022, more than 10 million individuals have crossed the Polish-Ukrainian border. According to data from the Ministry of Labour and Social Policy and estimates by the Polish Economic Institute, over 977 thousand Ukrainians have been employed in Poland under a special law since the start of the conflict. Among them, 39% are women and 11% are men of working age⁹.

According to information sourced from the Central Economic Activity Registration and Information Database (CEIDG), there were a total of 17.7 thousand newly established sole proprietorships from the outbreak of the war until the end of January 2023. Of these, 41% are owned by women.

Refugees are playing an increasingly important role in supplementing the Polish labour market, which continues to face significant labour shortages. A survey conducted by ManpowerGroup has revealed that around 70% of Polish companies are facing challenges in attracting qualified workers¹⁰.

The situation is similar in the German market. Based on a survey by the German Chamber of Industry and Commerce (DIHK), 53% of companies are struggling to fill vacancies due to labour shortages.

⁸ <https://nbp.pl/publikacje/cykliczne-materialy-analityczne-nbp/szybki-monitoring/>

⁹ <https://www.money.pl/gospodarka/rok-po-wybuchu-wojny-nowi-starzy-ukraincy-na-polskim-ryнку-pracy-6866199745804928a.html>

¹⁰ https://www.manpowergroup.pl/wp-content/uploads/2022/07/INFOGRAFIKA_Niedobor_talentow_wersja_PL.pdf

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

Operating results for 2022

The presented operating indicators are estimates of the Company and the Group and should not be used as the sole basis for predicting their financial and operational condition or for peer comparisons.

Table 1

Financial indicator			Change (y/y)	3 months ended		Change (y/y)
				31 December		
	2022	2021		2022	2021	
Pracuj.pl						
Number of recruitment projects (thousand) ⁽¹⁾	549.3	512	7.3%	115.3	136.1	(15.3%)
Average price of recruitment project (PLN) ⁽²⁾	835.0	745.3	12.0%	885.3	777.4	13.9%
eRecruiter						
Number of active customers	1816	1594	13.9%	1816	1594	13.9%
softgarden						
Number of active customers	1443	N/A	N/A	1443	N/A	N/A
Robota.ua						
Number of recruitment projects (thousand) ⁽¹⁾	555.3	1152.8	(51.8%)	142.1	320.5	(55.7%)
Number of no-cost recruitment projects (thousand)	259.4	544.8	(52.4%)	61.2	163.9	(62.7%)
Number of paid recruitment projects (thousand)	294.1	608.0	(51.6%)	80.9	156.6	(48.3%)
Average price of paid recruitment project (UAH)	591.5	624.9	(5.4%)	638.9	567.0	12.7%
Average price of paid recruitment project (PLN) ⁽³⁾	88.1	83.1	6.04%	80.4	85.0	(5.5%)

⁽¹⁾ The number of recruitment projects is equivalent to the number of credits used to post job vacancies on Pracuj.pl or Robota.ua. In the case of Pracuj.pl, one credit can be used to post multiple job vacancies, whereas on Robota.ua, one credit can only be used to post one job vacancy for a period of one month.

⁽²⁾ For Pracuj.pl defined as revenue from recruitment projects divided by the number of recruitment projects.

⁽³⁾ For Robota.ua defined as revenue from contracts with customers in segment Ukraine divided by the number of paid recruitment projects.

Pracuj.pl:

- Low unemployment and ongoing challenges in finding skilled workers contributed to a 7.3% year-on-year increase in the number of recruitment projects in 2022. Despite the high base from the previous year, when the HR industry rebounded following the COVID-19 pandemic, the year got off to a record start. While the first few months of the year saw strong growth in recruitment projects, this momentum gradually tapered off and even declined in recent months. The number of recruitment projects in the fourth quarter of 2022 was 15.3% lower year on year, with lower customer activity in the second half of the year driven primarily by high economic uncertainty.
- As announced and following the price list update in January 2022, the average price of recruitment projects increased by 13.9% in the fourth quarter and by 12.0% for the whole of 2022.

eRecruiter:

- The number of active customers using eRecruiter subscriptions increased by 13.9% year on year in the fourth quarter of 2022, with a total of 1,816 accounts at year-end. The rise was primarily driven by the growing popularity of Talent Acquisition System (TAS) tools in Poland, which provide customers with improved capabilities for managing core HR functions.

Robota.ua:

- In 2022, the total number of recruitment projects decreased by 51.8% to 555.3 thousand, and in the fourth quarter of 2022 the number fell by 55.7% to a total of 142.1 thousand. The decline was primarily caused by a reduction in employer and job-seeker activity in job searches due to the outbreak of war in Ukraine on 24 February 2022.
- The price of paid recruitment projects in 2022 experienced a minor decline year on year, with an average of UAH 591.5. This was largely due to reduced operational activity amid the ongoing armed conflict, particularly in the first few months after the outbreak of the hostilities.

softgarden:

- By the end of the fourth quarter of 2022, the number of active softgarden subscribers steadily grew, reaching 1,443. This was driven by increasing awareness of tools that facilitate recruitment processes. In comparison with the Polish market, the German market is relatively less digitised, and the digital transformation process is still ongoing in both the recruitment industry and other sectors of the economy.

The Group continuously monitors the financial metrics presented in the table below to assess its operational performance and determine strategies for improvement. Please note that these indicators are not mandatory under IFRS and are not calculated in accordance with IFRS guidelines.

Table 2

Financial indicator			Change (y/y)	3 months ended		Change (y/y)
	2022	2021		31 December		
	2022	2021		2022	2021	
EBITDA	268,361	239,545	12.0%	43,396	54,957	(21.0%)
EBITDA margin (%)	44.1%	50.4%	(12.5%)	30.0%	41.9%	(28.4%)
Adjusted EBITDA	305,277	257,338	18.6%	59,047	57,642	2.4%
Adjusted EBITDA margin (%)	50.2%	54.2%	(7.4%)	40.8%	43.9%	(7.1%)

The Group uses the following definitions for the selected financial indicators.

- EBITDA is defined as operating profit/(loss) adjusted for depreciation and amortisation (net profit plus depreciation and amortisation and less share of profit of equity accounted investees and finance income);
- Adjusted EBITDA is defined as operating profit/(loss) plus depreciation and amortisation adjusted for recognised, as well as recognised and then reversed impairment losses on assets, for the period reported in the consolidated financial statements and for the costs of share-based payment programmes, public offering costs and acquisition-related costs reported in the consolidated statement of comprehensive income;
- EBITDA margin for a given period is defined as the ratio of EBITDA in a given period to revenue from contracts with customers for the same period;
- Adjusted EBITDA margin for a given period is defined as the ratio of adjusted EBITDA in a given period to revenue from customer contracts for the same period.

Financial results for 2022

Management Board's view on profit guidance vs actual results

The Management Board of Grupa Pracuj S.A. has not provided any profit guidance for the Group for the year 2022.

Grupa Pracuj S.A. Group

In the financial year 2022, the Grupa Pracuj S.A. Group reported a consolidated net profit of PLN 169.0 million, which was 33.9% lower compared with the previous year. This decline was attributable to the fair value measurement of the Beamery Inc. investment, which was revised during the first half of 2021. Net profit adjusted for this one-off event increased 8.7% year-on-year.

Group's 2021-2022 net profit bridge, with impact of specific items of the consolidated statement of comprehensive income

Chart 1

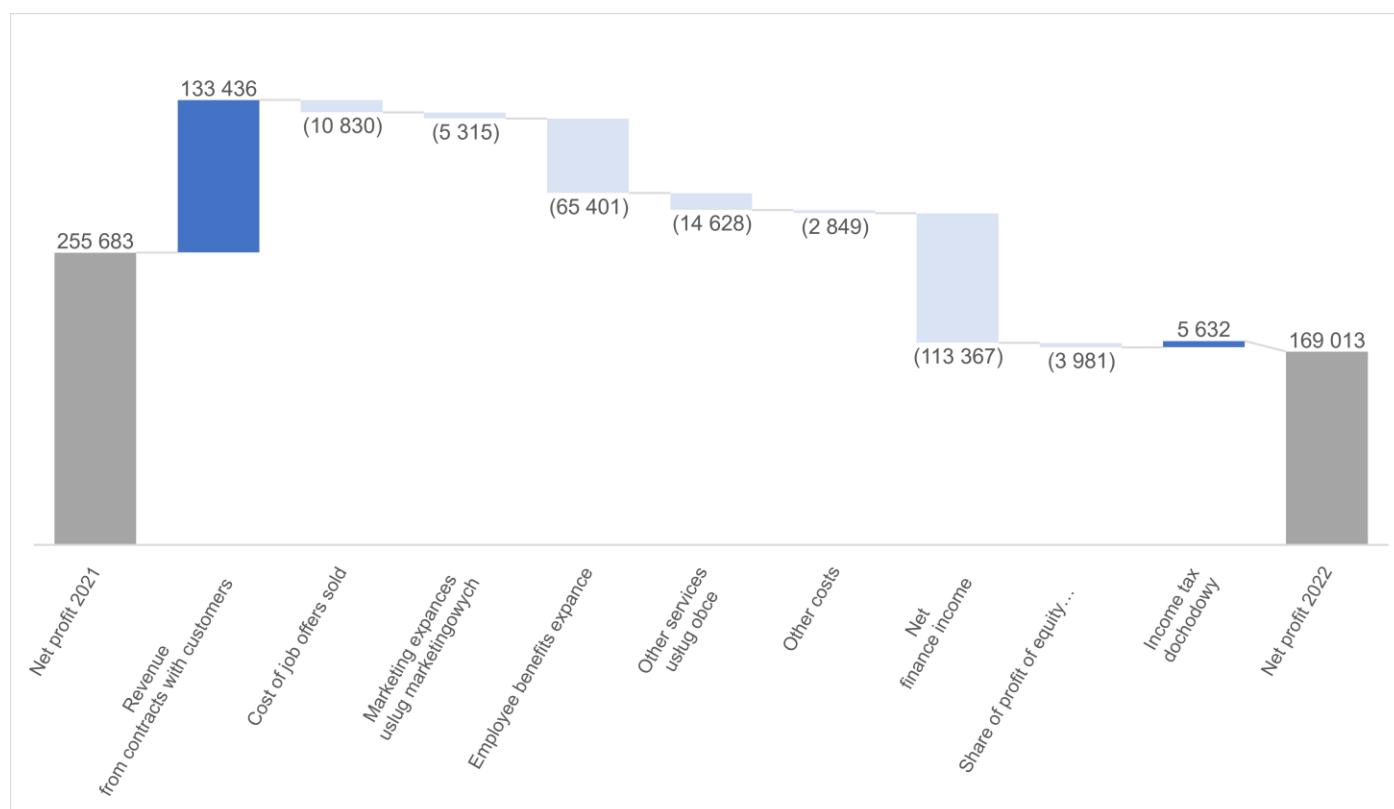


Table 3. Financial results of the Group

	2022	2021	Change (y/y)
Revenue from contracts with customers, including:	608,549	475,113	28.1%
<i>Segment Poland</i>	508,633	424,579	19.8%
<i>Segment Ukraine</i>	25,919	50,534	(48.7%)
<i>Segment Germany</i>	73,997	-	n/a
Depreciation and amortisation	(15,812)	(12,037)	31.4%
Cost of job offers sold	(10,830)	-	n/a
Marketing expenses	(59,449)	(54,134)	9.8%
Software as service	(8,890)	(5,099)	74.3%
Other services	(39,171)	(24,543)	59.6%
Employee benefits expense	(212,077)	(146,676)	44.6%
Other costs	(8,100)	(6,044)	34.0%
Other income	2,425	1,114	117.7%
Other expenses	(3,177)	(328)	868.3%
Expected credit losses	(914)	142	(743.7%)
Operating profit, including:	252,554	227,508	11.0%
<i>Segment Poland</i>	250,654	222,718	12.5%
<i>Segment Ukraine</i>	(6,993)	4,790	(246.0%)
<i>Segment Germany</i>	8,893	-	n/a
Finance income	6,407	90,922	(93.0%)
Finance costs	(30,868)	(2,016)	1,431.2%
Net finance income / (costs)	(24,461)	88,906	(127.5%)
Share of profit of equity-accounted investees	(848)	3,133	(127.1%)
Profit before tax	227,245	319,547	(28.9%)
Income tax	(58,232)	(63,864)	(8.8%)
Net profit	169,013	255,683	(33.9%)

Table 4 Percentage share of income and expenses in revenue from contracts with customers of the Group

	2022	2021	Change (y/y)
Revenue from contracts with customers (PLN thousand)	608,549	475,113	133,436
Depreciation and amortisation	2.6%	2.5%	0.1%
Cost of advertisements sold	1.8%	-	1.8%
Marketing expenses	9.8%	11.4%	(1.6%)
Software as service	1.5%	1.1%	0.4%
Other services	6.4%	5.2%	1.3%
Employee benefits expense	34.8%	30.9%	4.0%
Other costs	1.3%	1.3%	0.1%
Other income	(0.4%)	(0.2%)	(0.2%)
Other expenses	0.5%	0.1%	0.5%
Expected credit losses	0.2%	(0.0%)	0.2%
Operating profit margin	41.5%	47.9%	(6.4%)

Revenue from contracts with customers

- The Group's revenue in 2022 rose by 28.1% on 2021, to PLN 608.5 million. This was mainly due to the consolidation of revenue earned by the softgarden group (consolidated since 1 July 2022), the growing average price of recruitment projects at Pracuj.pl and subscriptions at eRecruiter and softgarden, which operate through the SaaS (Software-as-a-Service) model;
- The total number of recruitment projects on Pracuj.pl in 2022 was 549.3 thousand, which represents a 7.3% increase on the previous year, with the average price of PLN 835 per project, up by 12.0% year on year;
- Revenue in segment Germany is generated through sales of services in a subscription model (SaaS), as well as through sales of multiposting services, which involves the simultaneous posting of job offers on various recruitment sites; revenue from multiposting is recognised either on a gross basis or a net basis, depending on the company's role as an agent or principal. Recognition on a net basis applies to purchases made based on customer's specific orders, while recognition on a gross basis pertains to purchases made for subsequent resale;
- The number of active customers using the eRecruiter recruitment support system, offered in a subscription-based Software-as-a-Service (SaaS) model, is steadily rising, and reached 1,816 at the end of 2022, which is a 14.1% increase on the previous year;
- The share of segment Ukraine decreased primarily due to reduced recruitment activities caused by the ongoing military conflict and the increased size of Grupa Pracuj's operations following the acquisition of softgarden, which was effected in mid-2022. In 2022, the total number of recruitment projects on the Ukrainian site Robota.ua was 555.3 thousand, out of which 294.1 thousand were paid projects, marking an over 51.0% year-on-year decrease in both metrics.

Operating expenses:

- A 44.6% increase in employee benefits expense, to PLN 212.0 million, mainly due to the consolidation of employee benefits expense of segment Germany, higher headcount and salary increases in Poland, and the recognition of the cost of gratuitous transfer of Company shares by some of its shareholders to the Group's senior executives, of nearly PLN 14.0 million;
- A 9.8% increase in marketing expense, to PLN 59.4 million, mainly attributable to the intensification of omnichannel marketing campaigns aimed at strengthening the Group's competitive position;
- A rise in Software-as-a-Service costs, to PLN 8.9 million, driven by an increase in the number of software users and higher costs of access to software used by the Group;
- A 34.0% increase in other costs, to PLN 8.1 million in 2022, mainly due to higher costs of initiatives promoting employee engagement within the Group;
- A 59.6% increase in costs of other services, to PLN 39.2 million, resulting from an increased use of hosting and outsourcing services;
- An increase in other expenses, to PLN 3.2 million, primarily due to the Pracuj Group's charitable contributions to NGOs in Poland and Ukraine.

Grupa Pracuj S.A.

Table 5 Financial results of the Company

	2022	2021	Change (y/y)
Revenue from contracts with customers	477,251	398,361	19.8%
Depreciation and amortisation	(8,931)	(8,168)	9.3%
Marketing expenses	(50,522)	(40,780)	23.9%
Software as service	(5,397)	(4,286)	25.9%
Other services	(31,183)	(21,585)	44.5%
Employee benefits expense	(132,723)	(106,009)	25.2%
Other costs	(4,998)	(2,938)	70.1%
Other income	1,229	1,001	22.8%
Other expenses	(1,339)	(191)	601.0%
Expected credit losses	(743)	148	(602.0%)
Operating profit	242,644	215,553	12.6%
Finance income	10,515	112,337	(90.6%)
Finance costs	(36,832)	(2,313)	1,492.4%
Net finance income / (costs)	26,317	110,024	(123.9%)
Share of profit of equity-accounted investees	(848)	3,133	(127.1%)
Profit before tax	215,479	328,710	(34.4%)
Income tax	(50,713)	(62,449)	(18.8%)
Net profit	164,766	266,261	(38.1%)

Table 6 Percentage share of operating expenses in revenue from contracts with customers of the Company

	2022	2021	Change (y/y)
Revenue from contracts with customers (PLN thousand)	477,251	398,361	78,890
Depreciation and amortisation	1.9%	2.1%	(0.2%)
Marketing expenses	10.6%	10.2%	0.3%
Software-as-a-Service	1.1%	1.1%	0.1%
Other services	6.5%	5.4%	1.1%
Employee benefits expense	27.8%	26.6%	1.2%
Other costs	1.0%	0.7%	0.3%
Other income	(0.3%)	(0.3%)	(0.0%)
Other expenses	0.3%	0.0%	0.2%
Expected credit losses	0.2%	(0.0%)	0.2%
Operating profit margin	50.8%	54.1%	(3.3%)

Revenue from contracts with customers:

- Revenues generated by the Company in 2022 increased by 19.8% year on year, to PLN 477.3 million. The main factors contributing to the growth were a year-on-year increase in the number of recruitment projects, coupled with the effect of the new price list introduced in January 2022;
- Sales of branding products, such as Employer Profiles, are also growing steadily, with a year-on-year increase in revenue of PLN 2.2 million;

- The rise in the number of mobile application users contributed to an increase in revenue from highlighted ads, resulting in a year-on-year increase in the revenue stream by PLN 3.5 million.

Operating expenses:

- A 25.2% year-on-year rise in employee benefits expense, to PLN 132.7 million, primarily due to a higher headcount, an increase in average salaries and higher bonuses for employees linked to growing sales, higher employee development spending, and the recognition of the cost of the gratuitous transfer of Company shares by some of its shareholders to the Group's senior executives, of almost PLN 11.6 million, as well as higher costs of Incentives Schemes 2 and 3 (for details, see page 62).
- A 23.9% year-on-year increase in marketing expenses, to PLN 50.5 million, as a result of the Company's increased marketing activity, including more intensive omnichannel campaigns in both the spring and autumn editions of the 'W środowisku pracuj.pl' campaign, including an additional 'After Work' initiative, with non-standard activities in the urban space, such as creation of a mural or collaboration with one of Poland's largest retail chains. The rise in this cost item was also driven by efforts to promote for the e-commerce platform and marketing campaigns for Dryg.pl and the:protocol websites;
- A 44.5% increase in costs of other services, to PLN 31.2 million, attributable to an increased use of hosting and outsourcing services;
- A 25.9% increase in Software-as-a-Service costs, to PLN 5.4 million, driven by an increase in the number of software users and higher costs of access to software used by the Company;
- An increase in other expenses, to PLN 1.3 million, primarily due to Grupa Pracuj's charitable contributions to NGOs in Poland and Ukraine.

Financial position

Grupa Pracuj S.A. Group

The Group's assets increased by 104.7% on 31 December 2021, with current assets and non-current assets accounting for 21.3% and 78.7%, of the Group's total assets at year-end 2022, respectively.

Table 7

Assets of the Group	31 December 2022	31 December 2021	Change (y/y)
Non-current assets, including:	804,615	227,271	254.0%
Intangible assets	29,403	6,176	(3.5%)
Property, plant and equipment	12,382	9,910	(4.6%)
Right-of-use assets	15,093	20,854	(20.7%)
Goodwill	532,432	-	-
Equity-accounted investees	27,407	32,484	(1.1%)
Other financial assets	130,622	127,229	(1.3%)
Other non-financial assets	944	227	(2.6%)
Deferred tax assets	56,332	30,391	7.4%
Current assets, including:	218,058	272,434	(20.0%)
Inventory	3,912	-	-
Trade receivables	73,121	55,739	4.7%
Other financial assets	348	25,060	(96.3%)
Other non-financial assets	31,139	6,799	(11.5%)
Cash and cash equivalents	109,538	184,836	29.6%
Total assets	1,022,673	499,705	104.7%

Non-current assets increased to PLN 804.6 million, mainly as a result of the recognition of goodwill from the acquisition of shares in Spoonbill Holding GmbH. The Group had not completed the process of purchase price allocation as at 31 December 2022. Therefore, the fair value of the acquired assets, liabilities, and goodwill recognised on the acquisition may change within 12 months of taking control over Spoonbill Holding GmbH. As part of the provisional accounting for the acquisition, as at 31 December 2022 the Company recognised as goodwill a PLN 532.4 thousand excess of the price paid over the value of the net assets acquired.

Current assets decreased mainly due to a decrease in cash, resulting from the acquisition of softgarden, and lower value of other current financial assets, resulting from a reduced amount of cash invested in short-term corporate bonds.

Table 8

Equity and liabilities of the Group	31 December 2022	31 December 2021	Change (y/y)
Equity, including:	315,414	249,157	26.6%
Equity attributable to owners of the Parent	315,381	249,145	26.6%
Non-controlling interests	33	12	175.0%
Total liabilities, including:	707,259	250,548	182.3%
Non-current liabilities, including:	341,119	51,212	566.5%
Bank borrowings	303,168	-	n/a
Lease liabilities	8,762	17,135	(48.9%)
Other financial liabilities	9,138	13,481	(30.5%)
Employee benefit obligations	1,847	1,451	27.3%
Deferred tax liabilities	18,204	19,145	(4.9%)
Current liabilities, including:	366,140	199,336	92.1%
Bank borrowings	63,492	-	n/a
Lease liabilities	10,942	9,191	19.1%
Other financial liabilities	4,171	7,097	(44.4%)
Employee benefit obligations	23,618	14,860	58.9%
Trade payables	32,809	15,770	108.0%
Other non-financial liabilities	16,765	15,999	136.2%
Current tax liabilities	5,923	5,197	14.0%
Contract liabilities	208,420	131,222	58.8%
Total equity and liabilities	1,022,673	499,705	100.4%

At the end of December 2022, the Group's equity was PLN 315.4 million.

Total liabilities grew to PLN 707.3 million, representing an almost 182.3% year-on-year increase, primarily driven by the drawdown of funds under a PLN 400.0 million line of credit, which was used in the second quarter of 2022 to partially finance the acquisition of shares in Spoonbill Holding GmbH. For more details on the transaction please refer to Note 6.4 in the consolidated financial statements for the year ended 31 December 2022. As at the reporting date, the amount of debt outstanding under the facility was PLN 366.7 million.

Current liabilities increased to PLN 366.1 million at the end of December 2022. The change was primarily due to the recognition of the short-term portion of the credit facility and an increase in contract liabilities related to the rise in the number of orders for the Company's services seen in the last quarter of 2022.

Grupa Pracuj S.A.

The Company's total assets doubled year on year, to PLN 908.4 million as at 31 December 2022. At year-end 2022, non-current assets represented 87.6% of the total assets, while current assets accounted for the remaining 12.4% of the total assets.

Table 9

Assets of the Company	31 December 2022	31 December 2021	Change (y/y)
Non-current assets, including:	796,061	228,001	249.1%
Intangible assets	10,098	4,525	123.2%
Property, plant and equipment	7,734	6,363	21.5%
Right-of-use assets	10,053	13,464	(25.3%)
Investments in subsidiaries	578,325	21,486	2,591.6%
Equity-accounted investees	27,407	32,484	(15.6%)
Other financial assets	129,916	127,229	2.1%
Other non-financial assets	733	-	n/a
Deferred tax assets	31,795	22,450	41.6%
Current assets, including:	112,314	224,171	(49.9%)
Trade receivables	48,724	45,987	6.0%
Other financial assets	83	31,801	(99.7%)
Other non-financial assets	4,241	4,568	(7.2%)
Cash and cash equivalents	59,266	141,815	(58.2%)
Total assets	908,375	452,172	100.9%

Non-current assets increased to PLN 796.1 million in 2022, primarily due to the acquisition of shares in Spoonbill Holding GmbH.

Current assets decreased mainly due to a decrease in cash, resulting from the acquisition of softgarden, and lower value of other current financial assets, resulting from a reduced amount of cash invested in short-term corporate bonds.

Table 10

Equity and liabilities of the Company	31 December 2022	31 December 2021	Change (y/y)
Equity, including:	324,205	267,138	21.4%
Total liabilities, including:	584,170	185,034	215.7%
Non-current liabilities, including:	329,603	32,280	921.1%
Bank borrowings	303,168	-	n/a
Lease liabilities	6,535	11,804	(44.6%)
Employee benefit obligations	1,696	1,331	27.4%
Deferred tax liabilities	18,204	19,145	(4.9%)
Current liabilities, including:	254,567	152,754	66.7%
Bank borrowings	63,492	-	n/a
Lease liabilities	6,935	6,494	6.8%
Employee benefit obligations	12,995	11,465	13.4%
Trade payables	13,393	14,685	(8.8%)
Other non-financial liabilities	10,523	12,253	(14.1%)
Dividend liabilities	-	-	n/a
Other financial liabilities	4,171	7,097	(41.2%)
Current tax liabilities	5,681	3,943	44.1%
Contract liabilities	137,377	96,817	41.9%
Total equity and liabilities	908,375	452,172	100.9%

As at 31 December 2022, the Company' equity was nearly PLN 324.2 million, representing a year-on-year increase.

Total liabilities grew primarily due to the drawdown of funds under a PLN 400.0 million line of credit, which was used in the second quarter of 2022 to partially finance the acquisition of shares in Spoonbill Holding GmbH. For more details on the transaction, please refer to Note 6.4 in the consolidated financial statements for the year ended 31 December 2022. As at the reporting date, the amount of debt outstanding under the facility was PLN 366.7 million.

Current liabilities increased by 66.7%, to PLN 254.6 million at the end of December 2022. The change was due to the recognition of the short-term portion of the credit facility and an increase in contract liabilities related to a growth in the number of orders placed by customers for the Company's services in the last quarter of 2022.

Cash flows

Grupa Pracuj S.A. Group

Despite positive cash flows from operating and financing activities, the Group produced a negative net cash flow, primarily due to investing activities in 2022, which included the acquisition of shares in Spoonbill Holding GmbH.

Table 11 Cash flows of the Group

The Group	2022	2021	Change (y/y)
Net cash flows from operating activities	239,019	218,662	9.3%
Net cash flows from investing activities	(517,650)	(21,781)	2,276.7%
Net cash flows from financing activities	203,332	(146,814)	(238.5%)
Total net cash flows	(75,299)	50,068	(250.4%)

Net cash flows from operating activities

Net cash flows from operating activities increased by 9.3% year on year, mainly as a result of higher receipts of receivables from contracts with customers in line with the increased scale of the Group's operations.

Net cash flows from investing activities

The most significant impact on net cash flows from investing activities came from the acquisition of shares in Spoonbill Holding GmbH and increased spending on in-house software development and infrastructure upgrades.

Net cash flows from financing activities

The main factor affecting the amount of cash flows from financing activities in 2022 was the receipt of funds under the PLN 400.0 million term facility. Cash outflows from financing activities primarily included dividend payment of PLN 136.5 million, payment of the principal amount of the term facility of PLN 32.0 million, and payment of interest on the term facility of PLN 16.8 million.

Grupa Pracuj S.A.

The Company generated negative net cash flows despite positive cash flows from operating and financing activities, which was due mainly to the acquisition of Spoonbill Holding GmbH completed in mid-2022.

Table 12 Cash inflows of the Company

Company	2022	2021	Change (y/y)
Net cash flows from operating activities	257,019	193,529	32.8%
Net cash flows from investing activities	(546,399)	(7,335)	7,349.2%
Net cash flows from financing activities	206,830	(140,996)	(246.7%)
Total net cash flows	(82,550)	45,198	(282.6%)

Net cash flows from operating activities

Net cash flows from operating activities increased by 32.8% year on year, mainly as a result of higher receipts of receivables from contracts with customers following an increase in sales of recruitment projects, branding products and subscription services offered by the Company.

Net cash flows from investing activities

The most significant impact on net cash flows from investing activities came from the acquisition of shares in Spoonbill Holding GmbH and increased spending on in-house software development and infrastructure upgrades.

Net cash flows from financing activities

The main factor affecting the amount of cash flows from financing activities in 2022 was the receipt of funds under the PLN 400.0 million term facility. Cash outflows from financing activities primarily included dividend payment of PLN 136.5 million, payment of the principal amount of the term facility of PLN 32.0 million, and payment of interest on the term facility of PLN 16.8 million.

Factors affecting the Group's financial and operating performance

The Management Board acknowledges that the Group's and Company's future prospects are influenced by both positive and negative factors that affect their growth and development plans. Some of the most important factors include:

- The economic situation in Poland, particularly the uncertainty stemming from the geopolitical situation in the country and the region. The unpredictability of the market environment, coupled with the uncertain behaviour of the European labour market, suggests that a further modest slowdown in the recruitment sector can be anticipated in the coming months;
- Expectations regarding the development of macroeconomic factors, which significantly influence sentiment and decision-making for both businesses (Group customers) and users (candidates), may lead to:
 - Deferred new recruitments – during periods of heightened market uncertainty, companies may decide to freeze or reduce the number of vacancies, which has an adverse effect on the volume of published job postings in such periods;
 - Increased customer sensitivity to rising prices for the Group's products and services;
 - Temporary or permanent discontinuation of the use of online recruitment services and tools by selected customers whose economic situation has deteriorated due to the current economic climate;
- Given our established reputation among clients, high level of service, and added value of products, we are in a position to increase average prices for recruitment projects, subscriptions, and other Group services in a planned and systematic way;
- Legislative changes, including revisions to the Labour Code, may affect employment policies and working conditions offered by employers, consequently leading to higher employee turnover and an increased number of job postings published on the Group's portals;
- Ongoing high wage pressures, particularly among skilled workers, influence their decisions to change jobs, potentially resulting in a greater number of job postings published on the Group's portals;
- Staff shortages and the continued challenge for businesses in finding highly qualified staff support moderately optimistic assumptions regarding the number of job postings to be published on the Group's portals in the coming quarters;
- Deeper penetration of the SME and micro-business segments through the Flexible Pricing offer in the e-commerce channel may prompt aggressive responses from competitors, leading to margin erosion in the blue-collar segment;
- Growing customer expectations and the development of the Pracuj Group, based on values, innovation, and added value, encourage the Group's brands to consistently offer new online recruitment solutions. A flexible response to customer needs and ongoing improvements to our products help strengthen the Group's position in its primary markets, facilitating deeper market penetration through economies of scale;
- The acquisition of softgarden positively impacts revenue levels while placing pressure on the EBITDA margin;
- Maintaining cost discipline is a priority, with the Management Board focusing primarily on automating and optimising processes within the Group, to be followed by a review of marketing budgets, which constitute a significant portion of the cost structure. At present, the Management Board is not considering additional adaptation measures in the event of an abrupt economic downturn;
- The long-term armed conflict in Ukraine brings high uncertainty regarding the course of military actions and their geopolitical consequences. As at issue date of this Report, the Group's operations in the Ukrainian market are not at risk, and the Ukrainian subsidiary continues as a going concern.

Trends in the labour market that, in the opinion of the Management Board, will shape the market in the near future include:

- A noticeable shortage of job candidates – demographic changes limit availability of employees, particularly in certain industries, despite the cooling effect of the current macroeconomic conditions;
- Labour flexibility – the shift away from traditional work models due to remote or hybrid work is irreversible. In Poland alone, nearly one in three advertisements on Pracuj.pl in 2022 offered remote or hybrid work. Remote work will also be introduced into the Polish Labour Code, with new regulations coming into effect on 7 April 2023;
- Globalisation of the labour market – remote work has opened up the labour market, removing geographical barriers, increasing competition, and enabling individuals to work for multiple companies simultaneously;

- Pay transparency – staff shortages in specialist markets, particularly when salary is a primary factor in changing jobs, encourage greater transparency in remuneration policies, including regulatory changes in this area (European Union).
- Changes in non-wage benefits – the growing popularity of flexible work arrangements drives changes in the benefits offered. Companies increasingly focus on mental and physical well-being, attracting candidates with (as yet) non-standard proposals, such as additional days off or facilities for employees who are parents.

Management of financial resources

The Group's capital management objective is to ensure a secure and efficient financing structure that considers operational risks, capital expenditures, and the interests of shareholders and other stakeholders. The capital management policy is detailed in Note 4.1 in the consolidated financial statements for the year ended 31 December 2022.

In 2022, the Group was fully capable of meeting its liabilities when due. Operating activities and investment activities were financed with the Group's own funds, while acquisition activities were financed through a combination of own funds and a credit facility, among other sources.

The Group uses the debt ratio, computed by dividing net debt by total equity, as a metric to monitor its capital position. Net debt is determined by subtracting cash and cash equivalents from interest-bearing borrowings, option liabilities, derivative liabilities, and lease liabilities. Equity comprises equity attributable to owners of the Parent.

Table 13 Debt-to-equity ratio

	31 December 2022	31 December 2021
Bank borrowings	366,660	-
Lease liabilities	19,704	26,326
Other financial liabilities	13,309	20,578
Less: cash and cash equivalents	(109,538)	(184,836)
Net debt	290,135	(137,932)
Equity	315,414	249,157
Leverage (net debt to equity)	0.92	(0.55)

Borrowings

On 14 June 2022, the Management Board reported that the Company, as the borrower, entered into a credit facility agreement with BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. (the 'Banks') as the lenders.

Under the agreement, the banks agreed to provide the Company with a term facility of up to PLN 400,000,000.00 to finance general corporate purposes, including planned future investments and further growth of the Company.

On 27 June 2022, the Management Board announced completion, on 24 June 2022, of the acquisition of 25,000 shares, representing 100% of the share capital of 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 asset manager Investcorp) and Stefan Schüffler Beteiligungs UG (haftungsbeschränkt) (see Current Report No. 17/2022 of 27 June 2022).

The closing of the transaction, including the payment of the final total price of PLN 552.5 million (EUR 117.6 million) and the transfer of title to the acquired shares to the Company, was confirmed by the parties in a protocol signed on 27 June 2022. The sale price was partly financed with proceeds from the term facility of PLN 400.0 million, while the remaining amount of PLN 152.5 million was financed with the Company's own funds.

The facility repayment date is 14 June 2027. The facility bears interest at a variable rate plus the banks' margin.

For details of the credit facility please refer to Note 4.3 'Debt liabilities' in the consolidated financial statements for the year ended 31 December 2022 .

Sureties and guarantees

As at 31 December 2022, the Company and its subsidiaries did not issue or receive any significant sureties or guarantees that would materially affect the Group's assets and financial position, except for bank guarantees that secure lease payments under office lease contracts in which the Group acts as a lessee. They are described in Note 7.7 'Contingent liabilities' in the consolidated financial statements for the year ended 31 December 2022.

Liabilities arising from pensions or similar benefits to former members of management or supervisory bodies

The Group has not paid and has no outstanding or potential liabilities related to pensions or similar benefits for former members of management or supervisory bodies.

CORPORATE GOVERNANCE

Corporate governance code and its application

The Company strives to ensure the fullest possible transparency, quality of communication with investors and protection of shareholder rights, also beyond what is required by law. Accordingly, it makes all reasonable effort to apply, to the fullest extent possible, the principles of good corporate governance laid down in the 'Best Practice for GPW Listed Companies 2021' as adopted in 2021 by the Supervisory Board of the Warsaw Stock Exchange pursuant to Section 29.1 of the WSE Rules (the "**Best Practice 2021**").

The Best Practice 2021 is a comprehensive set of principles and recommendations that aim to guide listed companies in their disclosure of information and communication with investors, shaping their governance structures and internal functions and systems, engaging shareholders and conducting general meetings, managing conflicts of interest, and reporting related-party transactions.

The code is available in the corporate governance section of the official Warsaw Stock Exchange website at www.gpw.pl/dobre-praktyki as well as on the Company's corporate website at: <https://grupapracuj.pl/dla-inwestorow/raporty-biezace>

The principles of the Best Practice 2021 which were not complied with by the Management Board in 2022 and an explanation of the reasons for such non-compliance are presented below.

Principle	Comment on compliance
1. DISCLOSURE POLICY AND INVESTOR COMMUNICATIONS	
1.1. Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.	The Company makes every effort to ensure fair and transparent communication with all market participants and stakeholders. This is achieved both through direct contact and the use of various communication channels, including dedicated email addresses, investor newsletter, corporate website and investor relations service. Since its IPO in December 2021, the Company has been unable to publish all documents specified in the Governance Committee's guidelines, in particular a compilation of comparable financial data for the past five years. This is due to the Company's first-time adoption of the International Financial Reporting Standards on 1 January 2018 in place of its previous accounting policies.
1.3. Companies integrate ESG factors in their business strategy, including in particular:	The Company does not currently have a formal business strategy or any other comparable document which would incorporate ESG factors, including environmental considerations.
1.3.1 Environmental factors, including measures and risks relating to climate change and sustainable development;	Given that the Company's operations primarily involve office work with a low environmental impact, it has assessed that its overall environmental footprint is relatively low. Nonetheless, the Company remains committed to reducing it further and implements regular measures to achieve this goal.
1.3.2. Social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.	The Company does not currently have a formal business strategy or any other comparable document which would incorporate ESG factors, including social or employee considerations. Nonetheless, the Company strives to promote gender equality, maintain decent working conditions, ensure respect for employee rights, and foster positive customer relations across its organisation and takes measures to attain these goals on a regular basis.

Principle	Comment on compliance
<p>1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.</p>	<p>The Company does not currently have a formal business strategy. If one is adopted, the Company undertakes to publish it, including all the required information as per principle 1.4, on the Company's corporate website.</p>
<p>1.4.1. Explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;</p>	<p>The Company does not currently have a formal business strategy or any other comparable document which would incorporate the considerations specified in principle 1.4.1.</p>
<p>1.4.2. Present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.</p>	<p>The Company does not currently have a formal business strategy and, therefore, does not keep statistics on the issues specified in principle 1.4.2.</p> <p>However, the Company is committed to providing fair and equitable pay and equal access to career development opportunities to all employees, regardless of their gender. The Company remunerates employees and associates based on their skills and expertise, while taking into account prevailing market conditions and the competitive environment in its industry and without considering the individual's gender.</p>
<p>1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.</p>	<p>The Company does not currently have a formal CSR or sponsorship policy, and its sponsorship spending to date has been relatively insignificant compared to the Group's other cost items. However, if these expenses become a material cost item for the Group, the Company will begin to comply with the principle.</p>

2. MANAGEMENT BOARD AND SUPERVISORY BOARD

<p>2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.</p>	<p>The Company has not defined any diversity targets for the composition of its Management Board or Supervisory Board. Any appointments to these bodies are based solely on the relevant expertise and qualifications of the candidates. However, in the future, the Company aims to ensure a balanced representation of men and women on both the Management Board and the Supervisory Board, taking into account factors such as the individual merits of their members, availability of suitable candidates to fill vacancies, and the size of the Boards. It is important to note that the ultimate decision on the composition of the Supervisory Board and the Management Board is made by the General Meeting and the Supervisory Board, respectively, subject to special appointment powers held by certain shareholders as specified in the Articles of Association.</p>
<p>2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.</p>	<p>In the future, the Company aims to ensure a balanced representation of men and women on both the Management Board and the Supervisory Board, taking into account factors such as the individual merits of their members, availability of suitable candidates to fill vacancies, and the size of the Boards. It is important to note that the ultimate decision on the composition of the Supervisory Board and the Management Board is made by the General Meeting and the Supervisory Board, respectively, subject to special appointment powers held by certain shareholders as specified in the Articles of Association.</p>

Principle	Comment on compliance
<p>2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.</p>	<p>The Company does not currently have a policy in place which would require members of its Management Board to seek the Supervisory Board's prior approval to serve on a governing body of a non-Group entity. However, the Company's Articles of Association provide that no member of the Management Board may transact or engage in any business competing with that of the Company or be a partner or shareholder in any competing partnership or serve on a governing body of a competing company or any other competing legal entity without the Supervisory Board's prior consent. This restriction also applies to engagements with a competing company in which the Management Board member holds more than 10% of shares or the right to appoint at least one member of the management board.</p>
<p>2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: 2.11.5. Assessment of the rationality of expenses referred to in principle 1.5;</p>	<p>The principle is not complied with as the Company does not apply principle 1.5. If sponsorship projects become a significant part of the Group's activities, the Supervisory Board will provide such assessment as is referred to in principle 1.5.</p>
<p>2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: 2.11.6. Information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.</p>	<p>The principle is not complied with as the Company does not apply principle 2.1.</p>

4. GENERAL MEETING AND SHAREHOLDER RELATIONS

<p>4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.</p>	<p>While endorsing principle 4.8, the Company does not wish to limit its shareholders' ability to propose draft resolutions on matters already placed on the General Meeting's agenda after the deadline prescribed in the principle. Instead, the Company follows the principle set out in Art. 401.5 of the Commercial Companies Code, whereby each Company shareholder may propose draft resolutions on matters placed on the General Meeting's agenda during the General Meeting.</p>
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6. REMUNERATION

<p>6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.</p>	<p>The Company has established a share-based incentive scheme which is subject to rigorous performance metrics, including both financial and non-financial targets for the period from 2022 to 2024. Share awards under the scheme will vest after 31 March 2025. Subject to achievement of relevant performance targets, eligible persons will be entitled to acquire Company shares at a substantial discount relative to their price as at the establishment date of the scheme.</p>
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Information policy and management of stakeholder relations

The Company is committed to maintaining transparent communication with all its stakeholder groups and makes every effort to provide them with equal access to information through a variety of communication channels and tools.

The Company ensures direct and personal contact with its investor relations team and members of the Management Board. The Investor Relations Department provides regular updates to shareholders and investors through the investor newsletter, which is available in both Polish and English. Additionally, the Company's press office releases product announcements as well as corporate and industry news on a regular basis.

The Company operates a responsive corporate website that gives access to a wealth of useful information on the Company's business profile and financial condition, including relevant regulatory disclosures and, to the extent possible, disclosures required by the Best Practice 2021. The website is available in both Polish and English. In addition, the Company shares corporate information on various social media platforms, including LinkedIn, Facebook, and Instagram.

The Management Board holds regular meetings with representatives of the investor community, shareholders and media upon the release of each periodic report, providing a platform for open and constructive dialogue and addressing any queries. In 2022, all earnings calls were held online, with the webcasts promptly posted on the Company's corporate website.

Throughout the year, the Management Board and the Investor Relations team engage with market representatives also on other occasions, both online and in person, responding to any inquiries about the Company and/or its operations as soon as practicable.

The Company also spares no effort to ensure the shortest possible timeframe for preparing and releasing a periodic report after each reporting date.

Internal audit systems applied in the preparation of financial statements

Internal audit and risk management systems applied in the preparation of financial statements

The Company prepares its consolidated and separate financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and related interpretations as promulgated by the European Commission in the form of regulations.

Oversight of the process to prepare financial statements and periodic reports of the Group is the responsibility of the Management Board member who serves as the Group's Chief Financial Officer (and the departments that report to him).

Each Group entity other than the Company is responsible for preparing its financial statements, while the Company's Finance Department prepares financial statements of the Company and consolidated financial statements of the entire Group. Once prepared, consolidated and separate financial statements are submitted to the Chief Financial Officer for preliminary review, and then to the Management Board for final review and authorisation. Prior to their public release, consolidated and separate financial statements are also submitted to the Audit Committee, which is composed of three independent members of the Supervisory Board. The Audit Committee appointed by the Supervisory Board must satisfy the applicable requirements under the Act on Statutory Auditors, Audit Firms, and Public Oversight.

The supervision by the Audit Committee of the management of financial reporting risks and related internal controls includes without limitation:

- Monitoring the financial reporting process;
- Monitoring the effectiveness of the internal control and risk management systems;
- Monitoring the financial audit function;
- Reviewing and monitoring the independence of the auditor and the audit firm;
- Submitting recommendations to ensure that the financial reporting process in place at the Company is fair and reliable.

The Company monitors any actual and proposed amendments to financial reporting legislation applicable to listed companies to ensure strict compliance with any disclosure obligations.

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

In accordance with the Rules of Procedure for the Audit Committee, the Committee meets on an as-needed basis, with the date of each meeting set by the Committee's Chair. The Chair of the Audit Committee also decides on the schedule of Committee meetings and the agenda for each such meeting in consultation with the other Committee members so as to enable the Audit Committee to duly discharge its responsibilities. The Supervisory Board meets at least once every quarter to receive a report from the Management Board on the Group's performance, including on key financial and operating performance indicators for each segment.

A key control embedded in process of preparing financial statements is their periodic review and audit by an independent auditor, in particular the review of half-year financial statements and the audit of full-year financial statements.

Articles of Association and amendments thereto

Grupa Pracuj S.A. operates in accordance with its Articles of Association, which are available at https://grupapracuj.pl/static/files/Tekst-jednolity-Statutu_Grupa-Pracuj-SA_30112022.pdf.

During the reporting period, three amendments to the Articles of Association were made and entered in the Business Register of the National Court Register, i.e.:

- Following the issue of Series D shares under Incentive Schemes 2 and 3, the Company's share capital was increased without exceeding the amount of its authorised capital pursuant to the Management Board resolution of 23 May 2022, with the increase registered with the National Court Register on 8 July 2022;
- On 22 June 2022, the Annual General Meeting resolved to: (i) remove certain legacy articles that had become defunct upon the Company's listing on the WSE from the Articles of Association and (ii) extend the Management Board's authorisation to increase the Company's share capital up to the amount of its authorised capital to align with Incentive Scheme 1 in place at the Company, with the amendments registered with the National Court Register on 9 August 2022;
- on 30 November 2022, the Extraordinary General Meeting resolved to amend the Articles of Association to incorporate the amendments to the Commercial Companies Code which had come into effect on 13 October 2022 and to clarify and restate the remainder of the Articles of Association, with the amendments registered with the National Court Register on 12 December 2022.

In accordance with the Articles of Association, the Company's governing bodies are:

- The General Meeting;
- The Supervisory Board;
- The Management Board.

Rules for amending the Articles of Association

The General Meeting is the only governing body with the power to make effective amendments to Grupa Pracuj S.A.'s Articles of Association. Under the Commercial Companies Code, the General Meeting is required to pass a resolution to make such amendment. For the amendment to take effect, it must also be entered in the Business Register of the National Court Register. Typically, a resolution to amend the Articles of Association requires three-quarters of all validly cast votes to be in favour of the resolution. However, if the amendment is intended to increase the amount of payments or other contributions due from shareholders to the Company or to limit any special powers vested in shareholders, the resolution must be approved by all the shareholders to be affected. Upon registration of any amendment to the Articles of Association by the competent registry court, the Company is legally required to release a current report announcing the change. An amendment to the Articles of Association comes into effect only upon its entry in the Business Register of the National Court Register.

General Meeting

The rules of operation of the General Meeting, including shareholder rights and the rules of their exercise, are defined in the Commercial Companies Code, the Company's Articles of Association, and the Rules of Procedure for the General Meeting.

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The Company also has in place the 'Rules and Procedures for Remote Attendance at the General Meeting', which apply if the option to attend the General Meeting remotely (i.e. via electronic means of communication) is provided for in the notice of the General Meeting.

During the reporting period, on 30 November 2022, the Extraordinary General Meeting resolved to repeal the Rules of Procedure for the General Meeting then in effect in their entirety and to adopt new ones, which are available online at https://grupapracuj.pl/static/files/Zalacznik-do-uchwaly-NWZ-nr-5_2022_Regulamin-WZ_PL_EN.pdf

The powers of the General Meeting are defined in Art. 13 of the Articles of Association. Apart from other matters provided for in the Commercial Companies Code and the Articles of Association, a General Meeting resolution is required for:

- Amending the Articles of Association;
- Increasing or reducing the Company's share capital;
- Cancelling Company shares or their buyback by the Company;
- Merging or demerging the Company or changing its legal form;
- Dissolving or liquidating the Company;
- Disposing of, leasing, or encumbering the Company's business or an organised part thereof;
- Issuing convertible bonds, bonds carrying pre-emptive rights to Company shares, or subscription warrants;
- Determining the dividend record date and dividend payment date;
- Deciding on matters put forward by the Supervisory Board, the Management Board, or shareholders;
- Appointing and removing Supervisory Board members other than those appointed and removed directly by shareholders holding special appointment powers;
- Defining the rules of remuneration for members of the Supervisory Board;
- Adopting the remuneration policy for members of the Management Board and Supervisory Board in accordance with the Public Offering Act;
- Adopting incentive schemes based on shares or other securities or instruments convertible into shares, including incentive schemes for members of the Management Board.

The Articles of Association provide that the General Meeting may be held either as an annual or as an extraordinary meeting. The Annual General Meeting must be held within six months from the end of each financial year. General Meetings are held at the Company's registered office.

The notice of a General Meeting is given in the form of a current report and an announcement published on the Company's corporate website no later than 26 days before the scheduled date of the General Meeting. Such notice must include the proposed agenda for the General Meeting, specifying the business it is to be held for, and all other relevant documents.

The General Meeting is convened by the Management Board. In addition, the General Meeting may be convened:

- as an Annual General Meeting – by the Supervisory Board following the Management Board's failure to convene it within the prescribed time limit;
- as an Extraordinary General Meeting – by the Supervisory Board at its discretion;
- as an Extraordinary General Meeting – by a shareholder or shareholders holding at least 50% of the share capital or total voting rights in the Company.

In addition, a shareholder or shareholders holding at least 1/20 of the Company's share capital may request that an Extraordinary General Meeting be convened and that specific matters be placed on its agenda. Such request must be submitted in writing or in electronic form to the Management Board, which is required to convene an Extraordinary General Meeting within two weeks from receipt of the request.

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Attendance at the General Meeting is regulated by the Commercial Companies Code. Only persons who are shareholders in the Company as at the record date, which is the date falling 16 days before the scheduled date of the General Meeting, i.e., persons who as at the end of the record date hold Company shares recorded in their securities accounts, are eligible to attend the General Meeting. In order to exercise the right to attend the General Meeting, the eligible shareholder is required to request, no earlier than after the notice of the General Meeting is given and no later than on the first business day after the record date, that the entity maintaining the shareholder's securities account in which the Company shares held by the shareholder are recorded issue a certificate to the shareholder's name confirming the shareholder's right to attend the General Meeting. Each shareholder may attend and vote at the General Meeting in person or by proxy. A proxy may exercise all shareholder rights at the General Meeting unless the power of proxy states otherwise. The power of proxy to attend and vote at the General Meeting must be granted in writing or in electronic form. An electronic power-of-proxy instrument does not need to be signed with a qualified electronic signature. A shareholder appointing a proxy in electronic form must notify the Company of the appointment by email to: GSM@pracuj.pl. The notice of a General Meeting published by the Company on its corporate website is accompanied by the form of a power of proxy.

Shareholders may attend the General Meeting via electronic means of communication on condition that such option is provided for in the notice of the General Meeting.

Unless the Commercial Companies Code or other applicable laws or regulations provide otherwise, the General Meeting passes resolutions by a simple majority of votes. Each Company share carries the right to cast one vote during voting at the General Meeting. Unless the Commercial Companies Code or the Articles of Association provide otherwise, the General Meeting is considered quorate regardless of the number of shares represented at it. Voting at the General Meeting is normally by open ballot. A secret ballot is ordered where a vote is to be held on appointment or removal from office of members of the Company's governing bodies or its liquidators, on bringing such persons to account, on personnel matters, or on any other matters for which a secret ballot is requested by at least one shareholder present or represented at the General Meeting.

A pledgee or usufructuary may vote Company shares that have been pledged or encumbered with a usufruct title to or in favour of the pledgee or usufructuary, as appropriate, if such right vests by operation of law upon entry into the legal transaction to grant the pledge or usufruct title, as appropriate, or an adequate note on the grant thereof and of the right to vote such shares is added to the Company's share register.

In the reporting period, two General Meetings were held, i.e.:

- On 22 June 2022, the Annual General Meeting was held, which: (i) considered and received the Directors' Report on the Company's and the Group's operations, the financial statements of the Company and the consolidated financial statements of the Group for the financial year 2021, (ii) allocated net profit for the financial year 2021, (iii) issued a positive opinion on the Report on the Remuneration of Members of the Management Board and Supervisory Board for 2021, (iv) received the report of the Supervisory Board of the Company (and its legal predecessor) on the Supervisory Board's activities in the financial year 2021, (v) granted discharge from liability to members of the Management Board and Supervisory Board of the Company (and its legal predecessor), (vi) resolved to amend the Terms and Conditions of Incentive Scheme 1, (vii) declared that it would comply with the Best Practice 2021, (viii) resolved to amend the Company's Articles of Association, and (ix) resolved to consent to encumbering the Company's business or an organised part thereof to secure repayment of a credit facility; and
- On 30 November 2022, an Extraordinary General Meeting was held, which: (i) resolved to amend and restate the Company's Articles of Association, (ii) resolved to amend the Rules of Procedure for the General Meeting, and (iii) appointed a new member to the Supervisory Board.

Supervisory Board

Composition

As at 31 December 2022, the composition of the Supervisory Board was as follows:

Table 14

First name and surname of Supervisory Board member	Position	On the Supervisory Board of the current term of office since:
Maciej Noga	Chairman of the Supervisory Board	2 August 2021
John Doran	Member of the Supervisory Board	2 August 2021
Wojciech Stankiewicz	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Przemysław Budkowski	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Agnieszka Słomka-Gołębiowska	Independent Member of the Supervisory Board Chairman of the Audit Committee	11 August 2021
Mirosław Stachowicz	Member of the Supervisory Board	29 October 2021

None of the Supervisory Board members is engaged in any business competing with that of the Group.

Rules of appointment

Members of the Supervisory Board are appointed for a joint three-year term of office that is calculated in full financial years. The mandate of a Supervisory Board member expires upon receipt by the General Meeting of the financial statements for the last full financial year during which the member held office. The mandate also ends upon the member's death, resignation or removal from office. If a member is appointed to the Supervisory Board before the expiry of its term, the member's mandate expires simultaneously with the mandates of the other Supervisory Board members. Members of the Supervisory Board are eligible for reappointment for subsequent terms, but such reappointment cannot occur earlier than one year before the expiry date of the current term.

The Supervisory Board is composed of no fewer than five and no more than eight members, who are appointed and removed from office by the General Meeting, subject to special appointment powers held by certain shareholders as specified in the Articles of Association. If the Supervisory Board is elected by block voting pursuant to Art. 385 of the Commercial Companies Code, the number of Supervisory Board members is six.

The Articles of Association confer special powers on Przemysław Gacek or Frascati Investments (or their respective universal successors), depending on whose shareholding in the Company is greater, to appoint, remove from office and suspend:

- a) as long as a total of at least 25% of all Company shares are held by Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate – a majority of Supervisory Board members (including the Chair);

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- b) as long as a total of at least 5% but less than 25% of all Company shares are held by Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate – two members of the Supervisory Board (including the Chair);
- c) as long as a total of at least 1% but less than 5% of all Company shares are held by Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate – one member of the Supervisory Board.

The General Meeting may not remove or suspend any member of the Supervisory Board appointed by Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate.

If the aforementioned special appointment powers held by Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate, expire, the General Meeting will elect the Chair of the Supervisory Board in a secret ballot by a simple majority of votes.

The Articles of Association also provide that as long as TCV Luxco (or its universal successor) holds a total of at least 5% of all Company shares, it (or its universal successor) holds special powers to appoint, remove from office and suspend one member of the Supervisory Board. The General Meeting may not remove or suspend the Supervisory Board member appointed by TCV Luxco (or its universal successor).

Members of the Supervisory Board other than those appointed directly by shareholders holding the aforementioned special appointment powers may be removed from office by the General Meeting at any time.

Powers and responsibilities of the Supervisory Board

In accordance with the Commercial Companies Code and the Articles of Association, the Supervisory Board is responsible for ongoing supervision of the Company in all areas of its activity. To perform its duties effectively, the Supervisory Board has the authority to scrutinise any documents and records of the Company, request from the Management Board and/or employees any information, documents, reports and explanations concerning the Company or its subsidiaries or affiliates, and inspect any of the Company's assets. The Management Board cannot restrict access to information, documents, reports, or explanations requested by the Supervisory Board members. The Company is obligated to promptly provide any requested records, documents, reports, or explanations to the Supervisory Board within no later than two weeks of the request or within such longer time limit as may be specified in the request.

The detailed rules of operation of the Supervisory Board are defined in the Rules of Procedure for the Supervisory Board as adopted by the Supervisory Board. In the reporting period, the Supervisory Board resolved to amend the Rules twice. The Rules of Procedure for the Supervisory Board that are currently in effect are available online at https://grupapracuj.pl/static/files/Zal-do-uchwaly-nr-2-Rady-Nadzorczej_Regulamin-Rady-Nadzorczej_25102022.pdf.

Meetings of the Supervisory Board are convened and chaired by the Chair of the Supervisory Board or, in his or her absence, by the Supervisory Board member to whom the Chair has delegated such authority or, if no such delegation has been made, by the eldest member of the Supervisory Board. The first meeting of the Supervisory Board of each term is convened by the Management Board within 30 (thirty) days of election of the Supervisory Board. The agenda of the first Supervisory Board meeting must include determining the Supervisory Board's composition and, if the special appointment powers held by Przemysław Gacek or Frascati Investments (or their respective universal successors) as described above have expired, the election of the Chair of the Supervisory Board.

Meetings of the Supervisory Board are held on an as-needed basis but no less frequently than once per calendar quarter. The Chair of the Supervisory Board (or its other member duly authorised by the Chair) convenes Supervisory Board meetings on his or her own initiative or upon a written request from the Management Board or a Supervisory Board member. The Chair (or the other Supervisory Board member duly authorised by the Chair) must convene the meeting within two weeks of the request. If the meeting is not convened within the specified time limit, it may be convened by the requesting party.

Meetings of the Supervisory Board may be attended by members of the Management Board and other persons invited by the Chair of the Supervisory Board or, in his or her absence, the Supervisory Board member duly authorised by the Chair unless the Supervisory Board is to consider matters directly pertaining to the Management Board or any of its members, including, without limitation, their removal from office, holding them accountable, or their remuneration.

Supervisory Board meetings are convened by sending invitations either (i) by registered mail no later than 14 days or (ii) by email no later than seven days before the scheduled date of the meeting. However, in cases of urgency, the Chair of the Supervisory Board, or its other member duly authorised by the Chair, may order that Supervisory Board members be invited to a meeting in a different manner and on shorter notice than the timeframe specified in the preceding sentence. All invitations must specify the date, time, venue and agenda of the meeting, as well as the procedure for attending the meeting via electronic means of communication. At its meeting, the Supervisory Board may also resolve on matters not included in the proposed agenda for the meeting if none of the Supervisory Board members in attendance objects to voting on such resolution. The Supervisory Board may hold a meeting without one being formally convened provided that all the Supervisory Board members agree to holding such meeting and none of them objects to the agenda proposed therefor. Supervisory Board meetings may also be attended via electronic means of communication.

Unless the law requires a qualified majority and/or a larger quorum, Supervisory Board resolutions are passed by a simple majority of votes cast in the presence of at least half of the Supervisory Board members, all of whom must be duly invited to the meeting. In the event of a tied vote, the Chair of the Supervisory Board has the casting vote. Resolutions of the Supervisory Board may be voted on by written ballot or via means of remote communication. A resolution so passed is valid if all Supervisory Board members had access to its draft prior to the vote and at least half of the Supervisory Board members participated in the vote. Also, subject to the applicable provisions of the Commercial Companies Code, Supervisory Board members may vote on resolutions by casting their votes in writing through another member of the Supervisory Board.

The powers and responsibilities of the Supervisory Board are defined in Art. 20.4 of the Articles of Association and include without limitation:

- Assessing the Directors' Report on the Company's operations and the financial statements for each financial year in terms of their accuracy and consistency with the Company's records and other underlying documents;
- Assessing the Management Board's recommendations on the distribution of profit or coverage of loss;
- Assessing the Company's condition, including the adequacy and effectiveness of its internal control system, risk management system used to manage the Company's material risks, compliance system, and internal audit system;
- Assessing the discharge by the Management Board of its obligation to report information to the Supervisory Board;
- Assessing how the Management Board prepares or submits information, documents, reports or explanations requested by the Supervisory Board;
- Submitting annual written reports to the General Meeting on the results of the assessments referred to above, together with information on the total remuneration of the Supervisory Board's advisors due from the Company in a given financial year;
- Approving the Rules of Procedure for the Management Board;
- Appointing, removing and suspending from duties members of the Management Board and liquidators, excluding those members of the Management Board who are appointed and removed by shareholders in the exercise of their appointment powers;
- Delegating members of the Supervisory Board to individually perform certain supervisory activities or to temporarily substitute for members of the Management Board who have resigned, have been removed from office, or otherwise cannot perform their duties;
- Approving the formation of establishments, branches, representative offices and other units of the Company in other countries;
- Reviewing and assessing draft resolutions of the General Meeting and issuing opinions on Management Board proposals addressed to the General Meeting;
- Approving liabilities to be contracted by the Company where the amount of such liabilities exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;

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- Approving any acquisition or disposal of the ownership right to or perpetual usufruct of, or an interest in the ownership right to or perpetual usufruct of property where the value of such property exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;
- Approving any disposal of assets where the value of such assets exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;
- Creating any encumbrances over the Company's assets, or issuing any guarantees, sureties or promissory notes to secure liabilities of any entities other than the Group companies;
- Determining the amount of remuneration for members of the Management Board, subject to the rules of remuneration for members of the Management Board adopted by the General Meeting;
- Appointing or changing the Company's auditor;
- Granting approval for members of the Management Board to engage in any activities competing with the Company's business;
- Preparing and submitting to the Annual General Meeting opinions, information, reports and other relevant documents that should be prepared by the supervisory board of a company listed on a regulated market operated by the Warsaw Stock Exchange (in particular, in accordance with the Best Practice 2021);
- Monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems and carrying out an annual assessment of the functioning of these systems, in particular on the basis of the principles laid down in the Best Practice 2021;
- Approving any material transactions with related parties (as defined in Art. 90h.1 of the Public Offering Act) to be entered into by the Company, where required under Art. 90h et seq. of the Public Offering Act;
- Developing a procedure for periodic assessments of the Company's related-party transactions within the scope defined by the applicable regulations, in particular Art. 90j of the Public Offering Act;
- Developing and adopting detailed rules for the holding of General Meetings via electronic means of communication;
- Deciding on a temporary suspension of the application of the remuneration policy for members of the Management Board and Supervisory Board in accordance with the applicable regulations, in particular the Public Offering Act;
- Preparing reports on the remuneration of members of the Management Board and Supervisory Board in accordance with the applicable regulations, in particular the Public Offering Act; and
- Drafting the consolidated text of amended Articles of Association, or making other changes of an editorial nature to the Articles of Association specified in a resolution of the General Meeting.

The Supervisory Board may appoint, at the Company's expense, a third-party advisor to examine particular matters concerning the Company's operations or assets or to carry out an expert study or provide an expert opinion. The aggregate consideration that all advisors to the Supervisory Board may receive from the Company in a financial year is capped at PLN 50,000, VAT-exclusive. The procedure for appointing advisors to the Supervisory Board are defined in the Articles of Association and Rules of Procedure for the Supervisory Board. In the reporting period, the Supervisory Board did not appoint any advisors.

The Articles of Association requires that at least two members of the Supervisory Board meet the independence criteria under applicable laws and regulation, in particular under the Statutory Auditors Act. Each independent Supervisory Board member is required to submit to the other Supervisory Board members and the Management a representation to the effect that he or she satisfies the applicable independence criteria under law. Where only one or none of the Supervisory Board members meets the applicable independence criteria under law and the Supervisory Board is composed of a minimum number of members permitted by the Articles of Association, the Supervisory Board is considered to have the capacity to act effectively and exercise its powers and authority and discharge its responsibilities,

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in particular by passing resolutions. If an independent Supervisory Board member ceases to satisfy the independence criteria during his or her term, his mandate is not affected.

A Supervisory Board member is obligated to notify the Supervisory Board of any existing or potential conflict of interests between him or her and the Company and must not vote on a resolution on a matter which may involve such conflict. A Supervisory Board member must not accept any gifts or other benefits that could affect his or her impartiality and objectivity in decision-making or cast doubt on the independence of his or her opinions and judgements.

Audit Committee

The Supervisory Board established an Audit Committee on 8 September 2021, in compliance with the Act on Statutory Auditors. The Committee is a standing committee of the Supervisory Board and is composed of at least three members, who are elected by the Supervisory Board from among its members for an indefinite period. The Audit Committee meets on an as-needed basis. In 2022, it held six meetings.

As at 31 December 2022, the composition of the Audit Committee was as follows:

- Agnieszka Słomka-Gołębiowska – Chair,
- Wojciech Stankiewicz – Member,
- Przemysław Budkowski – Member.

According to their representations, all members of the Audit Committee satisfy the independence criteria under the Act on Statutory Auditors, Audit Firms, and Public Oversight and Best Practice 2021. Furthermore, Agnieszka Słomka-Gołębiowska has made a declaration of proficiency in accounting or auditing, while Wojciech Stankiewicz has made a declaration of expertise in the industry in which the Company operates.

Ms. Słomka-Gołębiowska holds a *doctor habilitatus* degree in economics and is an associate professor at the Warsaw School of Economics. She graduated from the Warsaw School of Economics with a master's degree in Banking, Finance and Management (CEMS). She has also completed a range of post-graduate courses in auditing and financial reporting, including at the Centre for Professional Education in Warsaw and higher education institutions in Veldhoven and Chicago. She began her career working for Arthur Andersen. For more than 15 years now, she has served on the supervisory boards and audit committees of a number of large public and private companies.

Wojciech Stankiewicz joined the Group in 2015, when he was appointed as member of the Supervisory Board of Grupa Pracuj sp. z o.o. He has a wealth of experience in leading and supervising projects related to delivering corporate growth strategies, improving operations and streamlining processes at various business organisations, including banks, telecoms, retailers, and consumer goods suppliers. His responsibilities have also included recruitment and professional development of personnel. He holds a master's degree from the Faculty of Foreign Trade, Warsaw School of Economics, as well as graduating with honours from the INSEAD MBA programme.

The Audit Committee operates in accordance with various laws and regulations, including the Act on Statutory Auditors, Audit Firms, and Public Oversight, Rules of Procedure for the Audit Committee, and Best Practice 2021.

The powers and responsibilities of the Audit Committee include without limitation:

- Monitoring the financial reporting process;
- Monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems, including with regard to financial reporting;
- Monitoring the performance of financial audit, in particular an audit conducted by the audit firm, taking into account all recommendations and findings of the Audit Oversight Commission resulting from audits carried out at the audit firm;
- Reviewing and monitoring the independence of the auditor and the audit firm, in particular when the audit firm also provides non-audit services to the Company;
- Informing the Supervisory Board of the audit findings and explaining how the audit contributed to reliability of the Company's financial reporting and what role the Audit Committee played in the audit;

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- Assessing the auditor's independence and approving the provision of permitted non-audit services by the auditor, subject to the Audit Committee's prior assessment of any risks to and measures safeguarding the auditor's independence;
- Developing a policy for providing permitted non-audit services by the audit firm carrying out the audit, entities related to the audit firm or a member of the audit firm's network;
- Making recommendations to the Supervisory Board on the selection and appointment of auditors and audit firms in accordance with the existing policy and procedure for the selection of an auditor/audit firm to audit the Company's financial statements;
- Submitting recommendations to ensure that the financial reporting process in place at the Company is fair and reliable.

In accordance with the Commercial Companies Code, the Audit Committee is required to at least once per quarter in a financial year report to the Supervisory Board on the performance by the Audit Committee of its supervisory duties.

In 2022, the Audit Committee developed and authorised:

- The 'Policy for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.' and 'Procedure for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.'; and
- The 'Policy for Providing to Grupa Pracuj S.A. Permitted Non-Audit Services by the Auditor/Audit Firm Carrying Out the Audit, Entities Related to the Auditor/Audit Firm, or a Member of the Audit Firm's Network'.

The key provisions of the selection policy and procedure are as follows:

- The process to select the auditor/audit firm to audit the financial statements is led by the Management Board member who serves as the Chief Financial Officer, the Audit Committee and the Supervisory Board.
- The Company is responsible for the timely commencement of the selection procedure. The Supervisory Board must pass a resolution either (i) to appoint a new auditor/audit firm by the end of June or (ii) to reappoint the auditor/audit firm by the end of March of the year in which the existing audit contract expires. If the existing audit contract is terminated, the Company is obligated to take steps to select a new auditor promptly and in accordance with the selection procedure.

When selecting a new auditor/audit firm:

- The Company may invite any audit firms that meet the requirements set forth in the selection policy to submit bids for the provision of audit services by sending invitations accompanied by bidding documents.
- The Chief Financial Officer and the Audit Committee may directly negotiate and/or hold meetings with or otherwise contact any bidders as well as respond to their queries.
- The Chief Financial Officer evaluates any received bids in terms of their compliance with the selection criteria defined in the relevant bidding documents and the proposed contract terms and prepares and submits to the Audit Committee a report on the selection procedure including the conclusions of the bid review and evaluation process. The basic criteria for evaluating bids from audit firms are defined in the selection policy.
- After reviewing the Chief Financial Officer's report, the Audit Committee recommends at least two eligible audit firms to the Supervisory Board, specifying the Committee's preferred choice and providing reasons for shortlisting the presented firms and the preference.
- At the conclusion of the selection procedure, the Supervisory Board passes a resolution to appoint the selected firm, and the Company executes an audit contract therewith for at least the minimum term prescribed by law. The Supervisory Board may decide to appoint an auditor/audit firm which is not included in the Audit Committee's recommendation provided that such auditor/audit firm placed its bid in the selection procedure. In such an event, the Supervisory Board must provide the reasons for not following the Audit Committee's recommendation to the General Meeting.

When renewing the audit contract with the existing auditor/audit firm:

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- The Chief Financial Officer invites the auditor/audit firm to submit a bid for the provision of audit services, with the invitation accompanied by bidding documents. The Chief Financial Officer or the Audit Committee may directly negotiate and/or hold meetings with or otherwise contact the auditor/audit firm with respect to renewing the audit contract as well as respond to its queries.
- The Chief Financial Officer evaluates the bid received from the auditor/audit firm in terms of its compliance with the selection criteria defined in the relevant bidding documents and the proposed contract terms and prepares and submits to the Audit Committee a report on the selection procedure including the conclusion of the bid review and evaluation process. The basic criteria for evaluating bids from audit firms are defined in the selection policy.
- After reviewing the Chief Financial Officer's report, the Audit Committee gives a recommendation to the Supervisory Board on the reappointment of the existing auditor/audit firm, specifying the reasons for the Committee's decision.
- At the conclusion of the selection procedure, the Supervisory Board passes a resolution to reappoint the auditor/audit firm, and the Company executes a new audit contract therewith for at least the minimum term prescribed by law.
- If the bid submitted by the existing auditor/audit firm falls short of the Supervisory Board's expectations, the Supervisory Board may resolve not to consent to the reappointment of the auditor/audit firm. In such an event, the Company conducts a procedure for selecting a new auditor/audit firm.

The period of uninterrupted engagement by a reporting entity of an audit firm (i.e. its first engagement plus any renewals), or its affiliated audit firm or a member of their network operating in the European Union, to perform statutory audits may not exceed five years. After the expiry of the maximum engagement period, the audit firm or its affiliates or members of its network may not enter into an audit engagement with the same entity for four years.

The lead auditor is not permitted to conduct statutory audits of the same entity for more than five years. After completing the last audit of the entity's financial statements within the allowed period, the lead auditor can resume conducting statutory audits at the same entity only after a gap of three years from the completion date of the previous audit performed by the auditor.

The key provision of the policy for providing to the Company permitted non-audit services are as follows:

- Auditors/audit firms appointed to audit the Company's and the Group's financial statements must not be engaged to provide services that are considered prohibited under applicable legislation.
- A non-audit engagement of an auditor/audit firm is considered permitted only to the extent it is not related to the Company's tax policy, subject to the Audit Committee's prior assessment of any risks to and measures safeguarding the auditor/audit firm's independence.
- It is also considered permissible to engage auditors/audit firms (or members of their networks, if applicable) appointed to audit financial statements of the Company, its parent or its controlled entities to provide non-audit services other than prohibited services to the Company or its controlled entities, subject to the Audit Committee's prior approval based on its assessment of any risks to and measures safeguarding the auditor/audit firm's independence. If advisable, the Audit Committee may issue guidelines on such engagements.
- Where an auditor/audit firm has been providing non-audit services other than prohibited services to the Company, its parent or its controlled entities for a period of at least three consecutive financial years, the total consideration payable to the auditor/audit firm for such services must not exceed 70% of the average consideration paid over the last three consecutive financial years to the auditor/audit firm for the audit of the financial statements of the Company and, where applicable, its parent and/or its controlled entities and for the audit of the consolidated financial statements of the Group. For the purposes of calculating the said cap, non-audit services whose provision is required under EU or national legislation are not taken into account. At the request of the audit firm, the Audit Oversight Commission may also issue a decision to disapply the cap.

The Audit Committee's recommendation to appoint Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. of Warsaw, entered in the list of qualified auditors of financial statements under No. 130, to audit the Company's financial statements and the Group's consolidated financial statements for the financial year ended 31 December 2021 and for the financial years ended 31 December 2022 and 31 December 2023 was issued in the

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course of the audit firm selection procedure conducted by the Company in accordance with the 'Policy for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.' and the 'Procedure for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.' As only one bid was received in the procedure, the Audit Committee was unable to present two audit firms eligible for selection in its recommendation.

In 2022, permitted non-audit services were provided to the Group by the audit firm engaged to audit its financial statements and by an affiliate of the audit firm. These were:

- Review of the interim condensed consolidated financial statements for the six months ended 30 June 2022;
- Assurance of the report on the remuneration of members of the Company's Management Board and Supervisory Board in terms of the completeness of the disclosures required under Art. 90g.1–5 and Art. 90g.8 of the Public Offering Act;
- Performance of agreed procedures to confirm compliance by the Company with certain covenants under the term credit facility agreement executed by the Company on 14 June 2022;
- Training services.

The Audit Committee passed adequate resolutions to consent to the provision of those services, having first assessed the risks to and safeguards of the auditor's and audit firm's independence.

Appointment of audit firm

On 11 April 2022, the Company executed an agreement with Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. of Warsaw, entered in the list of qualified auditors of financial statements under No. 130, to audit the Company's financial statements and the Group's consolidated financial statements for the financial year ended 31 December 2021 and for the financial years ended 31 December 2022 and 31 December 2023. The services contracted under the agreement also include a review of the Company's condensed financial statements and the Group's condensed consolidated financial statements for the periods ended 30 June 2021, 30 June 2022 and 30 June 2023 and an assurance of their tagging. The audit firm was appointed by the Supervisory Board in accordance with the Company's audit firm selection policy.

Prior to adoption by the Company of the audit firm selection policy, in the financial year ended 31 December 2021 Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. provided permitted non-audit services to the Company, which comprised:

- Auditing the Group's historical financial information prepared in accordance with IFRS for 2018, 2019 and 2020 and included in the Company's prospectus;
- Conducting a review of the interim condensed consolidated financial statements for the nine months ended 30 September 2021, which were included in the Company's prospectus;
- Issuing comfort letters and performing other agreed procedures in connection with preparing the Company's prospectus for its initial public offering;
- Delivering open training to Company employees.

For information on remuneration of the audit firm for the current and previous financial years, see explanatory note 7.4 'Remuneration of the audit firm' in the consolidated financial statements for the year ended 31 December 2022.

Management Board

Composition

As at 31 December 2022, the composition of the Management Board was as follows:



Przemysław Gacek, President of the Management Board

Originator and founder of Grupa Pracuj. Responsible for the Company's growth strategy and selected projects. Supervises the work of the Project Development Department.

Effective date of appointment for current term of office: 2 August 2021



Gracjan Fiedorowicz, Member of the Management Board

Joined Grupa Pracuj in 2007. Responsible for the financial policy, legal, compliance and administrative functions, and financial reporting.

Supervises the following departments: Finance, Legal, Investor Relations, Administration and Procurement, Information Security and Risk Management, and Technology.

Effective date of appointment for current term of office: 2 August 2021



Rafał Nachyna, Member of the Management Board

Joined Grupa Pracuj in 2005. For 5 years headed the Sales Department, today responsible for growth and development across the organisation.

Oversees operations of all Group companies and the HR Department.

Effective date of appointment for current term of office: 2 August 2021

Rules of appointment

The Management Board consists of between one and seven members, including President of the Management Board, appointed for a joint five-year term that is calculated in full financial years.

In accordance with the Articles of Association, members of the Management Board are appointed and removed from office by the Supervisory Board pursuant to resolutions passed by a simple majority of votes in the presence of at least half of the Supervisory Board members, except in cases where either Przemysław Gacek or Frascati Investments (or their respective universal successors), depending on whose shareholding in the Company is greater, holds the special power to appoint and remove President of the Management Board. In such cases, Przemysław Gacek or Frascati Investments (or their respective universal successors), as appropriate, may exercise this power on the condition that they hold at least 25% of all Company shares. The General Meeting has the power to remove President of the Management Board who has been appointed directly by either of the shareholders holding the special appointment power, but only for cause. The causes for removal include, but are not limited to: (i) misconduct causing loss or damage to the Company, as confirmed by a final court judgment; (ii) permanent incapacity to continue to manage the Company's affairs; and (iii) final and unappealable conviction for a criminal offence.

Members of the Management Board are eligible for reappointment for subsequent terms, but such reappointment cannot occur earlier than one year before the expiry date of the current term. The mandate of a Management Board member expires upon receipt by the General Meeting of the financial statements for the last full financial year during which the member held office. The mandate also ends upon the member's death, resignation or removal from office.

Responsibilities of members of the Management Board

Pursuant to the Articles of Association, the Management Board is responsible for managing the affairs of the Company and acting as the Company's representative towards third parties.

The authority to represent the Company and make statements on its behalf is limited to the President of the Management Board alone, two members of the Management Board acting jointly, or one member of the Management Board acting jointly with a proxy.




The Management Board convenes meetings to deliberate and pass resolutions. Participation in Board meetings is also possible by means of direct remote communication. Furthermore, the Management Board may also adopt resolutions in writing or through electronic communication. Members of the Management Board may also participate in the adoption of Management Board resolutions by voting through a signed ballot delivered by another member of the Management Board. Resolutions of the Management Board are passed with a simple majority of votes. In the event of a tied vote, President of the Management Board has the casting vote.

In accordance with the Articles of Association, meetings of the Management Board are convened by President of the Management Board or its other member to whom the former has delegated such authority. Meetings of the Management Board are held on an as-needed basis but no less frequently than once per calendar quarter. The person convening a Management Board meeting is required to notify the Management Board members of the meeting, including its date, time, venue and agenda, by email, courier service or telephone or by hand with a return receipt requested. The Management Board may hold a meeting without one being formally convened provided that all the Management Board members agree to holding such meeting and none of them objects to the agenda proposed therefor.

The Management Board has the power and authority to manage all of the Company's affairs other than those which the Commercial Companies Code or the Articles of Association reserve for the General Meeting or the Supervisory Board.

The Management Board may appoint a commercial proxy, which requires consent of all of the Management Board members. The power of proxy may be revoked by any member of the Management Board.

In accordance with the Articles of Association, the Management Board is obliged to provide the Supervisory Board, without any notice therefrom, with information on:

-  resolutions passed by the Management Board, including the matters resolved on;
-  the current business and financial standing of the Company and other major Group companies;
-  progress on the delivery of the growth strategy for the Company and other major Group companies and any material deviations from it;

- transactions or events having a material impact on the Company or other major Group companies; and
- any changes in matters that have been previously communicated to the Supervisory Board if such changes have a material impact on the Company or other major Group companies.

Depending on its nature, such information should be provided to the Supervisory Board in writing or in electronic form at least once a quarter at a quarterly meeting held by the Supervisory Board. In cases of urgency, the Supervisory Board must be informed immediately after the occurrence of a given material event, but in any case no later than at the next Supervisory Board meeting, without the need to comply with the written or electronic form requirement for the information provided.

Without the Supervisory Board's prior consent, no member of the Management Board may transact or engage in any business competing with that of the Company or be a partner or shareholder in any competing partnership or serve on a governing body of a competing company or any other competing legal entity without the Supervisory Board's prior consent. This restriction also applies to engagements with a competing company in which the Management Board member holds more than 10% of shares or the right to appoint at least one member of the management board.

The Management Board may adopt its rules of procedure, subject to approval by the Supervisory Board.

Art. 5¹¹ of the Articles of Association authorises the Management Board to increase the Company's share capital from time to time up to the amount of the authorised capital. The authorisation will expire three years after the registration by the competent registry court of the amendment to the Company's Articles of Association made pursuant to General Meeting Resolution No. 22/2022 of 22 October 2022, i.e. on 9 August 2025.

¹¹ https://grupapracuj.pl/static/files/Tekst-jednolity-Statutu_Grupa-Pracuj-SA_30112022.pdf

Remuneration policy

On 22 October 2021, the Company's Extraordinary General Meeting resolved on the adoption of a remuneration policy for Members of the Management Board and Supervisory Board of the Company, referred to in Art. 90d(1) of the Public Offering Act (the 'Remuneration Policy').

Company employees other than members of the Management Board and Supervisory Board are remunerated in accordance with internal remuneration rules and policies, which provide for different pay grades depending on the employee's position, performance, and expertise. By introducing a variable component of remuneration, they allow for greater flexibility in the remuneration structure and ensure that the employer's needs are met.

Total remuneration of members of the Management Board

Members of the Management Board of the Company may receive remuneration based on an employment contract, managerial contract, mandate agreement, resolution of appointment, or other legal relationship of a similar nature between the Company and the Management Board member.

The Supervisory Board determines the amount of remuneration for each member of the Management Board individually and in accordance with the Remuneration Policy. This can be done through the Legal Basis for Employment or by a separate resolution, taking into consideration the responsibilities of each member of the Management Board.

Table 15. Remuneration of the Management Board members due or paid for 2022

Member of the Management Board	2022		
	Total	Short-term employee benefits	Share-based payments
Przemysław Gacek	827	827	-
Gracjan Fiedorowicz	1,194	854	340
Rafał Nachyna	1,390	984	406
Total	3,411	2,665	746

Remuneration of members of the Supervisory Board

Members of the Supervisory Board are appointed to their positions and receive remuneration for their services. Remuneration for serving as a member of the Supervisory Board is not linked to the Company's results. In addition to cash compensation, members of the Supervisory Board may receive non-monetary benefits or financial instruments tied to the performance of the Company. The remuneration of Supervisory Board members is established through a resolution of the General Meeting. Members of the Supervisory Board may receive compensation in the form of a monthly salary or a sitting fee.

Members of the Supervisory Board who also serve on the Audit Committee may receive additional remuneration in the form of a fixed monthly lump sum, as determined by a resolution of the General Meeting.

Table 16. Remuneration of the Supervisory Board members due or paid for 2022

Member of the Supervisory Board	2022		
	Total	Short-term employee benefits	Share-based payments
Maciej Noga	157	157	-
John Doran	-	-	-
Wojciech Stankiewicz	100	100	-
Przemysław Budkowski	90	90	-
Agnieszka Słomka-Gołębiowska	140	140	-
Mirosław Stachowicz	72	72	-
Total	559	559	-

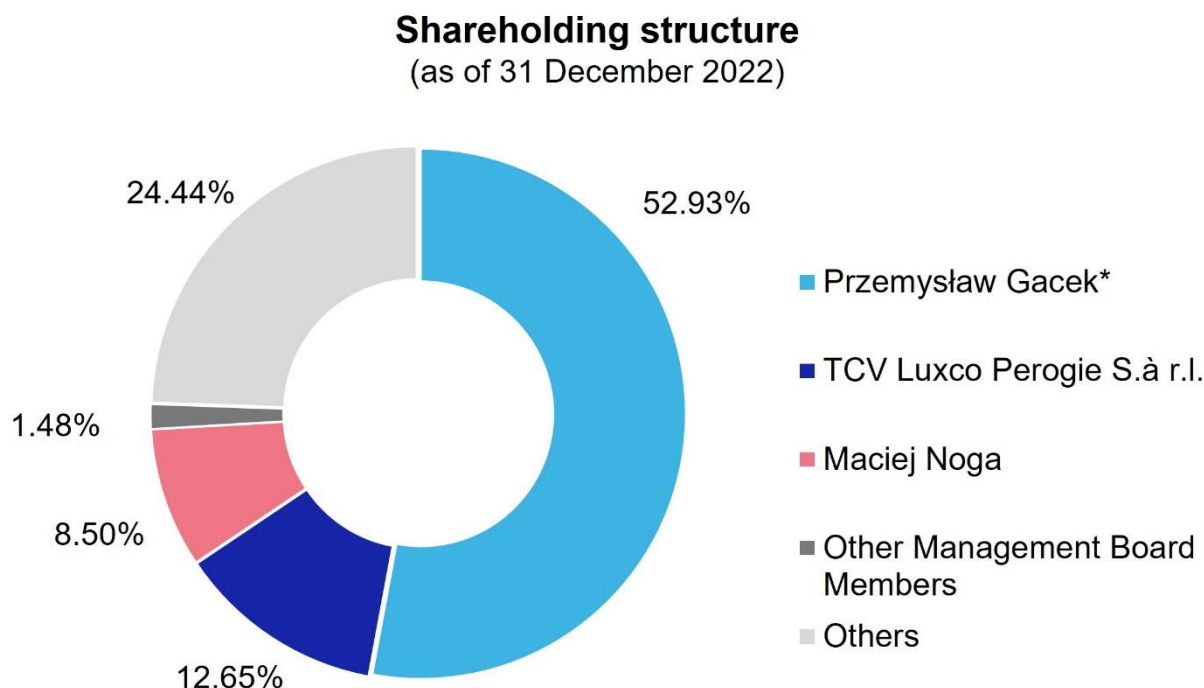
Diversity policy for administrative, management and supervisory bodies

The Company has not defined any diversity targets for the composition of its Management Board or Supervisory Board. Any appointments to these bodies are based solely on the relevant expertise and qualifications of the candidates. In the future, the Company aims to ensure a balanced representation of men and women on both the Management Board and the Supervisory Board, taking into account factors such as the individual remits of their members, availability of suitable candidates to fill vacancies, and the size of the Boards. The ultimate decision on the composition of the Supervisory Board and the Management Board is made by the General Meeting and the Supervisory Board, respectively, subject to special appointment powers held by certain shareholders as specified in the Articles of Association.

One of the fundamental values of Grupa Pracuj is *Respect for diversity*, which guides the Company's efforts to build a friendly and inclusive work environment, where the full potential of diversity can be unlocked. The Group is committed to increasing the representation of women in its workforce. Currently, women make up 54.0% of the Grupa Pracuj S.A. Group's employees, with a particularly high representation of 60% in Poland and Ukraine. Dedicated to supporting women managers in their development, four years ago the Company joined the LeadersIN mentoring programme coordinated by Vital Voices.

Shares and shareholding structure

Shareholding structure of Grupa Pracuj S.A. as at 31 December 2022



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

The chart showing the Company's current shareholder structure has been published on its corporate website at <https://grupapracuj.pl/dla-inwestorow/akcje>

On 23 May 2022, the Management Board – acting within the limits of its authorisation (authorised share capital) – passed a resolution to increase the Company's share capital from PLN 340,521,250 to PLN 341,325,130, i.e. by PLN 803,880, through the issue of 160,776 Series D ordinary bearer shares, to implement Incentive Schemes 2 and 3. The share capital increase was entered in the Business Register of the National Court Register on 8 July 2022.

As at 31 December 2022, the Company's share capital amounted to PLN 341,325,130 (three hundred and forty-one million three hundred and twenty-five thousand one hundred and thirty złoty) and was divided into 68,265,026 (sixty-eight million two hundred and sixty-five thousand twenty-six) shares, with a par value of PLN 5.00 (five złoty) per share, 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; and
- d) 160,776 (one hundred and sixty thousand seven hundred and seventy-six) Series D ordinary bearer shares.

As at 31 December 2022, the total number of voting rights in the Company was 68,265,026. One share carries one vote at the General Meeting.

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

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All Company shares are ordinary bearer shares with no preference attached to them, in particular any preference giving special control powers.

The Articles of Association provide for no restrictions on the transferability of Company shares.

Shareholders holding 5% or more of total voting rights

To the best of the Management Board's knowledge, the following persons and entities were the major shareholders in the Company, holding 5% or more of total voting rights in the Company as at 31 December 2022:

Shareholder	Number of shares / voting rights	31 December 2022	
		Par value (PLN)	Ownership/voting interest (%)
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%
Others	17,696,751	88,483,755	25.92%
Total	68,265,026	341,325,130	100%

* Directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and inclusive of the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as at the issue date of this Report, the shareholders holding 5% or more of Company shares were as follows:

Shareholder	Number of shares / voting rights	18 January 2022	
		Par value (PLN)	Ownership/voting interest (%)
Przemysław Gacek*	35,857,913	179,289,565	52.53%
TCV Luxco Perogie S.à r.l.	8,638,861	43,194,305	12.65%
Maciej Noga	5,755,449	28,777,245	8.43%
Others	18,012,803	90,064,015	26.39%
Total	68,265,026	341,325,130	100%

* Directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and inclusive of the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

On 18 January 2023, the following shareholders: Przemysław Gacek, Maciej Noga, Gracjan Fiedorowicz, Rafał Nachyna, Oksana Świerczyńska and Paweł Leks made a gratuitous transfer of a total of 341,325 shares to a group of 18 senior executives of the Company and other Group companies in recognition of their personal contributions to the development of the Company and the Group, and for incentive purposes. The Company received information from certain shareholders about their intention to make the gratuitous transfer on 5 January 2023.

Shares held by management and supervisory personnel

As at 31 December 2022, holdings of Company shares by its management and supervisory personnel were as follows:

Management members	Board	Number of shares / voting rights	31 December 2022	
			Par value (PLN)	Ownership/voting interest (%)
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., and considering the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

Supervisory members	Board	Number of shares / voting rights	31 December 2022	
			Par value (PLN)	Ownership/voting interest (%)
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 holdings of shares by management and supervisory personnel after the reporting date

Management members	Board	Number of shares / voting rights	31 December 2022	
			Par value (PLN)	Ownership/voting interest (%)
Przemysław Gacek*		35,857,913	179,289,565	52.53%
Gracjan Fiedorowicz		518,963	2,594,815	0.76%
Rafał Nachyna		486,935	2,434,675	0.71%
Total		36,863,811	184,319,055	54.00%

* Directly and indirectly through Frascati Investments sp. z o.o., and considering the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

Supervisory members	Board	Number of shares / voting rights	31 December 2022	
			Par value (PLN)	Ownership/voting interest (%)
Maciej Noga		5,755,449	28,777,245	8.43%
Mirosław Stachowicz		112,066	560,330	0.16%
Total		5,867,515	29,337,575	8.59%

On 18 January 2023, the following shareholders: Przemysław Gacek, Maciej Noga, Gracjan Fiedorowicz, Rafał Nachyna, Oksana Świerczyńska and Paweł Leks made a gratuitous transfer of a total of 341,325 shares to a group of 18 senior executives of the Company and other Group companies in recognition of their personal contributions to the development of the Company and the Group, and for incentive purposes. The Company received information from certain shareholders about their intention to make the gratuitous transfer on 5 January 2023.

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Information on agreements relating to changes in the shareholder structure

In 2022, the Company had in place the following employee stock programmes:

Incentive Scheme 1

On 29 October 2021, the Extraordinary General Meeting of the Company passed a resolution to establish incentive scheme No 1 ('**Incentive Scheme 1**') for members of the Management, the Supervisory Boards and key personnel (persons employed under an employment contract or a mandate contract, regardless of the applicable law governing the contract) ('**Participant**', '**Participants**'). Two main objectives behind Incentive Scheme 1 are to support the delivery of the Company long-term business goals and to retain talents who play a key role in shaping and executing the Company's strategy. Incentive Scheme 1 will be implemented in 2022-2024.

As bonus shares under Incentive Scheme 1 will not be allotted until 31 March 2025, the Annual General Meeting held on 22 June 2022 passed a resolution to extend the validity of the Management Board's authorisation to increase the Company's share capital within the authorised limit, including an authorisation to disapply the existing shareholders' pre-emptive rights to acquire shares issued within the authorised share capital, in whole or in part, subject to the Supervisory Board's approval, to enable the Company to implement Incentive Scheme 1.

Incentive Scheme 1 will be implemented based on shares issued under the aforementioned authorisation of the Management Board.

For detailed information on the scheme, please refer to Note 6.10 'Share-based payments and employee incentive schemes' in the consolidated and separate financial statements for the year ended 31 December 2022.

Incentive Schemes 2 and 3

On 29 October 2021, the Extraordinary General Meeting of the Company passed resolutions to establish incentive schemes No 2 and 3 (separately: '**Incentive Scheme 2**' and '**Incentive Scheme 3**', and jointly: '**Incentive Schemes 2 and 3**'). Two main objectives behind Incentive Schemes 2 and 3 are to:

- Support the delivery of the Company's long-term business goals;
- Retain employees who play a key role in shaping and executing the Company's strategy.

Incentive Scheme 2 was intended for employees (persons employed under an employment contract or contract of mandate (regardless of the applicable law governing the contract)) of the Group, members of the Management Board and the Supervisory Board of the Company. Incentive Scheme 3 was intended for the Group's associates (independent contractors who provide services to the Group under a separate service contract (regardless of the applicable law governing the contract)).

Incentive Schemes 2 and 3 were implemented in 2022. On 23 May 2022, the Management Board – acting within the limits of its authorisation (authorised share capital) – passed a resolution to increase the Company's share capital by PLN 803,880, to PLN 341,325,130, through the issue of 160,776 Series D ordinary bearer shares. All the new Series D shares were offered by the Management Board in a private placement to employees and independent contractors of the Company and its subsidiaries as part of Incentive Schemes 2 and 3. The share capital increase was entered in the Business Register of the National Court Register on 8 July 2022.

For detailed information on the scheme, please refer to Note 6.10 'Share-based payments and employee incentive schemes' in the consolidated and separate financial statements for the year ended 31 December 2022.

Gratuitous transfer of part of Company shares held by certain shareholders

On 5 January 2023, the Company was notified that the following individual shareholders: Przemysław Gacek, Maciej Noga, Gracjan Fiedorowicz, Rafał Nachyna, Oksana Świerczyńska and Paweł Leks, acting on a private initiative, intended to make a gratuitous transfer of a total of 341,325 shares to a selected group of 18 senior executives of the Company and other Group companies.

As notified by these shareholders, the gratuitous transfer of a part of shares held by each of them in the Company would be made in recognition of the beneficiaries' personal contributions to the development of the Company and the Group and their activities, and for incentive purposes.

Based on their donation agreement with the shareholders specified above, each beneficiary received shares free of charge in January 2023. Each person receiving shares under a donation agreement is obligated towards the shareholders to observe a lock-up period ('Lock-Up Period') of six months following the receipt of shares, i.e. until 18 July 2023, during which the person receiving the shares must refrain from offering, selling, encumbering, or disposing of them or making a public announcement of any intention to do so. The only exceptions to this rule are as follows:

- Disposal of shares in response to a tender offer to buy or exchange the Company shares, an invitation to tender the Company shares for sale, or an exchange offer. These offers must be addressed to all of the Company's shareholders and cover all of the Company shares;
- Merger of the Company with another company as the acquirer;
- Disposal of shares to an entity controlled by the person receiving the shares, provided that the entity enters into an undertaking with identical terms, covering the period from the date of acquisition of the shares up to and including the end of the Lock-Up Period;
- Disposal by the person receiving the shares of no more than 25% of the shares received before the expiration of the Lock-Up Period.

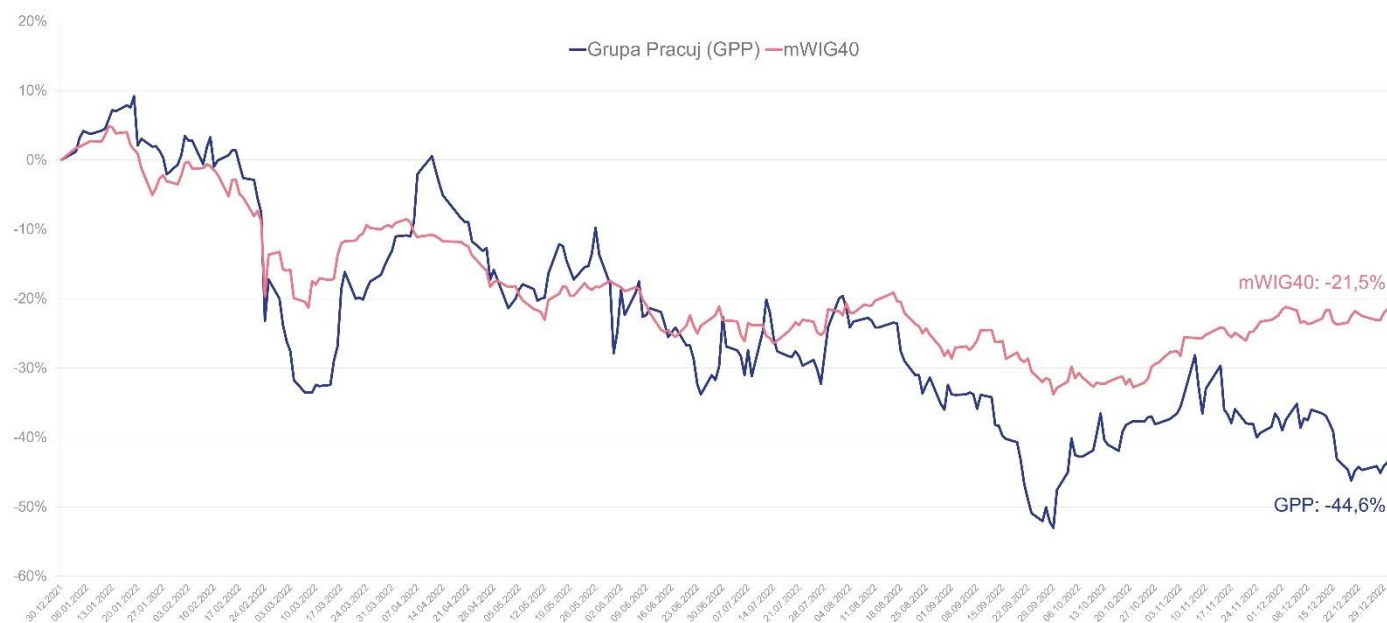
For detailed information, please refer to Note 6.10 'Share-based payments and employee incentive schemes' in the consolidated and separate financial statements for the year ended 31 December 2022.

GRUPA PRACUJ S.A. ON WARSAW STOCK EXCHANGE

Share price performance

Grupa Pracuj S.A. shares have been listed on the Warsaw Stock Exchange since 9 December 2021. The shares are listed on the WSE main market in the continuous trading system under the ticker symbol 'GPP'. They were included in the mWIG40 mid-cap index in June 2022.

Name	Grupa Pracuj S.A.
Abbreviation	GRUPRACUJ
Ticker symbol	GPP
ISIN code	PLGRPRC00015
First listing date	9 December 2021
Number of shares in issue	68,265,026
Free float	26.39%
Segment	Large company (capitalisation over EUR 250 million)
Sector	Internet
Indices	WIG, mWIG-40, WIG140, WIG-ESG, WIG-Poland, WIG-MEDIA, WIG, InvestorMS



Investor Relations

The primary objective of the Group's investor relations activities, coordinated by the Investor Relations Manager, is to provide equal, non-discriminatory access to information to all its stakeholders, including capital market participants, through a range of various communication tools. Based on its experience and best practice benchmarks, and seeking to meet the market's expectations, the Company makes every effort to ensure effective communication and meaningful dialogue with the investor community.

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IR activities:

- Regular quarterly meetings with the Management Board, at which it discusses the Company's reported results and prospects for the coming months;
- Group and individual face-to-face meetings, held in person or online, with the Management Board and a representative of the Investor Relations Department;
- Participation in investor conferences organised by brokers in Poland and abroad as in person or online events;
- Corporate website, where up-to-date information required by law to the extent possible, as specified in the Best Practice, as well as other corporate materials pertaining to the Company's business profile, are published;
- Investor newsletter with corporate and industry updates;
- Investor chats and events for retail investors;
- Regular interaction with market analysts;
- Soliciting feedback from analysts and investors.

Issue dates of periodic reports

The Company makes every effort to ensure the shortest possible timeframe for preparing and releasing a periodic report after each reporting date, considering its complex equity structure. 2022 was the first year in which the Company issued periodic reports.

22 April 2022	Consolidated and separate annual report for 2021
24 May 2022	Consolidated report for the first quarter of 2022
27 September 2022	Consolidated report for the first half of 2022
24 November 2022	Consolidated report for the third quarter of 2022

Dividends

In recommending profit distributions, the Management Board takes into account the dividend policy described in the Company's prospectus, an analysis of the Company's current financial and liquidity position, its existing and future liabilities, as well as assessment of the Company's growth prospects. Final decision on profit allocation, including payment of dividend and its amount, rests with the Annual General Meeting.

Distribution of profit earned in 2021

Under Resolution 8 of the Annual General Meeting held on 22 June 2022, the net profit earned by the Company in the year ended 31 December 2021, of PLN 266.3 million, was approved for distribution as follows:

- the amount of PLN 129.7 million was allocated to the Company's statutory reserve fund,
- the amount of PLN 136.5 million was allocated to dividend payments.

The dividend was paid in September 2022.

Distribution of profit earned in 2022

By the date of authorisation of this report for issue, the Management Board of Grupa Pracuj S.A. had not passed a resolution concerning proposed distribution of profit for 2022.

OTHER INFORMATION

Structure of the Group

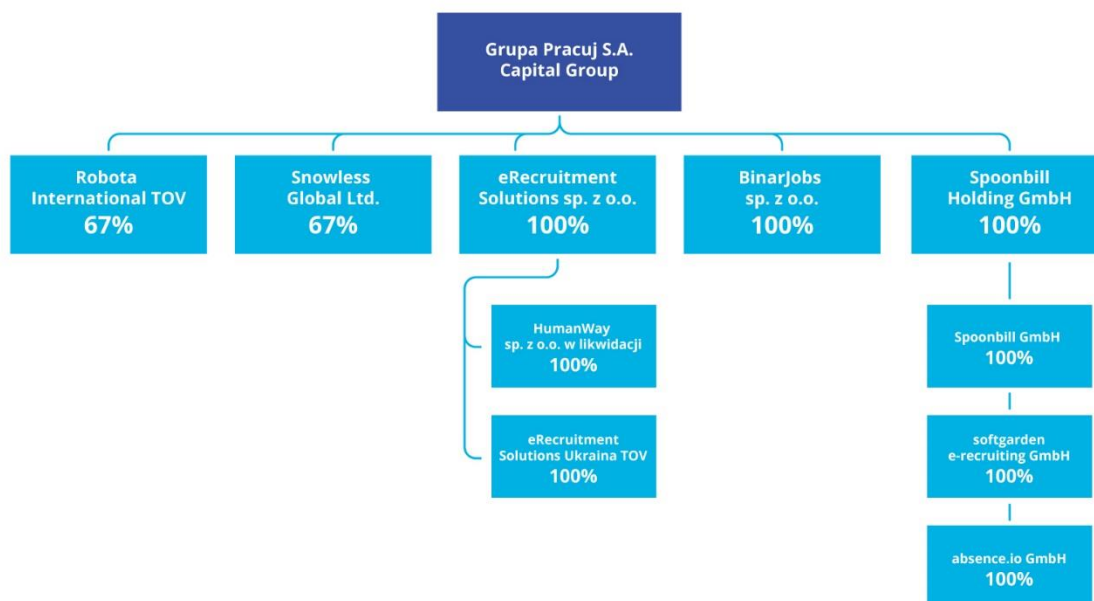
Grupa Pracuj S.A. has direct or indirect control over all companies in the Grupa Pracuj S.A. Group.

As at 31 December 2022 the Group consisted of: (i) the Company, (ii) wholly-owned direct subsidiaries of the Company: eRecruitment Solutions sp. z o.o., BinarJobs sp. z o.o., and Spoonbill Holding GmbH, (iii) wholly-owned indirect subsidiaries of the Company (through eRecruitment Solutions sp. z o.o.): eRecruitment Solutions Ukraine TOV and HumanWay sp. z o.o. w likwidacji (in liquidation) (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%-owned subsidiaries of the Company: Robota International TOV and Snowless Global Ltd. The Company is the Parent of the Group.

Table 15 Structure of the Grupa Pracuj S.A. Group

Company	Registered office	Principal business	Ownership interest	
			31 December 2022	31 December 2021
Parent:				
Grupa Pracuj S.A.	Poland	web portals		
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	web portals	100%	100%
Robota International TOV	Ukraine	web portals	67%	67%
Snowless Global Ltd	Cyprus	licencing activities	67%	67%
eRecruitment Solutions Ukraina TOV	Ukraine	activities related to databases	100%	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding holding financial holdings	100%	-
Spoonbill GmbH	Germany	activities of holding companies excluding holding 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., as the buyer, concluded a share purchase agreement with Eden Investment S.à r.l. (controlled by the alternative asset manager Investcorp) and Stefan Schöffler Beteiligungs UG (haftungsbeschränkt) to purchase 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 title to the shares passed to the Company on 24 June 2022.



Changes in the composition and structure of the Group after the reporting date

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

Operating segments of the Group

The Group has identified the following operating segments:

- Segment Poland – the segment comprises the following companies earning revenue in the Polish market: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji, and BinarJobs sp. z o.o. The particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – this segment comprises companies that earn revenue from contracts with customers on the Ukrainian market. Results of the segment are periodically reviewed by the Management Board. 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). The companies operating in the Ukrainian market offer, similarly to the companies operating in Poland, end-to-end online recruitment products and solutions;
- Segment Germany – the segment includes companies that earn revenue mainly in the German market. This segment includes the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, Softgarden e-recruiting GmbH and absence.io GmbH. The companies operating in the German market offer a wide range of services related to recruitment processes, as well as support services for time and absence management.

Litigation

As at the date of this Report, no significant proceedings were pending before a court, arbitration body or public administration body related to liabilities or receivables of the Company or the Group companies.

Related-party transactions

In accordance with the provisions of the Public Offering Act, the Company's Supervisory Board has drawn up and adopted the '*Procedure for entering into transactions with related parties within the Grupa Pracuj S.A. Group and for periodic assessment of transactions entered into with related parties on arm's length terms in the ordinary course of business*'.

The procedure defines, among other things, the criteria for considering a related-party transaction as material. A material transaction is a transaction involving a transfer of resources, services or obligations between the Company (its subsidiary) and a related party, whether for consideration or free of charge, the value of which exceeds 5% of the Company's (its subsidiary's) total assets as determined on the basis of the Company's (subsidiary's) most recent authorised full-year financial statements.

In accordance with the Procedure referred to above, subject to certain exceptions, the Company may enter into a material transaction provided the transaction is approved by the Supervisory Board and information about the transaction is posted on the Company's corporate website. The exceptions include material transactions entered into on arm's-length terms in the ordinary course of business. However, such transactions made by the Company (a subsidiary) are periodically reviewed by the Supervisory Board to ensure that the exemption was applied correctly.

In 2022, there were no material transactions with related parties, as defined in the aforementioned Procedure, which would require approval or be subject to a periodic review by the Supervisory Board. The Company and its subsidiaries did not conclude any related-party transactions on non-arm's length terms. Related-party transactions were made on terms equivalent to those applied in transactions with third parties. For a description of all related party transactions, please refer to Note 7.2 'Related-party transactions' in the consolidated financial statements and Note 7.1 'Related-party transactions' in the separate financial statements.

NON-FINANCIAL REPORT

About Grupa Pracuj

GRI 2-1, 2-6

Grupa Pracuj is a European HR Tech platform. The Company's mission is to support businesses mainly in staff recruitment, retention and development, help the users of the Company's websites find a job that best suits their qualifications and potential, and develop world-class technologies that shape the HR market.

Grupa Pracuj supports organisations in staff recruitment, retention and development.

We help people find a career that is best suited for them, making it possible to unlock their professional potential.

To this end the Group uses modern and highly effective technologies.



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 in total over 1,000 people. Grupa Pracuj brands form an advanced digital ecosystem for the HR industry.

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 postings for specialists and managers (white-collar segment), strengthening its position on the market of job postings for manual workers (blue-collar segment). The average number of job vacancies posted each month on the website is about 90 thousand, while over 57.7 thousand employers (as at the end of December 2022), including the largest Polish and international companies, use the paid services of the platform. In 2022, Pracuj.pl was visited by 4.9 million users every month (according to Gemius/PBI). Since 2021, pracuj.pl has been supported by **the:protocol**, a recruitment website for IT professionals.

Robota.ua is a leading online job board on the Ukrainian market, with a universal profile, posting job adverts for both popular jobs and specialist professions. It has been part of Grupa Pracuj since 2006. The average number of job postings accessible daily on the website in 2022 was about 41.6 thousand, with about 40.2 thousand companies, including the largest Ukrainian enterprises and major international brands, actively using the website. In that period, an average of almost 3.0 million users visited the site every month.

eRecruiter is a leading Polish recruitment support system operating under the SaaS (software as a service) model. As of December 2022, over 1,800 companies across various industries regularly use this system. eRecruiter offers a This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

comprehensive tool for managing the entire recruitment process, including job postings publication, competency verification, GDPR-compliant candidate database management, and applicant experience research. The system enhances process optimization and efficiency through activity automation and integration capabilities with multiple HR tools, positioning itself as the core of an effective and automated HR ecosystem within an organization.

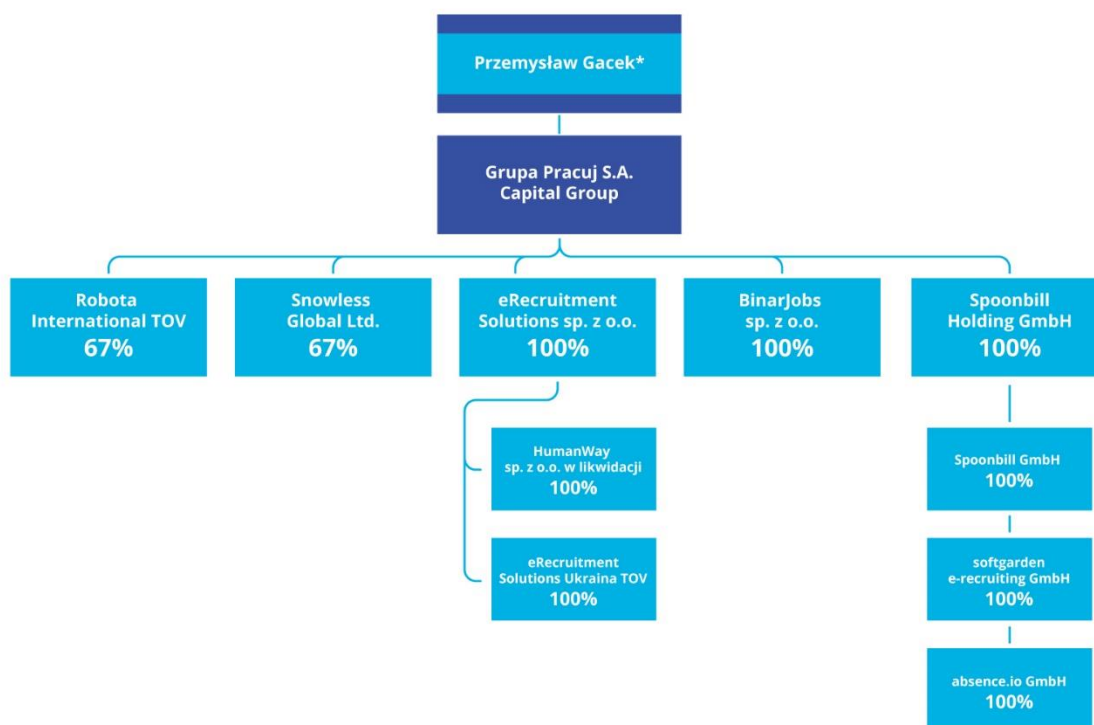
softgarden, a leader in the HR technology industry in Germany and present in other European markets, has been part of Grupa Pracuj since 2022. The company develops comprehensive Talent Acquisition System solutions to support innovative recruitment, including tools for planning and managing recruitment processes, building career sites, generating employer reviews, and facilitating employee referrals. Additionally, softgarden provides employers with multiposting technologies for automated job listing publication across multiple sites. As at the end of December 2022, over 1,440 employers used softgarden's services.

Structure of the Group

Grupa Pracuj S.A. shares have been listed on the Warsaw Stock Exchange since 9 December 2021. The Company's shares are listed on the WSE main market in the continuous trading system under the ticker symbol 'GPP'. The Company's shares were added to the mWIG40 mid-cap index in June 2022.

For more details, see section 'Grupa Pracuj on the WSE' of this Directors' Report for the year ended 31 December 2022.

Grupa Pracuj S.A., headquartered in Warsaw, has direct or indirect control over all companies in the Grupa Pracuj S.A. Group.



* 53.05% – directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and considering the shares held by individuals presumed to be party to an agreement referred to in Article 87(1)(5) of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

For detailed information about the structure of the Grupa Pracuj S.A. Group and its operating segments, please refer to see section 'Structure of the Group' of this Directors' Report – page 72.

Awards and distinctions received by the Group in 2022

The initiatives and projects undertaken the Group have long enjoyed recognition among industry organisations.

EFFIE AWARDS - Pracuj.pl's campaign 'W środowisku Pracuj.pl'.

The Effie Awards is the world's largest marketing competition that recognises the most effective marketing activities, campaigns and solutions. Effie only awards campaigns and marketing efforts of brands that stand out in the market by conducting the most effective campaigns and delivering strong business performance. The jury of the competition is composed of practitioners, experts and authorities in the broadly defined marketing communications and marketing industry. Nearly 200 jurors took part in this year's competition.

Pracuj.pl – three awards from the Public Relations Consultancies Association in its 'Złote Spinacze' competition in the following categories:

- Social media: *The feminine ending through the eyes of 18,000 Polish women and 20 female influencers*. A social campaign about feminine forms.
- Product PR: *Forget the word 'labourer'. Pracuj.pl's communication to professionals*
- Media Relations: *Forget the word 'labourer'. Pracuj.pl's communication to professionals*

the:protocol – two awards from the Public Relations Consultancies Association in its 'Złote Spinacze' competition in the following categories:

- Product launch for the campaign: *Hard reset of IT memes The:protocol enters the market*
- Technology, IT and telco *Hard reset of IT memes*

TOP HR BRAND for Pracuj.pl

The Top Brand title was awarded to Pracuj.pl on the occasion of the 15th anniversary of the ranking compiled by *Press* magazine and experts from the agency PSMM monitoring experts & more. The experts emphasised that recently, HR communications have been particularly focused on labour market prospects amid economic challenges and the events across Poland's eastern border.

Reliable Employer 2022 for eRecruiter

The 'Rzetelny Pracodawca' (Reliable Employer) programme is run by the Polish Agency for Enterprise Development. Each year, it honours employers who take exceptional measures to ensure work safety and demonstrate outstanding care for their employees and their development. The award is presented during the Polish Entrepreneurship Congress.

Masters&Robots Awards 2022 – for eRecruiter in the Tech Disruptor category (honourable mention)

As part of the Masters&Robots 2022 conference organised by Digital University, the first edition of the Masters&Robots Awards was held. The aim of the competition is to promote and popularise new technologies, advocate for the benefit of society, the environment, and sustainable business, and to create and implement innovative technological solutions on local, national, and global scales.

Forbes Diamonds 2023 (for 2022) for eRecruiter

For the fifteenth time, the editors of *Forbes* magazine, in cooperation with Dun & Bradstreet Poland, compiled a list of the most dynamically growing businesses in Poland. The companies put on the list can boast the title of 'Forbes Diamonds 2023'.

Business strategy

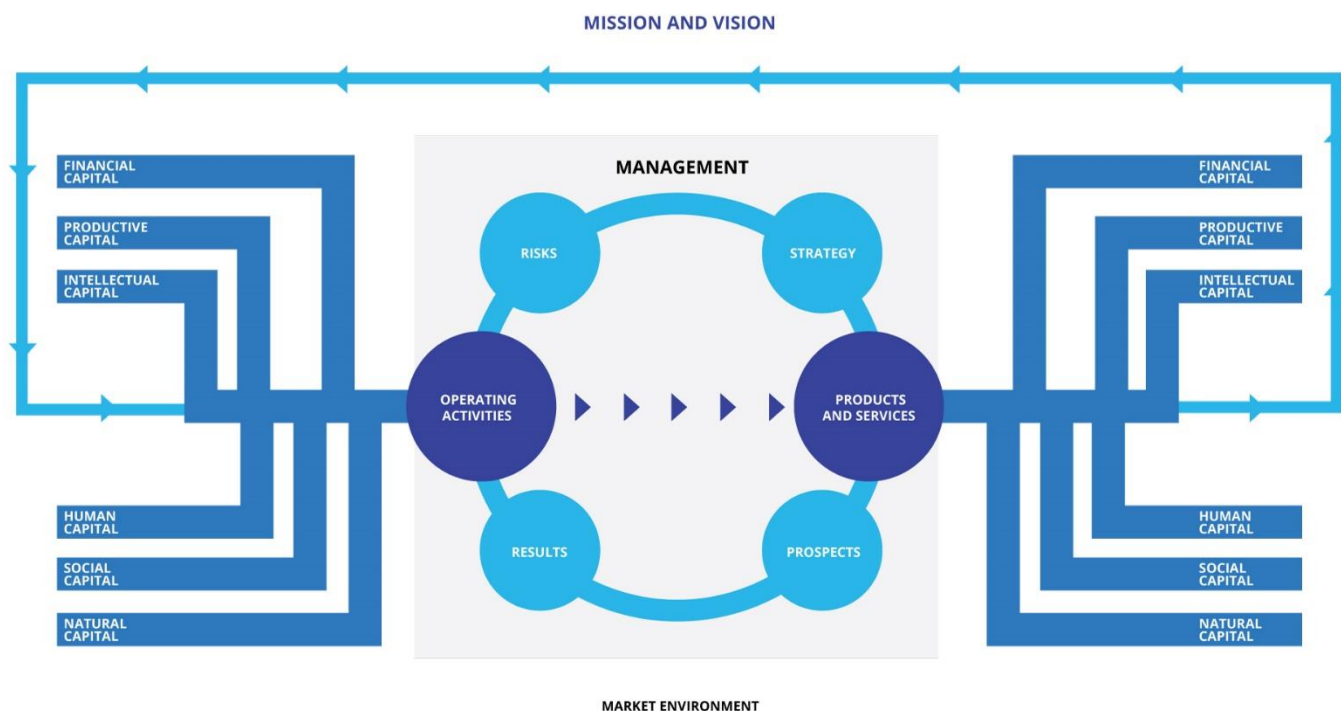
The Group's objective is to achieve dynamic growth while upholding the values that guide its companies in their daily operations, relationships with all stakeholders, and internal culture.

For detailed information on the Group's strategic directions, see section The Group's Strategy and Development Directions of this Directors' Report for the year ended 31 December 2022 – page 11.

Grupa Pracuj value creation model

GRI 2-6

The mission and vision of Grupa Pracuj have always underpinned all facets of the Company's business, not only its operating activities. The employees – their commitment, knowledge and experience – lie at the heart of the Group's innovation. Through a collective effort and by following clear directions, we can connect employers with candidates, unlocking their highest potential by offering top-quality services and products that consistently transform the European HR Tech market.



Business model

Accounting Act: Art. 49b.2.1

Grupa Pracuj derives a majority of its revenue from job postings made by employers and recruitment agencies on the Group's online job boards: Pracuj.pl in Poland and Robota.ua in Ukraine, as well as from the sale of services of leading recruitment management systems (Talent Acquisition Systems, or TAS) – eRecruiter in Poland and softgarden in Germany (serving the entire DACH region), operating in a SaaS model.

Online job boards (Poland and Ukraine)

The core business of Grupa Pracuj, that is operating online job boards, is based on a two-sided business model where an increase in the number of job postings by customers (mainly employers and recruitment agencies) attracts more qualified candidates, which, in turn, attracts more employers and recruitment agencies seeking qualified candidates. This creates a two-sided effect working to the benefit of employers and linking them with potential candidates. Grupa Pracuj's online job boards offer:

- For customers – the ability to immediately publish and update a job posting and to post other information relevant to potential candidates, a range of employer branding tools and a recruitment support system;
- For users – access to a large base of job postings, the ability to precisely search for job vacancies according to criteria relevant to the candidate, an easy way of sending applications for selected positions, including the innovative *easy-* and *multi-apply* functionalities, as well as referral programmes. Moreover, by using the website, candidates have access to a specially designed resume and profile builder and receive additional tips for different stages of the recruitment process.

Grupa Pracuj mainly sells its services via four channels designed to satisfy a wide range of needs of the growing number of customers:

- direct sales,
- inside sales,
- e-commerce,
- HR consulting agencies.

Customer service teams provide support to the Group's customers. The teams are assisted by business analysis departments, which are responsible for data gathering, compilation and analysis, including real-time sales data analysis. The business analysis team is also tasked with taking measures to identify and monitor market trends.

In Poland, the Company operates through Pracuj.pl, a leading online recruitment player supported by the:protocol.it, a niche site dedicated to the IT industry.

In Ukraine, Grupa Pracuj operates through Robota.ua, one of the largest job search sites in the country.

HR Tech SaaS (Poland, Germany, Austria, Switzerland)

TAS (Talent Acquisition Systems) are recruitment management platforms. The toolkits they offer support recruiters throughout the entire recruitment process, from quick posting of job vacancies in multiple channels, sourcing and screening of applications, verifying applicants' competencies, contacting candidates, working with non-HR department staff involved in the recruitment process, to hiring the ideal candidate and reporting results.

The systems operate under the Software-as-a-Service (SaaS) model.

eRecruiter is the most popular platform for managing the recruitment process in Poland, although it is also used by customers from other European countries.

Softgarden, on the other hand, is a leading system in the German market, which also operates throughout the DACH region.

Dialogue with stakeholders and material ESG topics

GRI 2-29

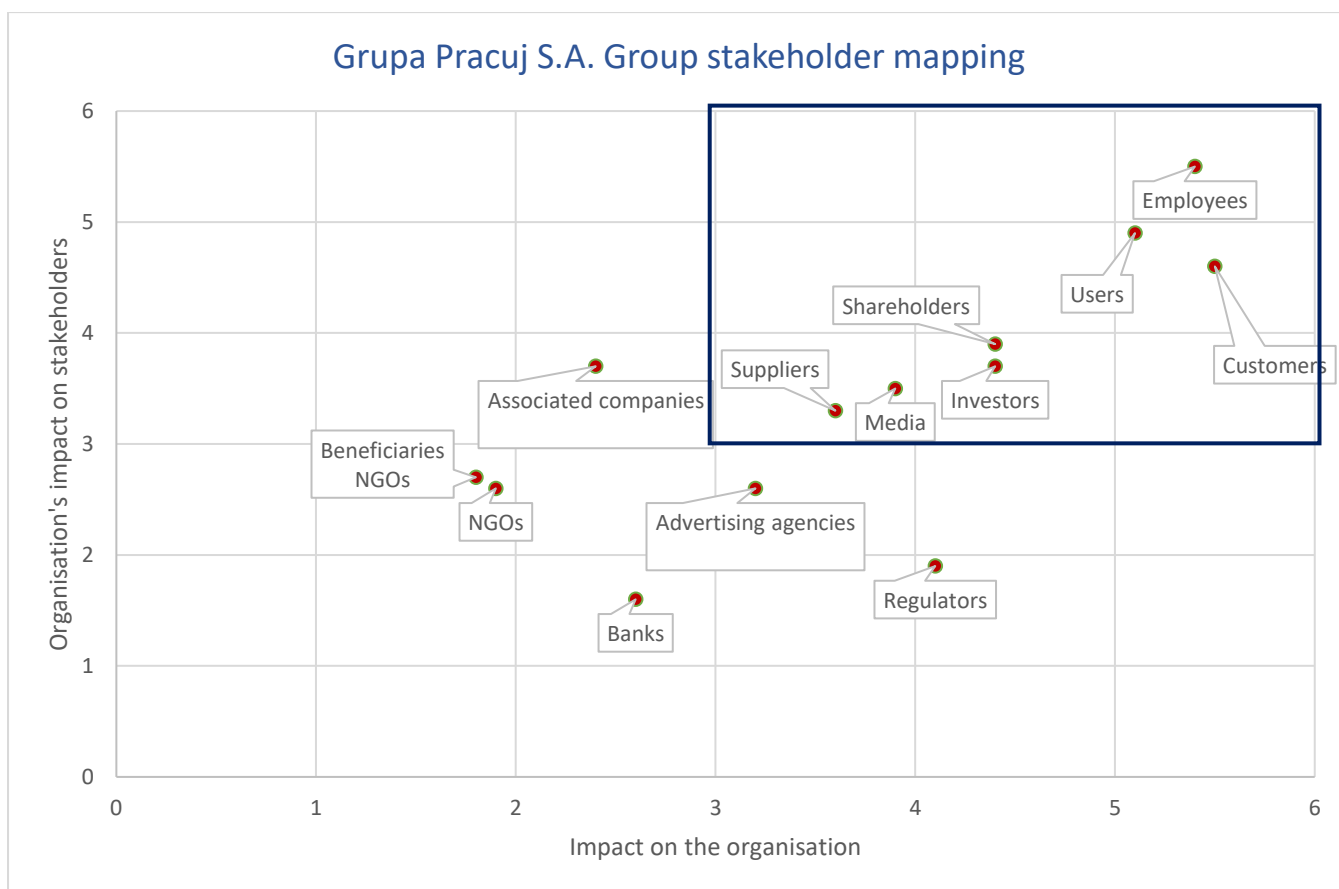
In order to diligently prepare for the non-financial reporting process and define material ESG topics, the Grupa Pracuj S.A. Group conducted a materiality assessment for the first time, based on the requirements of GRI Standards 2021, Standard AA 1000, and ISO26000. The purpose of the assessment was to understand the ESG-related expectations and opinions of the Company's stakeholders in its operating areas. The project was carried out based on the 'double materiality' concept and consisted of the following stages:

- Key stakeholder mapping and profiling;
- Identification of impacts to be assessed by stakeholders;
- Stakeholder dialogue.

Stakeholder map

The key stakeholders of the Grupa Pracuj S.A. Group are:

- Employees
- Customers
- Users
- Investors
- Shareholders
- Media
- Suppliers



Key stakeholders	Details	Main dialogue methods and communication channels
Employees	Current, former and prospective employees	<ul style="list-style-type: none"> • Regular meetings with the Management Board with Q&A sessions • Regular special-occasion meetings • Individual meetings with the Management Board or its representatives • Employee Council • Opinion surveys • Intranet and Worksmile • Webinars • Ongoing contact with the Internal Communications Department • Social media • Job fairs and employer branding events
Customers	Employers, businesses and recruitment agencies	<ul style="list-style-type: none"> • Direct communication through Customer Service Departments • Hotline • Contact Centre • Brand websites • Surveys, including satisfaction surveys • Educational meetings (physical and online) • Publications • Webinars
Users	Candidates and job seekers	<ul style="list-style-type: none"> • Direct contact via Candidate Profile • Educational publications • Industry reports • Webinars • Hotlines • Social media • Jobicon
Investors and Shareholders	Company founders, minority shareholders, Polish and foreign pension and investment funds, current and potential investors	<ul style="list-style-type: none"> • Face-to-face meetings (physical and online) • Earnings conferences • Current and periodic reports • Investor newsletter • Personal contact with the Investor Relations Department • Investor conferences and meetings in Poland and abroad • Information materials • Investor relations service and the Grupa Pracuj S.A. Group corporate website
Media	Representatives of the national and local media, both traditional and online	<ul style="list-style-type: none"> • Regular meetings with the Management Board • Press office (www.media.pracuj.pl) • Regular industry publications (reports and expert materials) • Interviews and current market commentaries
Suppliers	Trading partners and key suppliers of strategic solutions	<ul style="list-style-type: none"> • Contact during tender and procurement procedures • Direct contact with representatives of the Grupa Pracuj S.A. Group • Industry conferences • Trading Partner Code of Ethics

Stakeholder dialogue and list of material topics

The Grupa Pracuj S.A. Group maintains open two-way communication with all stakeholder groups in order to exchange information on an ongoing basis. This exchange supports operation based on respect for both parties' needs and expectations, as well as effective business decision-making and defining strategic directions for the Group.

We have carried out an opinion survey on the Grupa Pracuj S.A. Group among our key stakeholders based on the following methods:

- Quantitative method – a broad anonymous questionnaire;
- Qualitative method – in-depth interviews of stakeholder groups.

The survey was carried out in accordance with the AA1000 Stakeholder Engagement Standard developed by AccountAbility, a leading global research, consulting and standards organisation active in the area of corporate responsibility and sustainable development.

The AA1000 Stakeholder Engagement Standard (AA1000SES) is the most widely used global standard for stakeholder engagement, supporting organisations in their efforts to assess, design and implement an integrated approach to stakeholder engagement and to maintain fair and accurate communication with stakeholders and the public about these activities. The AA1000 Standard is based on the following principles:

- Inclusivity – people should have a say in the decisions that impact on them;
- Materiality – decision makers should identify and be clear about the issues that matter;
- Responsiveness – organisations should act transparently on material issues.

The final stage of the survey was a workshop with the Management Board. Its results were used to identify key ESG areas of the Group's operations.

As a result of this process, the following material ESG aspects have been identified, which are addressed in this report:

- HR management, employment and remuneration policies (equal pay, minimising employee turnover, recruitment, remote and/or hybrid work regimes, non-pay benefits)
- Employee development
- Safe and secure working environment
- Education in the labour market; initiatives affecting the work of recruiters and employers
- Risk management and business continuity
- Countering corruption
- Whistleblowing and compliance
- Code of Ethics and Human Rights
- Information security and data protection
- Innovation and technological progress
- GHG emissions and methods of reducing them

Membership of industry organisations

GRI 2-28 or 2-26

The Grupa Pracuj S.A. Group cooperates with various industry organisations and associations. One of our most important partnerships is with an international network connecting leaders of the global IT recruitment market.

The Network brings together the world's leading recruitment websites. It already spans more than 140 countries, integrating the best local recruitment services into a convenient global solution. Its members have extensive knowledge of local labour markets and proven recruitment methods for international recruitment campaigns.

The Grupa Pracuj S.A. Group joined the Network in 2005.



'G' FOR GOVERNANCE: Corporate governance

Management structure

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-19, GRI 2-15: 2:21

Grupa Pracuj S.A. operates in accordance with its Articles of Association, which are available at https://grupapracuj.pl/static/files/Tekst-jednolity-Statutu_Grupa-Pracuj-SA_30112022.pdf.

In accordance with the Articles of Association, the Company's governing bodies are:

- The General Meeting;
- The Supervisory Board;
- The Management Board.

Management Board:

As at 31 December 2022, the composition of the Management Board was as follows:



Przemysław Gacek, President of the Management Board;



Gracjan Fiedorowicz, Member of the Management Board;



Rafał Nachyna, Member of the Management Board.

For more details on the appointment and powers of the Management Board, including the rules on preventing conflicts of interest, see the 'Corporate governance' section of this Directors' Report for the year ended 31 December 2022 for 31; page 56.

Supervisory Board:

As at 31 December 2022, the composition of the Supervisory Board was as follows:

Table 16

First name and surname of Supervisory Board member	Position	On the Supervisory Board of the current term of office since:
Maciej Noga	Chairman of the Supervisory Board	2 August 2021
John Doran	Member of the Supervisory Board	2 August 2021
Wojciech Stankiewicz	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Przemysław Budkowski	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Agnieszka Słomka-Gołębiowska	Independent Member of the Supervisory Board Chairman of the Audit Committee	11 August 2021
Mirosław Stachowicz	Member of the Supervisory Board	29 October 2021

Members of the Supervisory Board are appointed for a joint three-year term of office. The Supervisory Board exercises ongoing supervision over the Company's affairs across all areas of its operations. Pursuant to the Articles of Association, the powers of the Supervisory Board include:

- Assessing the Directors' Report on the Company's operations and the financial statements for each financial year in terms of their accuracy and consistency with the Company's records and other underlying documents;
- Assessing the Management Board's recommendations on the distribution of profit or coverage of loss;
- Assessing the Company's condition, including the adequacy and effectiveness of its internal control system, risk management system used to manage the Company's material risks, compliance system, and internal audit system;
- Assessing the discharge by the Management Board of its obligation to report information to the Supervisory Board;
- Assessing how the Management Board prepares or submits information, documents, reports or explanations requested by the Supervisory Board;
- Submitting annual written reports to the General Meeting on the results of the assessments referred to above, together with information on the total remuneration of the Supervisory Board's advisors due from the Company in a given financial year;
- Approving the Rules of Procedure for the Management Board;

- Appointing, removing and suspending from duties members of the Management Board and liquidators, excluding those members of the Management Board who are appointed and removed by shareholders in the exercise of their appointment powers;
- Delegating members of the Supervisory Board to individually perform certain supervisory activities or to temporarily substitute for members of the Management Board who have resigned, have been removed from office, or otherwise cannot perform their duties;
- Approving the formation of establishments, branches, representative offices and other units of the Company in other countries;
- Reviewing and assessing draft resolutions of the General Meeting and issuing opinions on Management Board proposals addressed to the General Meeting;
- Approving liabilities to be contracted by the Company where the amount of such liabilities exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;
- Approving any acquisition or disposal of the ownership right to or perpetual usufruct of, or an interest in the ownership right to or perpetual usufruct of property where the value of such property exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;
- Approving any disposal of assets where the value of such assets exceeds the equivalent of 10% of the Group's revenue for the last financial year, as reported in the most recent available full-year consolidated financial statements of the Group, but is no less than PLN 30,000,000;
- Creating any encumbrances over the Company's assets, or issuing any guarantees, sureties or promissory notes to secure liabilities of any entities other than the Group companies;
- Determining the amount of remuneration for members of the Management Board, subject to the rules of remuneration for members of the Management Board adopted by the General Meeting;
- Appointing or changing the Company's auditor;
- Granting approval for members of the Management Board to engage in any activities competing with the Company's business;
- Preparing and submitting to the Annual General Meeting opinions, information, reports and other relevant documents that should be prepared by the supervisory board of a company listed on a regulated market operated by the Warsaw Stock Exchange (in particular, in accordance with the Best Practice 2021);
- Monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems and making an annual assessment of their operation, in particular on the basis of the rules provided for in the Best Practice 2021;
- Approving any material transactions with related parties (as defined in Art. 90h.1 of the Public Offering Act) to be entered into by the Company, where required under Art. 90h et seq. of the Public Offering Act;
- Developing a procedure for periodic assessments of the Company's related-party transactions within the scope defined by the applicable regulations, in particular Art. 90j of the Public Offering Act;
- Developing and adopting detailed rules for the holding of General Meetings via electronic means of communication;
- Deciding on a temporary suspension of the application of the remuneration policy for members of the Management Board and Supervisory Board in accordance with the applicable regulations, in particular the Public Offering Act;
- Preparing reports on the remuneration of members of the Management Board and Supervisory Board in accordance with the applicable regulations, in particular the Public Offering Act; and

- Drafting the consolidated text of amended Articles of Association, or making other changes of an editorial nature to the Articles of Association specified in a resolution of the General Meeting.

The Audit Committee, operating as a standing committee of the Supervisory Board, was established on 8 September 2021.

For more details on the appointment and powers of the Supervisory Board, see the 'Corporate governance' section of this Directors' Report for the year ended 31 December 2022 for 31; page 47.

Remuneration policy

On 22 October 2021, the Company's Extraordinary General Meeting resolved on the adoption of a remuneration policy for Members of the Management Board and Supervisory Board of the Company, referred to in Art. 90d(1) of the Public Offering Act.

For more detailed information on the level of remuneration of the Company's management, see the 'Corporate governance' section of this Directors' Report for the year ended 31 December 2022; page 59.

Sustainability management

GRI 2-12, GRI 2-13, GRI 2-17, GRI 2-18, GRI 2-23, GRI 2-24

Our organisation is committed to creating shared value in a responsible and sustainable manner, while upholding human rights and freedoms, labour rights in particular.

Key decisions on the strategic growth directions for the Group, including sustainability issues, are made jointly by the Grupa Pracuj Management Board, which is responsible for review and approval of reported information, including the organisation's material topics. All Management Board members were involved in the Materiality Assessment.

In the reported period, none of the Management Board members was directly appraised in terms of sustainability management. However, they were all engaged in reviewing the organisation's performance in this area. The Audit Committee was also consulted on this matter.

Responsibility for the ESG aspects of operations in key areas of the Group's business rests with individual Departments, including:

- Legal and Compliance;
- HR;
- Communications and CSR;
- Investor Relations.
- Administration;
- Security and Risk Management.

The Management Board is working to standardise ESG-related processes, including identifying and monitoring the Group's strategic commitments in this area. Oversight of the Group's strategic sustainability projects will be the responsibility of a single Department, which will work closely with selected units across the Group.

Environmental, social and governance (ESG) factors are becoming increasingly important, not only in the private sphere but also in the business world. They are considered material by all of our key stakeholder groups as well as the Management Board, which is committed to raising ESG awareness.

Sustainability management at the Grupa Pracuj S.A. Group is based on:

- Responsibility for our employees;
- Respect for human rights and anti-corruption;
- Relations with customers and job candidates;
- Initiatives to support local communities (education, charitable activities, etc.).

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

The policies and procedures described in this non-financial report have been developed based on the applicable provisions of law and results of internal research, such as employee surveys.

Our corporate governance is founded on the Commercial Companies Code and capital market regulations. Furthermore, since the Company is as an issuer of securities admitted to trading on the Warsaw Stock Exchange, it is required to comply with the corporate governance standards contained in the Best Practice 2021.

Our corporate governance system defines the operation of the Company's governing bodies as well as key systems and processes.

The principal corporate governance documents include: the Articles of Association of the Company, Rules of Procedure for the General Meeting, Rules of Procedure for the Supervisory Board, and Rules of Procedure for the Audit Committee. The documents are available on the Company's website at <https://grupapracuj.pl/dla-inwestorow/lad-korporacyjny>.

In order to ensure proper communication with our investors and shareholders as well as the transparency of our operations, we follow most of the principles provided for in the Best Practice 2021. Where we do not comply with a particular principle, we provide relevant explanations in accordance with the 'apply or explain' approach.

Ownership structure

In 2022, the Company's share capital was increased from PLN 340,521,250 to PLN 341,325,130, i.e., by PLN 803,880, through the issue of 160,776 Series D ordinary bearer shares as part of Incentive Scheme 1 and Incentive Scheme 3, based on a resolution made by the Management Board acting within the limits of its authorisation (authorised share capital).

As at 31 December 2022 and as at the date of this report, the Company's share capital was PLN 341,325,130 and comprised 68,265,026 ordinary bearer shares with a par value of PLN 5 per share, including:

- a) 48,686,990 Series A ordinary bearer shares;
- b) 18,155,860 Series B ordinary bearer shares;
- c) 1,261,400 Series C ordinary bearer shares; and
- d) 160,776 Series D ordinary bearer shares.

One share carries one vote at the General Meeting.

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

All Company shares are ordinary bearer shares with no preference attached, in particular any preference giving special control powers.

Shareholders holding 5% or more of total voting rights

To the best of the Management Board's knowledge, the following persons and entities were the major shareholders in the Company, holding 5% or more of total voting rights in the Company as at 31 December 2022:

Shareholder	Number of shares / voting rights	31 December 2022 Par value (PLN)	Ownership/voting interest (%)
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%
Others	17,696,751	88,483,755	25.92%
Total	68,265,026	341,325,130	100%

* Directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and inclusive of the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

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Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as at the issue date of this Directors' Report for the year ended 31 December 2022, the shareholders holding 5% or more of Company shares were as follows:

Shareholder	Number of shares / voting rights	18 January 2022 Par value (PLN)	Ownership/voting interest (%)
Przemysław Gacek*	35,857,913	179,289,565	52.53%
TCV Luxco Perogie S.à r.l.	8,638,861	43,194,305	12.65%
Maciej Noga	5,755,449	28,777,245	8.43%
Others	18,012,803	90,064,015	26.39%
Total	68,265,026	341,325,130	100%

* Directly and indirectly through *Frascati Investments sp. z o.o.*, controlled by Przemysław Gacek, and inclusive of the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

On 18 January 2023, the following shareholders: Przemysław Gacek, Maciej Noga, Gracjan Fiedorowicz, Rafał Nachyna, Oksana Świerczyńska and Paweł Leks made a gratuitous transfer of a total of 341,325 shares to a group of 18 senior executives of the Company and other Group companies in recognition of their personal contributions to the development of the Company and the Group, and for incentive purposes. The Company received information from certain shareholders about their intention to make the gratuitous transfer on 5 January 2023.

Management of non-financial risks

GRI 2-24, GRI 3-3; Accounting Act: Art. 49b.2.5

The Company identifies and considers ESG risks relating to social, employee and environmental matters, diversity, respect for human rights, and anti-corruption. The risks listed below are identified and managed by the respective departments responsible for a given area. They are regularly analysed and managed, including through the implementation of relevant policies and procedures.

Table 17 Non-financial risk management at the Group and the Company

Area	Risk	Measures taken by the Group or the Company
Employee matters	Limited availability of skilled staff and talent retention	<ul style="list-style-type: none"> ▪ Enhancing the culture of appreciation in the organisation ▪ Career paths and job evaluation projects ▪ Grupa Pracuj S.A. Group employee development policy and reskilling
	Loss of staff motivation and engagement	<ul style="list-style-type: none"> ▪ Developing the culture of appreciation ▪ Well-being initiatives ▪ Company get-togethers
Respect for human rights and anti-corruption	Working conditions, including OHS issues	<ul style="list-style-type: none"> ▪ OHS regulations and training ▪ Measures implemented in the offices to enhance staff safety during the COVID-19 pandemic. ▪ Anti-workplace bullying policy adopted by resolution of the Management Board of 24 July 2020 ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021
	Corruption and/or misconduct in relations with trading partners/suppliers	<ul style="list-style-type: none"> ▪ The Company's anti-corruption code adopted by resolution of the Management Board of 26 January 2021 ▪ Gift policy adopted by resolution of the Management Board of 26 January 2021 ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021 ▪ Grupa Pracuj S.A. Group Supplier Code of Conduct
Diversity	Discrimination and workplace bullying	<ul style="list-style-type: none"> ▪ Anti-workplace bullying policy adopted by resolution of the Management Board of 24 July 2020 ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021
Natural environment	Adverse impact of the Group's activities on the natural environment	<ul style="list-style-type: none"> ▪ Less Waste Office: commitment to implement environmentally friendly practices in the offices ▪ Educating employees and encouraging correct conduct
Relations with customers and job candidates	Cybersecurity and personal data breaches, e.g., data leaks	<ul style="list-style-type: none"> ▪ Personal data protection policy and other documents described in the 'Relations with customers and job candidates' section
Social matters	Adverse impact of CSR activities on the brand image	<ul style="list-style-type: none"> ▪ Focus on supporting social initiatives, primarily in the HR area (grants, HR education)

Information security and data protection

GRI 3-3, GRI 408-1

Guided by respect for the privacy of our customers, their employees and users of our internet services, and considering the high sensitivity of the data involved, we place particular focus on personal data protection.

When designing solutions, whether for in-house use or for customers, we consider compliance with GDPR¹² as a minimum standard, which forms the basis for creating data subject-friendly solutions.

In order to adequately address personal data issues at both Grupa Pracuj S.A. and eRecruitment Solutions sp. z o.o., we have appointed a Data Protection Officer, whose key responsibilities include advising employees of their obligations under the GDPR and contracts with customers, monitoring the performance of these obligations, and taking measures to raise awareness of the importance of personal data protection.

The Data Protection Officer is a lawyer holding a legal counsel licence, with experience in implementing and conducting GDPR-related procedures, audits, and training. In addition, he is a certified lead auditor for ISO 27001:2017 Information Security Management Systems.

Given the scale of our organisation and the volume of data processed, the Data Protection Officer has a team of personal data protection specialists to support him in discharging his responsibilities.

To ensure strict compliance with all formal requirements for a personal data protection system, we have implemented a number of internal procedures, which are subject to periodic reviews. These include:

- Information security policy;
- Personal Data Protection Policy;
- Incident reporting procedure;
- Procedure for the exercise of rights of the Pracuj.pl users;
- Data protection breach management procedure;
- Register of processing activities and register of processing activity categories.

The Grupa Pracuj S.A. Group has also adopted guidelines on the technical aspects of the processed personal data security, with particular emphasis on the proper use of business equipment, that is:

- Guidelines on the safe use of computers, smartphones, Internet, mail, private devices, and removable data storage devices;
- Guidelines on the use of remote access to the Grupa Pracuj S.A Group resources;
- Upgrade and technical vulnerability management policies;
- Web application security guidelines.

We are monitoring the data protection system in place at our organisation on an ongoing basis to identify areas for improvement and to ensure a rapid response to changing market realities. We keep abreast of any guidelines, recommendations and decisions issued by the President of the Data Protection Authority and the European Data Protection Board. When deciding on data processing measures, we take into account the guidelines of the European Union Agency for Cybersecurity (ENISA).

In 2022, we launched a compliance risk assessment process in the area of data security, which enabled us to assess the maturity of our personal data protection system and to identify the most pressing risk management issues that needed to be addressed, including by adopting long-term plans. The assessment methods applied will allow us also to assess the effectiveness of the modifications introduced and their impact on the maturity of the data protection system in the coming years.

A crucial aspect of ensuring compliance of personal data processing at the Group with applicable laws and regulations is providing adequate guidelines and instructions to employees who handle personal data daily. In order to continuously raise awareness among our staff, we run regular training classes on personal data protection for new hires and refresher training classes for other employees.

¹²Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

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In 2022, we carried out a number of educational initiatives, including a training course for all employees and associates of the Grupa Pracuj Group on the legal and technical aspects of compliance with data protection legislation. At the end of the course, all participants took a test.

In 2022, we reported one incident to the President of the Data Protection Authority in accordance with the ENISA risk assessment methodology. The incident involved the loss of an employment contract in transit, which was sent by courier service from the Company's head office to one of its local offices.

In 2022, the Company was not party to any proceedings before the President of the Personal Data Authority.

Number of data privacy breaches reportable to the competent authority: 1.

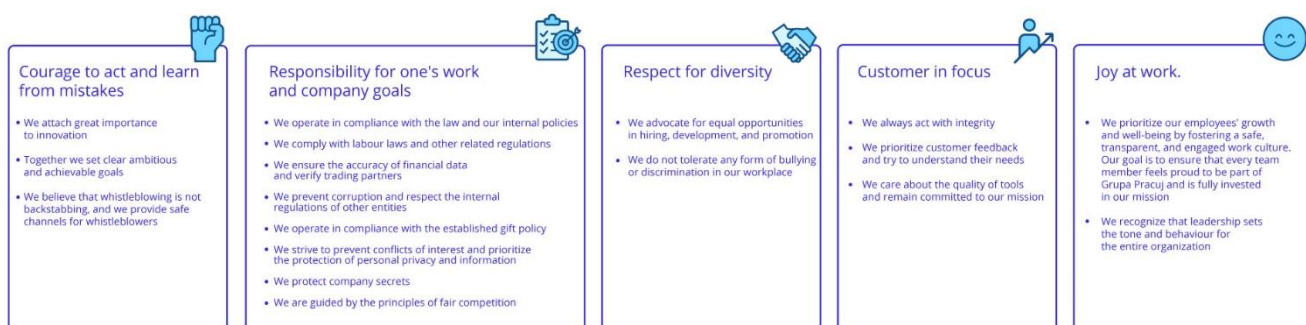
Ethics and misconduct prevention

GRI 3-3, GRI 2-16, GRI 2-25, GRI 2-26, GRI 205-1

General rules of the compliance system at the Grupa Pracuj S.A. Group¹³

One of the fundamental principles that guides our operations is the commitment to creating a safe, transparent and friendly work environment.

The primary document that governs ethical matters within the Group is the Code of Ethics, which outlines the expected attitudes and rules of conduct and highlights inappropriate and unacceptable behaviours. The *Grupa Pracuj S.A. Group Code of Ethics* applies to all members of the Grupa Pracuj S.A. Group community, regardless of their role or position. It serves as a concise summary of the values and principles that comprise the ethical framework followed by our employees and independent contractors in their daily work. The Code is built upon the corporate values underpinning our day-to-day activities:



The *Code of Ethics* is complemented by additional internal regulations that clarify the key areas of compliance management, i.e., *Bullying and Discrimination Policy*, *Anti-Corruption Code*, *Gift Policy*, and *Whistleblower Procedure*. All of our employees and independent contractors are required to read and comply with those documents. The *Grupa Pracuj S.A. Group Code of Ethics*, along with the other procedures in force in our organisation, is reviewed annually.

One of our top priorities in the area of corporate governance is to establish rules for collaboration with our trading partners, as they are essential to maintaining the high standards of the services we provide. As part of the 2022 procedure update process, we developed a new *Code of Ethics in Business Relationships*, which was included as a mandatory component in contracts with suppliers to define the framework and minimum standards we require from our trading partners. The Code is founded on the belief that responsible and transparent business conduct based on respect for the law, accountability, transparency and clear communication is a prerequisite for sustainable development. The Code outlines the crucial values and principles of conduct that we expect our trading partners to uphold in their activities

¹³ The uniform compliance management policies described in this part of the non-financial report have so far been implemented at two Group companies: Grupa Pracuj S.A. and eRecruitment Solutions sp. z o.o. A key objective for 2023 is to establish a consistent set of ethics and misconduct prevention requirements across all remaining Group companies.

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and relationship with the Group. The document was created based on the values and principles we follow in building an ethical work environment, which include first and foremost:

- Expecting compliance with the law;
- Counteracting corruption and conflicts of interest;
- Building a safe and friendly work environment;
- Meeting appropriate standards for information security and protection of business secrets;
- Personal data protection;
- Preventing unfair competition;
- Reporting irregularities and cases of misconduct in connection with mutual cooperation.

In each of the identified areas, we indicated our specific commitments and precise expectations towards our trading partners that represent the minimum standards they should follow in their activities, as well as examples of conduct and situations we will not accept.

Definition of the compliance management system (CMS) framework at the Grupa Pracuj S.A. Group

After Grupa Pracuj S.A. shares were floated on the stock exchange in 2021 and the Compliance Officer function was established, we continued the activities relating to the oversight of effective management of the compliance area, the compliance risk mapping and mitigation, and implementation of the applicable legal requirements. We conduct our business in a transparent manner, and in developing the compliance system we take into account the recommendations provided by the Best Practice 2021 and the WSE's Standards Recommended for the Compliance Management System on Counteracting Corruption and the Whistleblower Protection System.

In 2022, as part of preparations for further work on the compliance system development strategy and planning of its improvements, we launched a project involving an analysis and assessment of the compliance risk at the Group to define the CMS framework for the organisation and identify action priorities. The project included development of a compliance risk assessment methodology, which was then used in a compliance risk assessment made in the past year and in the preparation of a relevant risk handling plan. The risk handling plans drafted for each risk served as the basis for setting the targets and objectives for compliance system management in the organisation and for identifying areas of key importance to the Company's operations.

The compliance system development strategy provides for standardising compliance standards across all Group companies.

Anti-discrimination and respect for human rights

Respect for diversity and the promotion of equal opportunities are among the values guiding us in our day-to-day activities. Preventing workplace bullying and discrimination is an essential component of our compliance management model, and employee matters are one of the most important areas of responsibility. Our top priority is to ensure that all employees and trading partners are treated fairly and transparently. The Grupa Pracuj S.A. Group has a zero-tolerance policy towards any form of workplace bullying, with the rules against bullying defined in our *Bullying and Discrimination Policy*. The policy is founded upon provisions of the Labour Code and is designed to safeguard our employees and independent contractors from bullying and discrimination. All employees and independent contractors within the Group are required to read and adhere to the policy. Anti-bullying, equal opportunity and human rights issues are addressed during monthly mandatory onboarding training for new employees.

Countering corruption and unfair practices

The Grupa Pracuj S.A. Group has a zero-tolerance policy towards any activities that may contravene the law, either within the organisation or in our dealings with trading partners. Specifically, we do not accept any form of corruption or bribery and take active measures to prevent such practices. Detailed regulations on preventing corruption are set forth in our *Anti-Corruption Code*. The document clearly outlines:

- The definitions of benefit and corruption, as well as the various forms of influence;
- The specific activities and types of conduct that are prohibited, and the sectors in which corruption occurs;
- The proper methods of communication with suppliers and contractors, as well as the rules governing participation in tenders.

It describes measures for preventing and combating corrupt practices, as well as guidance on appropriate action to take when witnessing or being the target of corrupt activity. Additionally, it provides details on the potential legal This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

consequences for individuals involved in such practices. Our proactive anti-corruption approach includes rules for accepting and giving gifts and invitations, as well as offering and accepting hospitality, which are further detailed in our *Gift Policy*. According to the *Gift Policy*, occasional gifts may be offered or received as long as the following conditions are met:

- The market value of the gift does not exceed PLN 200 gross;
- The person offering the gift does not expect any benefits in return;
- Giving or receiving the gift does not create a risk of conflict of interest;
- Giving or receiving the gift is in accordance with the internal rules of the Grupa Pracuj S.A. Group and the recipient, and with reasonable market practices;
- The gift is not offered to a person holding public office or, in an impersonal manner, to any public administration or law enforcement agencies.

The policy also includes a catalogue of the gift types that may be accepted and requires consultation with the Legal Department in case of any doubts. In 2022, we conducted consultations with our employees and found no instances of violation of our established policies for giving and receiving gifts.

GRI 205-3

Furthermore, no incidents of corruption within the Company were identified during the same period.

In 2022, 110 new employees completed training on anti-corruption rules. Also, we plan corruption awareness training for all employees and independent contractors in 2023.

To ensure a sufficient level of assurance regarding the prohibition of corrupt activities in our dealings with trading partners, we incorporated anti-corruption clauses into our contract templates last year. These clauses were developed and adapted to the specific categories of contracts entered into by the Group. Their implementation is described in detail in the internal document 'Principles for the Use of Anti-Corruption Clauses in Contracts Concluded by the Grupa Pracuj S.A. Group'. Under those contractual clauses, our trading partners have an obligation to exercise due care in the performance of the contracts, comply with the law, in particular with regulations applicable to their cooperation with the Grupa Pracuj S.A. Group, and abide by all anti-corruption laws and regulations, including the requirement that no part of the consideration obtained in connection with their cooperation with us is used to cover the cost of providing benefits to any party.

Identifying any possible need for an update to our approach to anti-corruption policies, providing further training for employees, and standardising certain anti-corruption procedures across all Group companies are among our goals for 2023.

Reporting irregularities and cases of misconduct – whistleblowing

The Grupa Pracuj S.A. Group is committed to preventing any form of misconduct, whether in its own organisation and in its relations with trading partners. In accordance with our internal ethics policy, we aspire to maintain a safe and respectful workplace, where employees can thrive, and to maintain the utmost level of professionalism and integrity in interactions between our team members and with customers and other stakeholders.

One of the key actions taken in 2022 was to align the whistleblowing system with our goals in building a corporate culture based on open dialogue. In an effort to develop a whistleblowing culture, we have implemented an independent platform for reporting instances of misconduct.

The system is available to Group employees and trading partners as a secure and confidential channel in which to raise concerns about various types of misconduct and irregularities, including violations of the law or ethical standards. Reports can be submitted under one's name or anonymously, and the system can be accessed at any time from any device. The system facilitates efficient management of received reports on an ongoing basis by monitoring their handling process and control over the implementation of corrective measures where necessary. The reports can be submitted through an online form and

are managed by the Compliance Officer and their team, who are obliged to maintain strict confidentiality regarding the handling of reports and the conduct of investigations. Each case is analysed thoroughly and diligently by a dedicated Committee. A report on the Committee's work is then presented to the Management Board. Based on the recommendations in the report, the Management Board makes a decision on whether and how to implement corrective measures. The process of managing reports, giving the reporting individual the status of a corporate whistle-blower,

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and carrying out internal investigations is detailed in our *Whistleblowing Procedure*. We strictly prohibit any form of retaliation and offer protection against reprisal to those who report actual or suspected irregularities in good faith.

In 2022, the Grupa Pracuj S.A. Group received three whistleblowing reports, which were followed by internal investigations and implementation of corrective measures.

Building awareness and developing our corporate culture

At the Grupa Pracuj S.A. Group, one of the key components of fostering an ethical culture is regular educational activities. Over the past year, we created training materials for all newly hired employees and independent contractors. In addition, all employees and independent contractors undergo mandatory compliance training during their onboarding process, which equips them with knowledge of the relevant rules and helps understand the priorities of compliance management at the Group. Employees' awareness of the expected attitudes is also raised through ongoing communication. In 2022, compliance training, with a particular focus on the anti-corruption rules and the prevention of workplace bullying and discrimination, was provided to 110 new employees.

An educational awareness campaign, known as 'Compliance Week', was also organised in the fourth quarter of 2022. The campaign addressed various issues related to ethics in the work environment, conflicts of interest, confidentiality, business secrecy, counteracting bullying and discrimination, anti-corruption measures and whistleblowing. It provided the Group's community with an opportunity to ask additional questions and clear any doubts regarding compliance management within our organisation.

'S' FOR SOCIAL: Social matters

OUR EMPLOYEES

GRI 3-3

The Grupa Pracuj Group is an organisation with a vibrant culture, dedicated to achieving ambitious goals, maintaining open communication with the employees, and pursuing continuous improvement and growth. We strive to create an engaging work environment, with a focus on an inclusive and appreciative management style, culture of collaboration, and a wide range of various development opportunities for our staff. We hire individuals who are willing to take action, take responsibility for their work and objectives, respect diversity, prioritise customer satisfaction, and finding joy at work.

Workforce structure and turnover

GRI 2-7, GRI 2-8, GRI 401-1

We offer equal opportunities across all aspects of employment. The table below presents our workforce structure. As at the end of 2022, Polish companies of the Grupa Pracuj S.A. Group had 651 employees (FTEs) and independent contractors, up 14% from the year before. The Robota International TOV team consisted of 224 people, while the combined headcount of the softgarden and absence.io teams was 175.

The table below presents the workforce structure of our companies, including full-time-equivalent employees, i.e. persons employed under employment contracts, excluding those on long-term leaves (such as maternity/parental leaves, unpaid leaves, and sickness absence of more than 30 days), as well as persons working for the Group under temporary employment contracts (*umowa zlecenia*) and independent contractors providing services under B2B contracts. The figures include employees and independent contractors of the Group companies.

Table 18 Workforce structure at Group companies

Headcount	Year ended 31 December		
	2022	2021	2020
Grupa Pracuj S.A., including:	568	498	437
<i>Employment contract</i>	513	454	420
<i>Temporary employment contract</i>	5	4	3
<i>B2B contract</i>	50	40	14
eRecruitment Solutions sp. z o.o., including:	83	73	53
<i>Employment contract</i>	73	64	52
<i>B2B contract</i>	10	9	1
Robota International TOV, including:	224	324	233
<i>Employment contract</i>	178	265*	187
<i>B2B contract</i>	46	59	46
softgarden, including:	158		
<i>Employment contract</i>	155		
<i>B2B contract</i>	3		
absence.io, including:	17		
<i>Employment contract</i>	16		
<i>B2B contract</i>	1		
Total FTEs	1,050	895	723

Average length of service at the Group companies

As at the end of 2022, the average length of service for employees of Grupa Pracuj S.A. was over five and a half years, and for employees of eRecruitment Solutions sp. z o.o. it was nearly three and a half years. The 2022 figures are similar to those for the previous year.

As at the end of 2022, the average length of service at Robota International TOV was three and a half years, at softgarden more than three and a half years, and at Absence.io just under two years and a half.

Table 39 Average length of service at the Group companies

Average length of service	Year ended 31 December		
	2022	2021	2020
Grupa Pracuj S.A.	5.6	5.61	5.74
eRecruitment Solutions sp. z o.o.	3.25	3.44	3.98
Robota International TOV	3.5	2.6	2.75
softgarden	3.75		
Absence.io	2.33		

The majority of the personnel at the Polish companies of the Group are employed in the position of specialist – they account for 60% of the total headcount, down 2% from the previous year. As at the end of 2022, specialists and experts represented 75% of the total headcount. The share of managers in the total workforce grew by 1% relative to 2021. At Robota International TOV, similar to the Grupa Pracuj S.A. Group, most of the employees were employed in the position of specialist in 2022, with the share of specialists and experts in the total headcount at 73%. The changes in the workforce structure are due to the economic situation and a reduction in the company's total headcount. Specialists are also the largest employee group at the German company, representing 48% of all employees. The share of specialists and experts is identical to that at Grupa Pracuj S.A.: 75%.

Table 40 Workforce structure in the segments by job grade

Job grade	2022			2021		2020	
	PL	UA	DE	PL	UA	PL	UA
Assistant	8%	8%	8%	7%	41%	2%	38%
Specialist	60%	65%	48%	62%	40%	68%	40%
Expert	15%	8%	27%	15%	4%	12%	4%
Manager	15%	14%	12%	14%	12%	14%	16%
Director	3%	4%	5%	3%	3%	3%	2%
Total	100%	100%	100%	100%	100%	100%	100%

Due to the adverse impact of the war in Ukraine on Robota's revenue, in 2022 we downsized the company's workforce by 87 employees and 13 independent contractors relative to 2021. Despite the need to make difficult personnel decisions in order to preserve the company's financial condition, the management was committed to provide support for the employees and ensure effective communication throughout the process. We implemented severance packages, maintained fair communication, and remained actively engaged with the workforce, which allowed us to preserve our reputation of a good employer and made it possible to find employment for former Robota employees representing 12% of the company's total workforce in 2022.

The company's strong employer brand and robust organisational culture are reflected in the average length of service of its employees, which stands at 3.6 years. In the case of managers, the average length of service was 6.2 years (as at 31 December 2022).

Remuneration

Our remuneration policy is designed to create conditions to attract, retain and motivate employees with the knowledge and experience required to maintain continued dynamic growth of the Group. In collaboration with Mercer, we have performed a job evaluation process and developed a pay grid. The aim of these measures is to determine a suitable pay scale for particular roles, skills, knowledge, and positions within the Company. Our remuneration policy seeks to ensure that all our employees are placed within a pay range. We seek to maintain competitive levels of pay and benefits that are in line with market rates. To this end, we conduct an annual benchmarking exercise against both local and global markets.

The remuneration of every Grupa Pracuj S.A. Group employee is above the national minimum pay.

Talent acquisition

Employer branding

Our employer branding activities are focused on building the image of the Grupa Pracuj S.A. Group as a reputable employer and mainly targeted at candidates in technology areas. We operate social media channels where we present our efforts in building an engaging work environment, our CSR initiatives, educational materials and information on current recruitment opportunities. The content is developed in cooperation with our employees. We also have a series of posts targeted at IT candidates. Throughout the year, we attend selected conferences and job fairs to increase the visibility of our company and engage with potential job candidates. We also share our expertise by delivering lectures.

At the Grupa Pracuj S.A. Group, we have developed a recruitment process based on standards which are informed by the feedback received from candidates and findings of the Candidate Experience surveys. This enables us to employ top-tier candidates from the pool of applicants who respond to our advertisements.

Our Talent Acquisition Team is responsible for managing the recruitment process, which includes assessing candidates in collaboration with supervisors based on, among other things, dedicated competency tests. The Grupa Pracuj S.A. Group uses a range of channels to source potential candidates. In each case, we always comply with the disclosure requirements set out in the GDPR and obtain relevant consents. One way of acquiring candidates is through referrals.

To enhance our team's productivity and expedite recruitment processes, we use the eRecruiter system and automate our recruiters' tasks. It is our standard practice to provide feedback to all candidates who participate in our recruitment processes.

Since 2015, we have been conducting Candidate Experience surveys as part of our recruitment processes. This enables us to gain insight into candidates' impressions, and to respond accordingly to their needs and expectations by implementing improvements.

The Candidate Experience surveys are conducted in accordance with the NPS methodology. A link to the survey is sent automatically from the eRecruiter system to all candidates who have taken part in at least one stage of the recruitment process.

Twice a year, we prepare a summary based on the survey data, which allows us to make informed changes and adopt a new approach in our HR strategy for the following year.

The recruitment process concludes with the acceptance of the job or contract offer by the selected candidate and the subsequent signing of an employment contract or a civil-law agreement.

Despite the reduction in FTEs at Robota in 2022 as a result of the war in Ukraine, the company continued to operate in the labour market, successfully attracting talented individuals for key positions. Of the total number of job openings filled in 2022, 12% were filled by former employees of Robota, 18% by people transferred or promoted from other roles within the company, and an additional 18% by candidates referred by our employees. These statistics warrant a conclusion that the company's employer brand remains strong. This is particularly evident in the eNPS score, which stood at 41% in December 2022.

Despite the challenging conditions faced in 2022, Robota continued to be popular as an employer with job seekers. This was evidenced by the high job acceptance rate of 97% in 2022 and the low time-to-fill for open positions, which was

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just 27 calendar days in the case of tech jobs (widely regarded as the most difficult to recruit for). While we acknowledge that the employer's market played a role in these outcomes, we believe these figures serve as a strong benchmark.

Onboarding

At the Grupa Pracuj S.A. Group, our onboarding process is designed to provide every new hire with the essential support, assistance and knowledge they need to understand their role and the company. The onboarding process evaluation score for 2022 was 4.8 (on a scale of 1 to 5). To maintain this result, we continually update the process to align it with the needs of new employees joining the company.

Communication with new employees regarding the onboarding process begins when the candidate accepts the job offer.

Onboarding is conducted remotely and is divided into two parts: company-wide onboarding and position-specific onboarding. The two-day company-wide onboarding programme includes online meetings with representatives from all departments within the Group, which is an opportunity for the new employee to gain insight into the activities of the different business areas and get to know their respective representatives. After completing the probationary period, employees are invited to attend a quarterly onboarding programme designed to summarise the knowledge of the company gained during that period. The quarterly onboarding programme also includes a meeting with the Management Board and workshops focused on our corporate culture, company values and communication, delivered based on individual profiles created using the Insights Discovery tool.

In parallel with the company-wide onboarding process, a position-specific onboarding is conducted that commences on the first day of employment. Position-specific onboarding is carried out by the new hire's direct supervisor with the help of a 'Buddy', or an induction assistant. The 'Buddy' is a member of the new employee's team who is assigned to assist them during their first few weeks of work.

As part of our onboarding process, we also provide dedicated onboarding for managers and coordinators, which is an integral component of our company-wide onboarding programme. It is designed specifically for new employees who join the Grupa Pracuj S.A. Group in positions that involve people management responsibilities, and consists of meetings with representatives of the HR and business areas, who introduce the new manager or coordinator to key topics and areas related to their role. This programme aims to enhance the knowledge acquired during the two-day company-wide onboarding, specifically addressing the key aspects relevant to taking the position of a manager within the Group.

Diversity policy and respect for human rights

GRI 3-3

One of our fundamental values is respect for diversity, which drives our goal to create a friendly and inclusive work environment. We firmly believe this approach will enable us to unlock the full potential of diversity. In 2022, as part of our awareness raising activities, we organised a webinar on inclusive language for all employees.

We support women managers in their development, which is why we joined the LeadersIN mentoring programme coordinated by Vital Voices four years ago. The programme pairs female leader mentees, who are selected through an internal recruitment process, with experienced leaders from other corporations. By 2022, four of our managers had participated in the programme, and two more are taking part in the current edition.

We believe that the language we use in our job postings and position titles plays a vital role. Since spring 2021, we have been promoting the use of feminine job titles in our organisation. We want every person who comes into contact with our job postings and all our employees to understand that our job advertisements and titles are gender-inclusive. The process applies in three dimensions:

- Recruitment process and job title. Every job advertisement we publish includes both the masculine and feminine forms of the job title, unless an English job title does not allow it.
- Presenting job offers to candidates. Candidates are given the opportunity to select their job title, including feminine versions, at the time of receiving a job offer from us. We send the candidate a detailed offer letter that includes a request for them to specify their preferred form of the job title
- Change of the job title while working at our company. Each employee may change their job title twice a year. To do so, they must simply notify their supervisor of their decision.

The Group is committed to increasing the representation of women in its workforce. Currently, women make up 54% of the Grupa Pracuj S.A. Group's employees. In Segment Poland and Segment Ukraine, this share has already exceeded 60%.

GRI 405-1

Composition of the Management Board	<ul style="list-style-type: none"> • 3 men • 0 women • 3 persons up to 50 years of age • 0 persons over 50 years of age
Composition of the Supervisory Board	<ul style="list-style-type: none"> • 5 men • 1 woman • 4 persons up to 50 years of age • 2 persons over 50 years of age
Composition as at 31 December 2022.	

Share of women/men in the workforce structure, including in managerial positions

Job category	2022					
	% of women			% of men		
	PL	UA	DE	PL	UA	DE
Management (excluding the Management Board)	50%	55%	15%	50%	45%	85%
Other employees	62%	61%	38%	38%	39%	62%

Workforce structure in the segments by gender

Gender	2022			2021		2020	
	PL	UA	DE	PL	UA	PL	UA
Women	60%	60%	35%	58%	67%	54%	62%
Men	40%	40%	65%	42%	33%	46%	38%

Diversity indicators in the segments

Diversity	2022			2021		2020	
	PL	UA	DE	PL	UA	PL	UA
% of women among new employees	68.6%	42.1%	34.0%	75.0%	68.0%	55.0%	63.0%
% of men among new employees	31.4%	57.9%	66.0%	25.0%	32.0%	45.0%	37.0%
% of employees with disabilities	0.5%	5.6%	1.1%	0.4%	4.0%	0.6%	5.0%
% of female employees with disabilities	0.2%	2.8%	0.0%	0.3%	3.0%	0.4%	4.0%
% of male employees with disabilities	0.3%	2.8%	1.7%	0.5%	1.0%	0.9%	2.0%
% of employees under 30	38.7%	70.8%	26.0%	37.3%	80.0%	37.5%	80.0%
% of employees aged 31-40	48.6%	21.9%	46.0%	52.5%	16.0%	53.6%	16.0%
% of employees aged 41-50	11.9%	3.9%	21.0%	9.7%	3.0%	8.5%	3.0%
% of employees aged 51-60	0.5%	2.2%	5.0%	0.4%	1.0%	0.2%	1.0%
% of employees over 60	0.2%	1.1%	2.0%	0.2%	-	0.2%	1.0%
% of female employees under 30	42.0%	77.6%	23.0%	38.9%	83.0%	36.6%	83.0%
% of female employees aged 31-40	47.7%	16.8%	53.0%	52.2%	14.0%	55.3%	12.0%
% of female employees aged 41-50	10.0%	2.8%	17.0%	8.6%	2.0%	8.2%	4.0%
% of female employees aged 51-60	0.3%	1.9%	5.0%	0.3%	1.0%	-	1.0%
% of female employees over 60	-	0.9%	2.0%	-	-	-	-
% of male employees under 30	33.9%	60.6%	28.0%	35.0%	74.0%	38.6%	75.0%
% of male employees aged 31-40	50.0%	29.6%	41.0%	53.0%	22.0%	51.6%	23.0%
% of male employees aged 41-50	14.8%	5.6%	24.0%	11.1%	4.0%	8.8%	1.0%
% of male employees aged 51-60	0.8%	2.8%	4.0%	0.5%	-	0.5%	-
% of male employees over 60	0.4%	1.4%	3.0%	0.5%	-	0.5%	1.0%
% of foreign employees	0.7%	0.6%	24.0%	1.0%	1.0%	0.6%	1.0%
% of female foreign employees	0.3%	0.0%	25.0%	0.7%	-	0.4%	1.0%
% of male foreign employees	0.3%	1.4%	23.0%	1.4%	-	0.9%	-

Trade unions and respect for the freedom of association

GRI 2-30

In accordance with the law, management boards of companies with trade unions are required to consult or agree certain decisions specified in the relevant regulations with representatives of such trade unions. In companies without trade unions, an employee representative should be designated.

At the Grupa Pracuj S.A. Group, there are no trade unions or employee councils and no collective bargaining agreements or social agreements in place.

Employee representatives (Employee Councils) have been appointed and are invited to take part in consultations on key employee matters.

Benefits and well-being

GRI 3-3, GRI 401-1

Since 2021, we have used the Worksmile cafeteria benefit system, in which employees' individual accounts are credited with funds from the employer. In addition, Christmas benefits are paid to employees' accounts each December. The funds in the cafeteria system can be used to purchase a range of benefits: services and products from reputable brands across various domains, including sports, culture, entertainment, as well as Multisport cards. Employees choose non-pay benefits on their own, in line with their individual needs. With the cafeteria system, they can also participate in gamification, which incentivises them to take action, promotes physical activity, and supports team building.

We offer all employees access to private medical care, with the basic medical plan version fully funded by the employer. They can also join group insurance on preferential terms.

Furthermore, we enable our employees to subscribe to an Employee Pension Plan (PPE), which is an additional voluntary pension saving scheme. As at the end of 2022, 233 Grupa Pracuj S.A. employees and 37% eRecruitment Solutions sp. z o.o.'s employees have joined the scheme.

Taking care of our employees' mental health

During the pandemic period, we all came to appreciate the importance of mental health. At the Grupa Pracuj S.A. Group, we support managers and employees in preserving and taking care of their mental well-being and comfort at work. We have organised webinars led by a psychotherapist for employees and, separately, for managers. The topic was 'How to maintain mental and physical health and energy on a daily basis – the importance of well-being in professional development.'. Managers were also offered an opportunity to attend a meeting with a legal advisor, which was devoted to legal aspects of employee wellbeing management. Furthermore, as part of the medical benefits package offered to our employees, they are entitled to attend up to 15 sessions with a psychologist or psychotherapist per year.

Employee development at the Grupa Pracuj S.A. Group

GRI 3-3; GRI 404-2

Growth has always been perceived as the key factor in building a competitive edge for our organisation. All of our activities are geared towards supporting the goals of the Grupa Pracuj S.A. Group.

We are committed to providing all of our employees with the opportunity to learn, receive constructive feedback, and enhance their skills, potential, and competence. To achieve this, our Training and Development function implements a variety of initiatives aimed at improving the skills and competence of our workforce. At the Grupa Pracuj S.A. Group, we promote the 70/20/10 model to guide our employees in taking responsibility for their growth through a diverse range of activities. According to this model, individuals obtain 70% of their knowledge from experiences, 20% from interactions with others, and 10% from formal education, which includes studies, training courses, and conferences.

At the Grupa Pracuj S.A. Group, we promote a culture where every employee takes ownership of their personal development. We encourage our staff to be proactive in upgrading their qualifications and participating in activities that support their professional advancement.

Our employees have access to a range of formal development initiatives, including internal and external training courses focused on both soft and hard skills, conferences, post-graduate studies, coaching sessions, mentoring programmes and meetings. We also assist them by buying specialist publications and offering foreign language classes. Moreover, employees have the option to purchase access to an e-learning platform of their choice which supports the achievement of business goals in a given professional field.

Apart from the standard forms of training, every year we run a range of development-focused programmes, such as the 'Your Growth at the Grupa Pracuj S.A. Group' or 'Knowledge Sharing at the Grupa Pracuj S.A. Group' campaigns. Our employee development plans take into account the analysis of employees' development needs and also address issues identified in the Work Environment Survey, as well as current market trends.

At the Grupa Pracuj S.A. Group, we have implemented a single common standard for career development sessions, ensuring consistency in knowledge and approach, establishing a framework, and defining development-related responsibilities for both managers and employees.

A career development session is an individual meeting between an employee and their immediate supervisor, during which they discuss conclusions reached on the basis of information obtained from the 270- and 360-degree evaluation, and plan and record specific development goals and activities for the coming year (taking into account the employee's This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

needs and the organisation's capabilities). The sessions are an opportunity to summarise and plan various development activities, which are then implemented and monitored over the year, including during ongoing one-on-one meetings between the employee and manager. Career development sessions are held on an annual basis.

Another component of our employee development programme is the 270- and 360- degree evaluation for all of our employees upon completion of their onboarding period (the 360-degree assessment is specifically designed for managers, while the 270-degree assessment is applicable to employees who are not in a managerial role). During the process, employees receive feedback from a range of respondents, including their supervisor, colleagues, and subordinates. This helps them understand how their general and managerial competencies are perceived by others. The 270- and 360- degree evaluations not only facilitate professional development, but also foster a culture of open communication and constructive feedback.

Knowledge sharing

At the Grupa Pracuj S.A. Group, we have a team of highly skilled professionals who are top-class specialists in their respective fields. We encourage them to share their knowledge with others. To this end, we organise various meetings, webinars, and training sessions, which are a platform for our team members to share their expertise and experiences with their colleagues. The topics and issues they address are selected to cater to our business context and needs. In 2022, 325 people attended meetings as part of our knowledge sharing programme. Furthermore, these meetings provided the speakers with a valuable opportunity to enhance their communication and presentation skills.

Career paths

At the Grupa Pracuj S.A. Group, we have initiated and are currently continuing a process to develop career paths for all areas within our organisation. By creating a tool that clearly shows development opportunities, including horizontal and vertical transitions within the organization, we want to support our employees in planning their individual careers at the Grupa Pracuj S.A. Group.

New career paths can already be used by 50% of our employees.

Reskilling

Considering the current market trends towards increased employee mobility within organisational structures, as well as the needs voiced by our employees who want to develop their careers, at the Grupa Pracuj S.A. Group we are committed to offer reskilling opportunities within the organisation. We run the 'Internal Recruitment with Reskilling' programme. For those who opt for changing their career path, we provide additional time and professional advancement options to assist them in navigating their new professional roles. These initiatives are also part of building a culture of continuous improvement and learning. In 2022, six people took part in the reskilling programme and changed their area of work.

E-learning platforms

In line with the latest trends in competence development, including microlearning and on-demand learning, we provide our employees with opportunities to enhance their skills through e-learning platforms.

In 2022, 85 employees took advantage of this form of upskilling, selecting 19 different e-learning platforms and 30 different training topics.

Support for development of managerial skills

At the Grupa Pracuj S.A. Group, we also support our managers in improving their competences and leadership skills. Every year we operate projects dedicated specifically to employees in managerial positions, such as:

- First Time Manager at the Grupa Pracuj S.A. Group: a comprehensive source of knowledge for new managers at our Group. Its objective is to improve managers' skills essential for building a strong team, managing change and conflicts, as well as equip them with pertinent knowledge of labour law issues and recruitment;
- Management 3.0: a workshop conducted by an external provider and teaching leadership skills defined as group responsibility, which means working together to find the most efficient way to achieve business goals by ensuring employee satisfaction, a core value in Management 3.0;
- OKR, i.e. objectives and key results: our activities designed to expand and standardise knowledge of goal-setting using the OKR methodology are carried out for two target groups. The OKRs & Lean Change Management workshop is open to all managers and individuals responsible for developing strategic plans in their respective

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areas. The workshop is organised and conducted by an external provider specialising in implementing the OKR methodology for companies;

- Conferences featuring renowned speakers and authorities from the world of business and leadership;
- Opportunities to participate in external leadership development programmes such as:
 - Leadership Academy for Poland: a programme designed to foster good leadership, with classes taught by renowned professors from the world's most prestigious educational institutions, including Harvard University and London Business School;
 - LeadersIN: a cross-company mentoring programme for female leaders, which supports organisations in promoting professional advancement of women with high leadership potential and increasing the representation of female managers in management positions.

Internal and external training courses

One of the various development options available to the Grupa Pracuj S.A. Group employees is external training courses specifically organised for our staff. In 2022, 195 individuals from the Polish companies of the Group (30% of the total headcount) took advantage of this form of training. The training topics were suggested by the HR Department following a comprehensive analysis of information on:

- The development priorities outlined by employees in their personal development plans;
- The company's business goals for a specific calendar year;
- Trends in the development of skills of the future.

The topics that proved most popular with the employees were: Project management, business negotiation, public speaking and presentation skills, assertiveness in the workplace, and emotional intelligence. The NPS score for all 25 external training courses in 2022 was 4.6. Importantly, we continually analyse and take steps to improve our collaboration with the external coaches and training companies.

We utilise the Insights Discovery tool to assist us in building a corporate culture underpinned by open and honest feedback combined with respect for diversity. The Insights Discovery model is employed both in projects involving individual development of employees and in initiatives designed to increase the effectiveness of entire teams. At the Grupa Pracuj S.A. Group, we have an internal team of accredited Insights Discovery consultants.

Every new employee receives their own Insights Discovery report as part of the quarterly onboarding programme. The report helps them understand their operating style and how it affects their relationships with others in the workplace. Each person is offered an opportunity to have a one-on-one session to discuss their personal profile and make an in-depth analysis of their preferences regarding communication and cooperation with colleagues.

In 2022, we delivered 24 workshops based on Insights Discovery, covering four topics:

- Insights Discovery: Beginning the Journey (10 workshops);
- Team Effectiveness with Insights Discovery (8 workshops);
- Discovering Sales Effectiveness with Insights Discovery (5 workshops);
- Me and My Role (1 workshop).

All workshops were highly rated by the participants, at 4.9 (on a scale of 1 to 5).

At our Ukrainian company, Robotka, the employee development priorities for 2022 differed significantly from those of other companies in the Group. At the onset of the war, it was crucial to equip the employees with first aid skills through a series of educational sessions on first aid and support. Despite the challenges posed by the war, Robotka's training and development team organised 12 online lectures for employees (20 hours of educational materials) on such topics as critical thinking, burnout prevention, emotional balance, stress management, resilience, remote management, etc. (the sessions were viewed by an average of 80 to 170 employees).

Foreign language classes

GRI 3-3; 404-2

At the Grupa Pracuj S.A. Group, learning foreign languages is an integral part of our organisation's growth strategy. We understand language learning as a development activity justified by the business and role-specific needs identified for an employee.

Our priority is to ensure uniform experience for all attendees as regards the standard of the courses, which is why we work with only one language school selected through a tender process, which comprehensively addresses all of our organisation's needs in this area.

Employees can choose from three foreign languages: English, Ukrainian and Russian. The programme is divided into two semesters. All classes are held in an online format. Qualified lecturers conduct group classes for employees and individual classes for managers. In 2022, foreign language courses were attended by 296 employees and 30 managers of the Grupa Pracuj S.A. Group.

The courses held in 2022 were highly rated by the learners, With their satisfaction score at 93%.

Number of foreign language learners	2022	2021	2020
All	296	154	48
Women	157	81	22
Men	139	73	26

Internal communication

Open and transparent communication is a fundamental aspect of our corporate culture, and a crucial element in fostering efficiency and commitment. Therefore, in all Grupa Pracuj S.A. Group companies, we place great emphasis on this area, with a special focus on ensuring two-way communication and listening to employees' feedback.

Monthly meetings are organised at all Group companies, where up-to-date information on the company is presented and the attendees are offered an opportunity to ask questions. In addition, each year the Group companies in Poland hold meetings (in the online format at the beginning of the year and offline in the middle of the year) to summarise the performance to date and outline planned future activities. These meetings have a significant incentive and team-building potential, so we always make sure to include additional elements that enable the employees to socialise and build relationships.



In accordance with the internal communication strategy in force at the Grupa Pracuj S.A. Group, we employ state-of-the-art communication tools to increase employee engagement by publishing up-to-date information about the companies. Furthermore, the Group companies in Poland operate an Intranet platform where all company processes, procedures and documents can be accessed.

At the Group, we place great importance on two-way communication, so alongside regular meetings in which employees can ask questions, we also arrange working groups to address various topics and develop new solutions. We also collaborate with Employee Representatives, seeking their input on changes required to comply with the Labour Code and other regulations.

Regular communication with our employees in Ukraine was a crucial aspect of our operations during the initial weeks following the outbreak of the war. We increased the frequency of meetings for all Robota employees to weekly or more often, as required. This was essential for providing support to our employees and facilitating coordination and information exchange across departments. The managers also played a vital role, ensuring up-to-date information on the location and security of individual employees.

Employee engagement and culture surveys

Since 2020, we have conducted annual surveys to assess how employees at the Group's Polish companies perceive our working environment. In 2022, we carried out an anonymous Work Environment Survey, which provided us with valuable insights into employees' satisfaction with various work areas. It also identified areas that were highly appreciated and those that requires improvement. After analysing the results for the company and the individual This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

departments, we selected areas that required attention, and designed and implemented key initiatives to address them. The employee participation rate in the 2022 survey was 89%, which is consistent with the rate from 2021. The overall employee satisfaction score for 2022 was 72%, up 1% relative to the previous year. The fact that the overall score remained at a similar level to that of 2021 indicates that the employees value our efforts towards building an engaging work environment, despite the events of 2022, including the prolonged period of anxiety caused by the war in Ukraine, the need to navigate a post-Covid reality, very high inflation affecting satisfaction with pay levels, and the challenges posed by the acquisition of a new company in Germany.






We are particularly pleased to see higher scores in the following areas: employee development, where employee satisfaction increased by 21 pp between 2020 and 2022, the career area, with the score up by 23 pp, and performance management, up 18 pp over two years.

Maintaining the score in the remuneration and employee appreciation area at a similar level as in 2021 shows that we successfully responded to market challenges. One noteworthy initiative was the launch of the 'Shares for Starters' scheme, under which employees could buy company shares at par value. The number of shares depended on the employee's length of service and pay level. The aim of the scheme is to reward our staff for their hard work and contribution to the company's success, foster a sense of ownership in the future growth of the Grupa Pracuj S.A. Group, and encourage employees to commit to a long-term future with the company. The employee turnover rate of 13.3% at the Polish companies in 2022 proves that the measures we took allowed us to retain valuable employees.

Based on the Geert Hofstede's and Michael Minkov's research, we conducted an organisational culture survey using a methodology in Poland and in Ukraine in 2020 and 2021, respectively. We repeated the survey after two years, i.e., in December 2022 in Poland and in February 2023 in Ukraine, to assess the progress in implementation of the planned changes and whether they have been acknowledged by the employees. It is important to keep in mind that changing organisational culture takes time and requires a high degree of consistency.

The work environment survey provides information on which areas should remain unchanged and which require improvement. In contrast, the culture survey tells us how the change should be implemented and identifies areas that require special attention.

In the culture survey conducted in 2020, executives, managers and employees were asked to describe their perceptions of the current corporate culture as well as the culture that the Grupa Pracuj S.A. Group needs to deliver its long-term growth strategy. Based on the feedback we received, we determined the key changes required to achieve a culture supporting further development of the Group. These were:

-  Changes concerning leadership at the Group companies;
-  Changes in goal setting and implementation;
-  Building a culture of experimentation;
-  Building a culture of feedback and appreciation;
-  Implementing measures to support Diversity & Inclusion.

The findings of the 2022 survey highlight the need to focus on the organisation's current leadership model and make it more consistent. It is worth noting, however, that the score in the 'supervisor' category in the 2022 work environment survey was very high, at 85%.

Employees observed a change in the approach to goal setting and implementation, with a greater emphasis on achieving targets and faster decision-making. This is surely attributable to the modifications made in 2020 in the incentive system for the Direct Sales staff, the modifications made in 2021 to the incentive system for the Inside Sales team, as well as the standardisation of the targets and objectives and involvement of more employees in their setting. Since 2021, we have been implementing the objectives and key results (OKR) methodology.

One notable achievement was the strengthening of the culture of experimentation within the Group. The measures we took in this field were positively received by our employees. This can be attributed to the increase in the number of employees in the product development department and in technology positions over the past two years. The employees also appreciated the way we manage the process of submitting innovative ideas as part of the 'Get Your Head Working' programme. Authors of the winning projects receive prizes, information on the selected project is published through internal communication channels, and the project is included in the goal planning process for the following year. The

steps we have taken in the experimentation area are also consistent with the corporate value we adopted in 2019, that is 'courage' to act and to learn from mistakes.

An improvement was also seen in employees' assessment of the culture of feedback and appreciation. As regards feedback, the positive developments included numerous training courses we offered to managers over the past two years, as well as the implementation of the career development session programme in 2021. In the area of building a culture of appreciation, some noteworthy changes implemented over the past two years were: the practice of celebrating team successes, sharing information on individual employees' successes, and celebrations of a company-wide appreciation day. We also acknowledge employees who have completed 5, 10, 15, and 20 years of service by publicly announcing their anniversaries during company-wide meetings and presenting them with in-kind rewards as a token of appreciation. Another tool supporting the culture of appreciation is the 'GP Superstar' competition, in which we recognise individuals whose conduct exemplifies living our corporate values. The winners are selected by employees of the Grupa Pracuj S.A. Group. In 2022, we established a working group consisting of employee representatives, who presented a set of recommended measures for implementation in the area of employee appreciation. Some of these recommendations will be put into effect starting from 2023.

An important development with regard to our corporate culture was the decision to maintain the remote work option for most technology positions and to put in place a hybrid work model for most of the other positions at the Polish companies (two days of work at the office and three days of remote work at the option of the employee). This model combines the possibility of team-building and knowledge sharing with better conditions for achieving a work-life balance, which makes it very satisfying to the employees. At the same time, we continue to offer the option of working from the office five days a week for those who prefer this style of work or cannot work from home. The changes necessitated a modification in the way we organise meetings and company events, as not they now also have a team-building role.

Like all other employers in Ukraine, Robota faced the challenges posed by the Russian Federation's military aggression against Ukraine in early 2022. However, it is worth noting that the management worked on a business continuity plan from December 2021. Thanks to the regular operation and a concentrated effort of the key functions, the company was able to weather the most critical moments. The organisation had a plan in place, which included communication and action strategies, and the creation of back-up databases. In addition, employees received instruction on a range of precautionary measures, such as information on designated shelter locations and safety recommendations. As a result of these proactive measures, the first communications and instructions reached all employees at 6:45 am on 24 February 2022. Robota has a clearly defined set of values, including team strength and partnership, a user-focused approach, ambitious goals, innovative development, integrity, and responsibility, which guide us through this challenging time when we have to make and execute difficult decisions.

As a result of the decisions made in 2021 about the direction of changes in the organisational culture of Robota, even in the face of the extremely difficult events of 2022 the company was able to operate in a way that contributes to building a culture characterised by high levels of empowerment, transparency of processes and procedures, medium- and long-term planning strategy, and operational efficiency. In 2022, the organisation adopted tools and solutions that improved the transparency and manageability of processes:

- a HR tool was implemented, which includes Org. Chart visualisation modules, an absence management module, NewsFeed, knowledge base, and an OKR management module;
- the HR processes for onboarding, off-boarding, and information exchange were described and documented;
- the process of sending pay slips was automated to ensure greater transparency of the remuneration policy.

Currently, the factors valued the most by our employees at Robota are: the esteemed brand, products of high social relevance, state-of-the art technological facilities, modern and innovative office space, decent pay, engaging tasks and projects, and the possibility to choose the remote/hybrid work option.

Health and safety at work

GRI 3-3; 403-1, 403-9

Occupational health and safety are always a key concern for us at the Grupa Pracuj S.A. Group. We have established a comprehensive OHS management system that comprises procedures, manuals, regulations, and standards.

We take a range of measures to ensure health and safety at work. Our employees undergo regular training in health and safety procedures. We conduct routine inspections to assess the technical condition of our equipment and carry out necessary maintenance work.

We collaborate with an external firm that specialises in occupational health and safety to acquire knowledge and solutions that will enable us to continually enhance our practices in this domain.



The Grupa Pracuj S.A. Group complies with the occupational health and safety requirements and monitors the number of accidents at work. No accidents were reported in 2022.

Number of accidents	2022	2021	2020
Minor accidents	-	-	1
Serious accidents	-	-	-
Fatal accidents	-	-	-

In the case of our Ukrainian company Robota, the remote work mode was used throughout 2022, with no requirement for the staff to physically attend the office. However, in September 2022, the Kiev office was again prepared for employees who want to use the office space for better working conditions and access to utilities. The administrator of the office space occupied by Robota has implemented security measures in the offices and the building. Shelter rooms have been created, complete with heating and Internet connections. This ensures that employees can work in fairly convenient conditions even during air raid alerts, with minimal impact on efficiency.

Robota's offices in both Kyiv and Chernihiv were prepared to be used by employees in need of help, for instance during power outages. Any employee who needed a hot meal or a space with heating and power to spend the night during the most intense bombardment could come to the office, which was stocked with 2,000 litres of water, 1,700 cans of food, and sleeping foam mats. The measures we took to prepare the offices for power outages, as well as the arrangement of shuttle cabs for employees to ensure their safe transport to the subway while power was off, were highly appreciated by the employees, as evidenced by their positive feedback in the eNPS survey conducted in December 2022.




Our customers

GRI 3-3, GRI 418-1

Relations with customers and job candidates



















Customers are one of the major groups of Grupa Pracuj's stakeholders. In our daily operations, we strive to provide the highest quality products and services to our customers, with a particular focus on ensuring their safety and accessibility, especially for the vulnerable and those at risk of exclusion. We take full responsibility for our products and services. The Group companies publish policies outlining the terms and conditions for the use of their products and services, which cover aspects such as purchases, returns, and complaints. Our customers can also contact the companies via designated user support channels.

Grupa Pracuj acts with integrity and ethics in all aspects of its activities. The high ethical standards we maintain in our interactions with customers are rooted in our Code of Ethics, and our commitment to "customer focus" is one of our core values. Our Code of Ethics explicitly defines the rules to be abided by in dealings with our customers:

-  We act with integrity and everything we do and every information we give is transparent and lawful;
-  We respond to the actual needs of our customers, and we use the information they supply exclusively to provide them with quality services;
-  We are responsible for our work and ensure high quality of our marketing tools and activities.

The Grupa Pracuj companies have established policies that outline the terms, conditions, and scope of use for their products and services/applications by customers/users. These policies encompass aspects such as purchasing and delivering services, rights and responsibilities of parties, and complaints.

The main documents available to customers/users include:


-  services provided via www.pracuj.pl
 -  Terms of service for job boards and systems owned by Grupa Pracuj S.A.
 -  Privacy Policy for Customers
 -  Privacy Policy for Users
 -  Cookie Policy
 -  General terms and conditions
-  services provided via www.pracuj.pl
 -  Terms of service for the website
 -  Terms of service for Employer Account
 -  Privacy Policy for customers
 -  Cookie Policy
-  Services via www.theprotocol.it
 -  Terms of service for *the:protocol*
 -  Privacy Policy
 -  Cookie Policy
-  Services provided via www.dryg.pl
 -  Terms of service for *Dryg.pl*
 -  Privacy Policy of *Dryg.pl*


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 Cookie Policy of *Dryg.pl*

 eRecruiter and Candidate Account services

 Terms of service for eRecruiter

 Terms of service for Candidate Account

 Privacy Policy for Candidate Account

On the Grupa Pracuj homepage at <https://grupapracuj.pl/>, you can find a list of our brands and contact information for both users and customers.

Additionally, each brand or service within the Pracuj Group has dedicated contact information available for users and customers.

Educating the market

GRI 3-3


For more than two decades, the Grupa Pracuj S.A. Group team has been actively involved in the development and support of initiatives focused on professional and modern recruitment, digital skills development, and counteracting inequality. We focus on knowledge sharing and education. For many years, we have contributed to building quality in the recruitment market by actively listening and gauging the needs. We inspire the market to develop recruitment processes that uphold the highest standards, resulting in effective matching of employers with job candidates in a way that makes it possible to fully use their potential. We are committed to ensuring that recruitment processes respect the needs of both employers and candidates. We promote diversity, positive attitudes, and the willingness to embrace change.


The Company operates an industry website, HR Challenges (www.wyzwaniahr.pracuj.pl), which is a unique platform for exchanging knowledge and inspiration, where experts share news and promote best practices in the field of recruitment. The site regularly features industry publications discussing market trends and challenges facing the sector, particularly during times of economic uncertainty. In addition, the following content is published periodically:

Reports:


 'Routine or matching? How recruiters create job ad content'

 "What do candidates say? Job advertisement from the job seeker's perspective"

 'Utopia or realism? Organisational culture from the perspective of employees and employers'


 'In the strategic gear' report from an annual survey; the HR industry's self-portrait identifying current challenges

Research:

 HR-U self-portrait 2022 – 9th edition of a survey on the needs, challenges and developments in the HR industry, involving 641 respondents

Academy of inspiration

As part of its awareness raising activities, the Group runs the Inspiration Academy, i.e. a series of free webinars for HR professionals, industry supporters, business owners and managers, hosted by industry experts, marketers, influencers and public speakers. The most interesting webinars in 2022 included:

 'Feminine forms of occupational nouns in job ads and their impact on recruitment', a webinar with Maciej Makselon and Anna Hołdyńska.

In 2021, Pracuj.pl conducted Poland's largest survey on the language used in job advertisements. We asked 18,000 female respondents to evaluate gender inclusivity of the ads. 83% of them stated that feminine equivalents of job titles should be used on equal footing with masculine ones.

During the webinar, we explained the role of feminine forms in the Polish language and when it is worth using them. We found the answer to the question whether women would like to have a say in the choice of the job title for their position. We showed how the attachment of a feminine suffix is perceived by a woman candidate and by the HR department. We explored the question if 'dyrektor' can be equal to 'dyrektorka'? We examined which brands are already successfully

using feminine forms when publishing job ads. (798 viewers registered for the webinar, 230 views in the first day, and over 1,210 views of the recording of the broadcast)

- 'Why isn't your job ad effective? Seven tips for crafting successful IT job advertisements', a webinar with Krzysztof Kempinski and Mariusz Witkowski

The IT job market presents many challenges. To meet the expectations of potential candidates, companies try to capture their attention by creating effective job advertisements. The purpose of the project was to educate customers who conduct recruitment processes for the IT industry, and highlight the challenges of attracting potential candidates as well as the barriers that hinder such efforts. (573 viewers registered for the webinar, 548 views in the first day, and over 963 views of the recording of the broadcast)

- 'How to take care of yourself. Does the much-spoken-of concept of work-life balance really make sense?', a webinar with Miłosz Brzeziński

We wanted to show our recognition for the HR & EB function and give special attention to our colleagues who perform a variety of tasks on a daily basis, including building our corporate culture, managing recruitment processes, and developing talent. The webinar focused on the concept of work-life balance, which is being discussed extensively today. We discovered the importance of balance, staying calm and listening to our inner voice, which is present within each of us, but we may not always be able to use it. We discussed distractions and the dangers and benefits of being distracted. (680 viewers registered for the webinar, 591 views in the first day, and over 4,500 views of the recording of the broadcast)

Pracuj.pl

Breakfast for customers combined with training. We delivered employer branding training to customers as well as conducting a workshop on how to create effective job adverts in the course of 16 on-site meetings. In total, more than 600 people took part in the project.

Educating and encouraging activity of job candidates

We engage in a range of initiatives to educate job candidates. We support them throughout the process of developing their career and transitioning between jobs.

Educational campaigns with a partner

At the Grupa Pracuj S.A Group, we regularly collaborate with media partners to conduct educational campaigns aimed at raising awareness about the importance of being proactive in the job market, seeking better job opportunities, and advancing one's career. In 2022, we created two educational cycles with Radio 357. In the spring, we addressed the topics of employment, remote and hybrid work models, job transitions, and digital skills. Our team of experts worked alongside journalists to answer the question about how to work better. The reach of the programme was 173,600 people. In the fall, we produced a series of radio reports that demonstrated how work can positively impact our lives. They attracted 351,000 listeners.

In addition, in the autumn of 2022, we created two video reports on reskilling with the Noizz service journalists. The aim of the reports was to show that changing jobs can be a positive step in one's career and should not be feared. In total, the reports generated 432,000 views.

Porady.pracuj.pl

The content service porady.pracuj.pl offers a range of career advice and free tools for job candidates to assist them in the recruitment process, such as a salary calculator and resume builder. The site features a variety of articles and interviews with experts covering not only the recruitment process and job search, but also professional life, relationships with employers and colleagues, and challenges related to current labour market trends. The service is divided into five main sections: resume and cover letter, job interview, college students, career and development, professional life, training courses, and Поради in Ukrainian. In 2022, porady.pracuj.pl generated 2,274,741 page views and attracted 1,792,052 new users.

Online courses for job candidates

Our online courses offer free content for candidates, available on the Pracuj.pl's YouTube channel and the Pracuj.pl website. In 2022, we prepared two courses, focusing on work organisation and self-presentation, each consisting of four video lessons. The eight 45-minute lessons were led by experts in the topics covered. Well-known presenter Tomasz Kammel and HR Business Partner from Grupa Pracuj S.A., Jolanta Lewandowska-Bitkowska, discussed strategies for improving communication skills, including mastering the challenging art of offline and online public speaking, to increase confidence during presentations, business meetings, and job interviews. Jacek Kłosiński, author of the klosinski.net blog in which he helps readers turn a small business into a successful career, taught an online course on effective work organisation and work tools that align with one's work style as the foundation for career success. Pracuj.pl's online courses and lessons garnered 4,000 views on YouTube.

THE GOOD JOB podcast series

Good Job is a podcast series that explores the highs and lows of careers. We invite inspiring guests who share their knowledge and experiences, offering valuable insights on navigating the job market, managing your career, and achieving work-life balance. The interviews can be listened to on YouTube and on the most popular streaming platforms. In 2022, we produced the 3rd and 4th seasons of the series, each consisting of five podcasts. Season 3 was listened to 245,624 times, while Season 4 reached an audience of 210,905 listeners.

'Work wisely' video interviews and a podcast

An educational project targeted at Pracuj.pl users, designed in response to the outbreak of war in Ukraine and the new uncertainty in the labour market for Polish and Ukrainian workers. It includes four videos, which generated a total of 142,000 views.

Community engagement and relations with local communities

GRI 413-1

Exempt from Theory

2022 saw the fourth edition of the project run by Grupa Pracuj S.A. Group and the 'Exempt from Theory' Foundation, in which we reached 1,350 schools. Together, we develop young people's skills that are essential in the labour market, supporting them in the implementation of social projects. In an effort to level the playing field for the youth in the labour market, we also support the group of Teachers Exempt from Theory (884 people), who are committed to fostering practical skills in students and inspiring them to take action for the benefit of their environment. By joining the programme young people gain the opportunity to develop their competencies, receive training, and have access to a platform with educational materials. The Exempt from Theory community has been offered access to our resume builder, which was already used 2,100 times. In 2022, we took part in the Grand Finale for the Exempt from Theory, during which young people could consult their resumes and prepare for job interviews at our booth. The event was attended by more than 2,500 people.

Success Written with Lipstick

Guided by the idea of fostering equal opportunities in the labour market, in 2022 we supported the Success Written with Lipstick Foundation for the third time. Its 'Success IS ME' project, encouraging female participation in the job market, is dedicated to women who intend to resume employment after a break or want to find a better job. It offers unique webinars hosted on a dedicated online platform — SukcesToJa.pl, which also includes free online courses, e-books, podcasts and videos. Grupa Pracuj S.A. helped in the organisation of eight webinars, which reached an audience of 25,000. The webinars covered topics such as preparing for a job interview, assertiveness in the workplace, and self-presentation. We also jointly published three e-books, which were downloaded by 5,000 readers. They contained educational content on resuming employment after a child-rearing leave, skills of the future, and what mistakes to avoid when writing a resume.

Scholarship Fund operated by Grupa Pracuj S.A. with the Stefan Batory Foundation

For the past seven years, Grupa Pracuj S.A. has supported young technological talents through the Scholarship Fund of the Stefan Batory Foundation. Since our establishment, we have been providing support to young people from underprivileged backgrounds who were admitted to their first year of tertiary studies in the field of computer science or emerging technologies. Scholarships are granted to high school graduates who have demonstrated outstanding social engagement and aspire to pursue careers in fields crucial to the future of the job market. In 2022, 15 students received scholarships, and the total amount of the support reached PLN 127,500

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Employee volunteering projects

For the past ten years, we have encouraged our employees to apply for grants to fund community projects as part of our **'Help with the W@W Effect'** employee volunteering programme. Every year, dozens of people volunteer to support organisations that pursue causes they are passionate about. In 2022, we completed 15 projects that involved as many as 50 employees, and the financial assistance we offered to non-governmental organisations totalled PLN 75,000. The beneficiaries included the staff of the Gift of Love Foundation which supports people with disabilities, the charges of the Little Prince Hospice of Lublin and the Podkarpackie Region Hospice for Children, children with diabetes supported by the Association for Assistance to Children and Youth with Diabetes of Lublin, animals under the care of the Street Dogs Foundation, young adults leaving children's homes, children from dysfunctional families, people with autism, people from Ukraine who are under the care of the Faces of Depression Foundation, and the Home Foundation of Łódź.

Additional activities – support for Ukraine in the face of war






In 2022, the Grupa Pracuj S.A. Group undertook a number of initiatives to support Ukraine in the face of war.

We provided assistance to our employees at Robotka.ua in Ukraine. We donated PLN 500,000 to Polish Humanitarian Action, PLN 500,000 to the Ukrainian Home in Warsaw run by the Our Choice Foundation, and 5,000,000 hryvnias to the Ukrainian Red Cross.

Our solutions (Pracuj.pl, eRecruiter, the:protocol) were enhanced with new functionalities to support Ukrainian speakers in searching for job offers on our site and in communicating with employers. A tab was created in the Pracuj.pl service dedicated to job openings from companies that welcome candidates from Ukraine. Employers can highlight their ad, and there is also an option to filter ads targeted at people from Ukraine. Application forms in Ukrainian were also added. Offer filters and designations for Ukrainian candidates were implemented on the:protocol, a platform for tech professionals.

The Porady.pracuj.pl web service now features texts with career tips in Ukrainian, dedicated to those looking for a job in a new and unfamiliar environment. In addition, Pracuj.pl prepared free online resume consultations for Ukrainians who intend to seek employment in Poland.

We also developed a content series to educate employers on how to effectively care for their employees during these challenging times.

-  EBOOK | 'Supporting Your Employees During the Conflict in Ukraine'
-  'Facing the war. Effective communication for employee support'
-  'Leadership in an era of fear and uncertainty'
-  'Turn a sprint run into a marathon. How companies and HR functions can provide real support to employees during the war in Ukraine'
-  'Recruiting and supporting workers from Ukraine'

Our Ukrainian company Robotka has provided strong support to its employees who are fighting on the front lines, as well as those engaged in initiatives aimed at raising funds and collecting materials for specific assistance causes. As part of celebrations of its founding anniversary, Robotka organised a series of events engaging its customers. Thanks to joint effort and donated funds, the company was able to provide four ambulances and two field vehicles to selected organisations. Donations collected during other auctions and events enabled the purchase of military equipment and other resources needed for the ongoing conflict.

'E' FOR ENVIRONMENT: Natural environment

Management of environmental impacts

GRI 3-3

At the Grupa Pracuj S.A. Group, we are aware of the importance of responsibility for our environmental impacts. Growing awareness of the risks stemming from the degradation of the natural environment is having an impact on the choices we make in our daily lives. Therefore, the Company has been adopting green solutions and taking measures in its business practices to support sustainability.

Less Waste Office

Creating a sustainable working environment is an important element of an organisation's strategy and modern business model.

A vast majority of our offices (5,896 square meters of office space) are situated in buildings certified under the BREEAM (Building Research Establishment Environmental Assessment Method) or LEAD (Leadership in Energy and Environmental Design) system. The buildings have been constructed using environmentally friendly construction and finishing materials, which are free from or emit only negligible amounts of volatile organic compounds. This results in improved air quality within the buildings, contributing to the well-being of our employees.

The Grupa Pracuj S.A. Group's offices, particularly the flagship location in Warsaw, are shifting away from conventional office designs, prioritising comfort and security, in line with the human-centred design model. In addition to open-plan layouts, we ensure a sufficient number of conference rooms. This type of space requires appropriate acoustics, while special equipment and architectural solutions significantly improve the comfort of work, even in open-plan rooms. The room layout has been carefully designed to provide employees with maximum access to natural daylight, as it is crucial for both their well-being and productivity.

The Group chooses office and other supplies certified by PEFC (Programme for the Endorsement of Forest Certification) and Ecolabel, which confirms that their production and life cycle have the least possible impact on the natural environment. Additionally, our cleaning service providers use biodegradable and eco-friendly products to clean our space.

Climate impacts

GRI 305-1, 305-2

Methodology

As with any organisation, the activities of the Grupa Pracuj S.A. Group have an impact on the climate through the emission of greenhouse gases. 2022, we calculated our Scope 1 and Scope 2 emissions in accordance with the Greenhouse Gas Protocol for the first time.

The greenhouse gas emissions included in the fuel emission factors are CO₂ emissions, as well as methane and nitrous oxide emissions (database of DEFRA, i.e., UK Government's Department for Environment, Food and Rural Affairs). The only factor used for electricity and heat is CO₂ emissions. The factors were sourced from reports prepared by KOBIZE (National Centre for Emissions Balancing and Management) and URE (Energy Regulatory Office).

The calculations were made for the companies of the Grupa Pracuj S.A. Group. We applied the criterion of operational control at the level of Grupa Pracuj S.A. to consolidate emission volumes for the Group. This means that 100% of the emissions generated at the locations under review were included.

The electricity emission factors for Poland and other European countries (market-based method) are residual mixes sourced from the 'Residual Mixes and European Attribute Mix of 2021' report by the Association of Issuing Bodies (AIB). The same report was used as a source of Germany's and France's electricity emission factors used in the location-based method (emission factor for the production mix). The corresponding factor for Poland was calculated based on data contained in the document 'Emission indicators for CO₂, SO₂, NO_x, CO and total particulate matter for electricity, based on information from the national database for greenhouse gas and other substance emissions for 2020'. It was then converted to comply with the GHG Protocol requirements. For Ukraine, the emission factor was obtained from the

website <https://ourworldindata.org/grapher/co2-per-unit-energy?tab=chart&country=-UKR>. For electricity covered by guarantees of origin for renewable energy, the emission factor is 0.

The heat emission factor for Poland was sourced from a publication of the Energy Regulatory Office 'Thermal energy in numbers 2021', and for other countries from the Heat and Steam tab in the DEFRA database.

The calculations do not take into account the gases present in refrigerant releases.

Biogenic CO₂ emissions from the combustion of fuels containing biocomponents were identified. The volume of biogenic emissions was calculated by multiplying fuel consumption (gasoline and diesel oil) by an appropriate factor from the Out of Scope tab of the DEFRA database. These emissions are reported as out of scope emissions.

2022 was used as the base year, as it was the first period for which GHG emissions were calculated. The emission factors and heating values used to convert units were sourced from publications of KOBIZE (National Emissions Balancing and Management Centre), the Energy Regulatory Office, and the database of DEFRA (UK Government's Department for Environment, Food and Rural Affairs).

The calculations were made for the companies of the Grupa Pracuj S.A. Group. We applied the criterion of operational control at the level of Grupa Pracuj S.A. to consolidate emission volumes for the Group. This means that 100% of the emissions generated at the locations under review were included.

The volume of emissions from the generation of purchased electricity was calculated according to two methods. In the case of the location-based approach, the average emission factor for Poland was used, while the market-based method took into account the hierarchy of values of the factors used according to the GHG Protocol, with the respective countries' residual mixes presented in the AIB report used in the calculations.

Comment on the calculation results

The Group's carbon footprint for 2022 totalled 929 tCO₂e, according to the location-based (LB) approach. The carbon footprint calculated using the market-based (MB) method was 916 tCO₂e. The results obtained using the location-based method are higher by 1.01%. This is due to the fact that the company has a certificate of origin, which is taken into account in the market-based approach, resulting in the reduction of the carbon footprint.

The main source of emissions at the Grupa Pracuj S.A. Group was heat, accounting for more than 40.6% of the carbon footprint. Emissions from electricity consumption were the second largest contributor (33.9%), followed by consumption of gasoline (21.4%), diesel oil (3.0%), and natural gas (1.1%).

Chart 2. Grupa Pracuj S.A. Group's carbon footprint by method of calculation

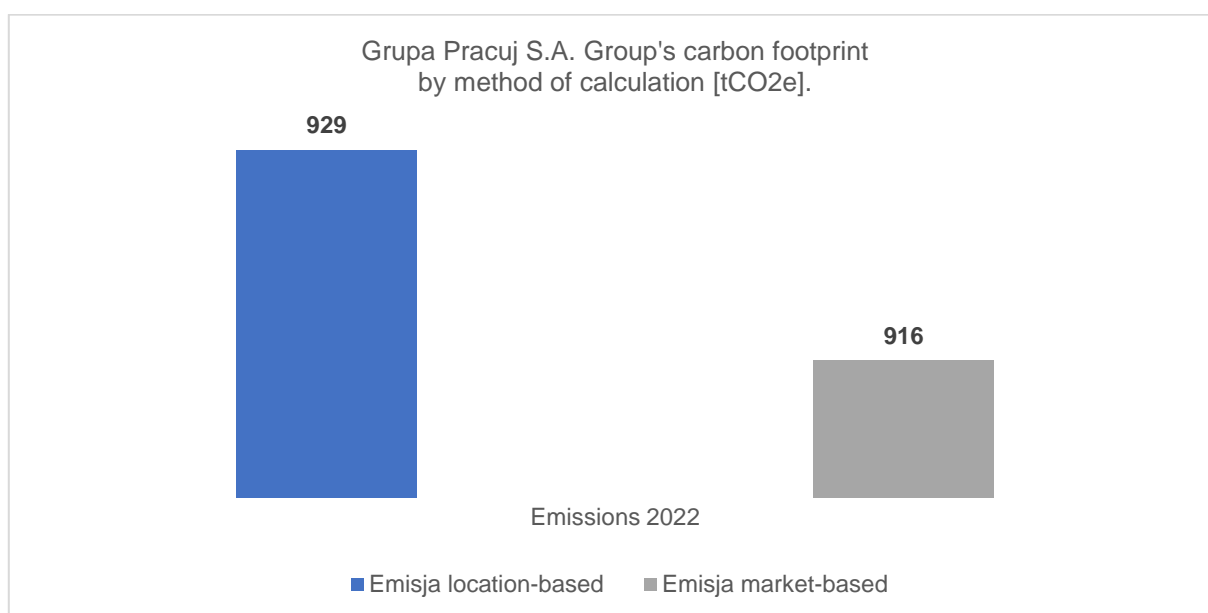


Chart 2. Grupa Pracuj S.A. Group's carbon footprint by location (market-based approach)

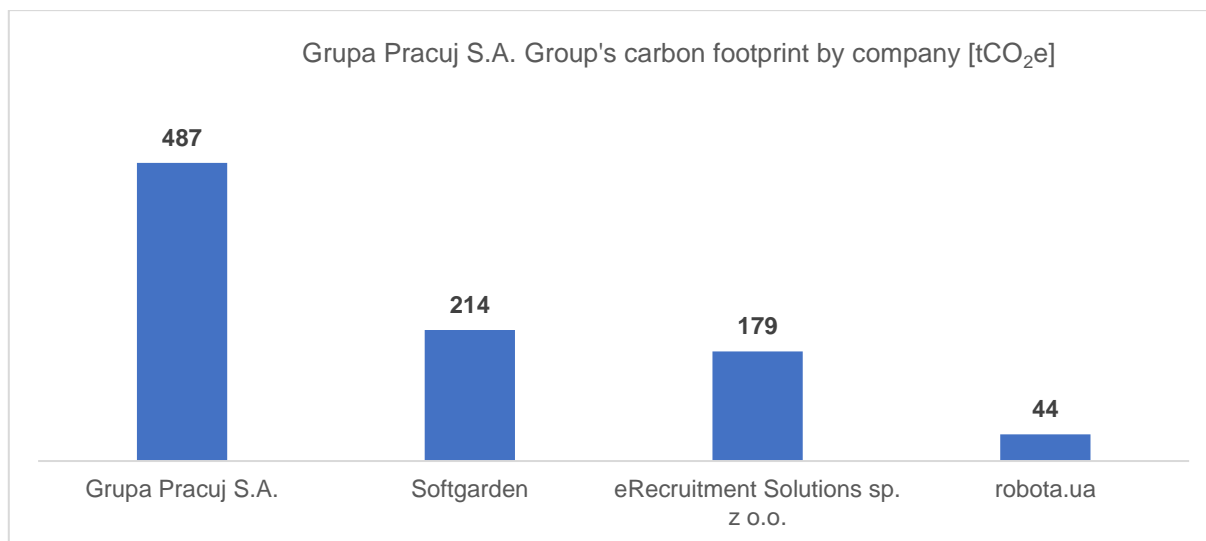


Chart 3. Grupa Pracuj S.A. Group's GHG emission sources

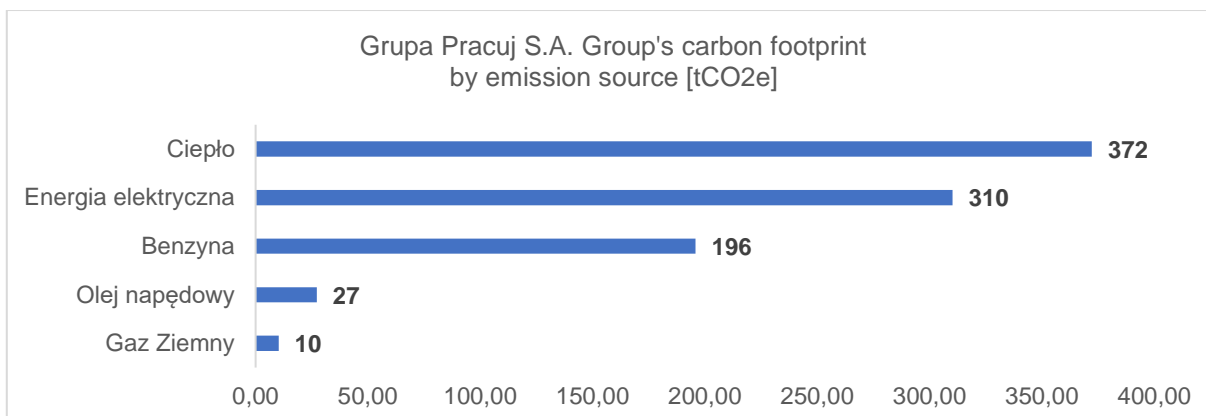


Table 1. Direct and indirect greenhouse gas emissions from energy

2022				
GHG EMISSION SOURCE	Market-based method		Location-based method	
	Tonnes of CO2e	% of emissions	Tonnes of CO2e	% of emissions
Scope 1	233.56	25.15%	233.56	25.49%
FUELS	233.56	25.15%	233.56	25.49%
Gasoline	195.91	21.09%	195.91	21.38%
Diesel oil	27.32	2.94%	27.32	2.98%
Natural gas	10.33	1.11%	10.33	1.13%
Scope 2	695.20	74.85%	682.64	74.51%
Heat	372.34	40.09%	372.34	40.64%
Electricity	322.87	34.76%	310.30	33.87%
Scope 1+ Scope 2	928.76	100.00%	916.20	100.00%

Table 2. Grupa Pracuj S.A. Group's emissions by company (market-based approach)

2022		
MARKET-BASED METHOD		
COMPANY	Tonnes of CO2e	% of emissions
Scope 1	233.56	25.49%
Grupa Pracuj S.A.	160.87	17.56%
eRecruitment Solutions sp. z o.o.	35.57	3.88%
softgarden	33.97	3.71%
Robota.ua	3.16	0.34%
Scope 2	682.64	74.51%
Grupa Pracuj S.A.	320.76	35.01%
softgarden	178.88	19.52%
eRecruitment Solutions sp. z o.o.	142.46	15.55%
Robota.ua	40.55	4.43%

Table 3. Grupa Pracuj S.A. Group's emissions by country (market-based approach)

2022		
COUNTRY	Tonnes of CO2e	% of emissions
Scope 1	233.56	25.49%
Poland	196.43	21.44%
Germany	33.97	3.71%
Ukraine	3.16	0.34%
Scope 2	682.64	74.51%
Poland	473.60	51.69%
Germany	167.64	18.30%
Ukraine	40.55	4.43%

All amounts in PLN thousands, unless otherwise stated

France	0.84	0.09%
Scope 1 + Scope 2	916.20	100.00%

Table 4. Grupa Pracuj S.A. Group's biogenic emissions by source

2022		
BIOGENIC EMISSION SOURCE	Tonnes of CO2e	% of emissions
Gasoline – biogenic	7.52	86.46%
Diesel oil – biogenic	1.18	13.54%
Total	8.69	100.00%

Compliance with disclosure requirements

The tables below present the compliance of this Report with the requirements of the Accounting Act and GRI standards.

Compliance with the Accounting Act

Issue	Section in the Report	Page in the Report	Complied with?
Brief description of the company's business model	Non-financial report	75	yes
Non-financial key performance indicators relevant to the company's business	Non-financial report	71-115	yes
A description of the policies pursued by the company in relation to the social matters and the outcome of those policies	Non-financial report	92	yes
A description of the policies pursued by the company in relation to the employee matters and the outcome of those policies	Non-financial report	92	yes
A description of the policies pursued by the company in relation to the environmental matters and the outcome of those policies	Non-financial report	111	yes
A description of the policies pursued by the company in relation to the respect for human rights and the outcome of those policies	Non-financial report	89	yes
A description of due diligence processes, if implemented by the company in pursuance of its policies	Non-financial report	71-115	yes
A description of the principal risks arising in connection with the company's operations which are likely to cause adverse impacts on non-financial matters and how they are managed	Non-financial report	86	yes

Number of indicator	Name of indicator	Page in the Report	Comment on compliance
GRI 2-1	Organizational details	9	
GRI 2-2	Entities included in the organization's sustainability reporting	67	
GRI 2-3	Reporting period, frequency and contact point	119	
GRI 2-4	Restatements of information	119	
GRI 2-5	External assurance	119	
GRI 2-6	Activities, value chain and other business relationships	74	
GRI 2-7	Employees	91	
GRI 2-8	Workers who are not employees	91	
GRI 2-9	Governance structure	79	
GRI 2-10	Nomination and selection of the highest governance body	47	
GRI 2-11	Chair of the highest governance body	47	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	51	
GRI 2-13	Delegation of responsibility for managing impacts	51	
GRI 2-14	Role of the highest governance body in sustainability reporting	84	
GRI 2-15	Conflicts of interest	56	
GRI 2-16	6 Communication of critical concerns	88	
GRI 2-17	Collective knowledge of the highest governance body on sustainability	83	
GRI 2-18	Evaluation of the performance of the highest governance body	83	
GRI 2-19	Remuneration policies	59	
GRI 2-20	Process to determine remuneration	94	
GRI 2-21	Annual total compensation ratio	n/a	The Company was unable to calculate the required ratio this year. However, information on the remuneration of the members of the Supervisory Board and the Management Board is public and available on page 59 of this Report
GRI 2-22	Statement on sustainable development strategy	3	The Company does not currently have a formal business strategy or any other comparable document which would incorporate ESG factors, including social or employee considerations. Nonetheless, the Company strives to promote gender equality,

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All amounts in PLN thousands, unless otherwise stated

			maintain decent working conditions, ensure respect for employee rights, and foster positive customer relations across its organisation and takes measures to attain these goals on a regular basis.
GRI 2-23	Policy commitments	83	
GRI 2-24	Embedding policy commitments	83	
GRI 2-25	Processes to remediate negative impacts	88	
GRI 2-26	Mechanisms for seeking advice and raising concerns	88	
GRI 2-27	Compliance with laws and regulations	120	
GRI 2-28	Membership associations	79	
GRI 2-29	Approach to stakeholder engagement	76	
GRI 2-30	Collective bargaining agreements	98	

Material topics 2022

Number of indicator	Name of indicator	Place in the Report	Comment on compliance
Human resources management			
GRI 3-3 2021	Management of material topics	72-122	
GRI 401-1 – 2016	New employee hires and employee turnover	92	
GRI 401-2 – 2016	Benefits provided to full-time employees	99	
GRI 405-1 – 2016	Diversity of governance bodies and employees	96	
Employee development			
GRI 3-3 – 2021	Management of material topics	100	
GRI 404-2 – 2016	Programs for upgrading employee skills and transition assistance programs	100	
Safe working environment			
GRI 3-3 2021	Management of material topics	105	
GRI 403-1 – 2018	Occupational health and safety management system	105	
GRI 403-9 – 2018	Work-related injuries	105	
Education in the labour market; initiatives affecting the work of recruiters and employers			
GRI 3-3 – 2021	Management of material topics	107	
Risk management and business continuity			
GRI 3-3 – 2021	Management of material topics	86	
Ethics and anti-corruption			
GRI 3-3 – 2021	Management of material topics	86	
GRI 205-1	Confirmed incidents of corruption and actions taken	86	
GRI 205-2	Communication and training about anti-corruption policies and procedures	86	
Information security and data protection			
GRI 3-3 – 2021	Management of material topics	87	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	87	
Innovation and technological progress			
GRI 3-3 – 2021	Management of material topics	75	
Greenhouse gas emissions			
GRI 3-3 – 2021	Management of material topics	114	
305-1	Direct (Scope 1) GHG emissions	115	
305-2	Energy indirect (Scope 2) GHG emissions	115	

About the Report

Basis for preparation of the non-financial report

GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, GRI2-14, GRI 2-27

This non-financial report of the Grupa Pracuj S.A. Group covers all Group companies.

This document has been prepared based on the Global Reporting Initiative Standards (GRI Standards). This non-financial report has been prepared in accordance with the statutory non-financial disclosure requirements set out in Art. 49b.2–49b.8 and Article 55.2b–55.2e of the Accounting Act.

As required by the GRI reporting standards, we have conducted a survey among our external stakeholders in the process of defining the scope of information to be reported (identification of material topics). The results of the survey are described further in this Report.

The Company's Management Board was actively involved in the process of analysing key ESG areas for the Company and selecting material topics for reporting.

In this non-financial report, 'we', 'our', 'Company', 'Grupa Pracuj' and 'Group' refer, depending on the context, to Grupa Pracuj S.A. and/or its consolidated subsidiaries.

The data it contains is for the period from 1 January to 31 December 2021 (unless stated otherwise). The figures used in this report have been sourced from internal reporting systems. The Grupa Pracuj S.A. Group reports non-financial information on an annual basis. The Company has not sought external assurance for its non-financial information.

No information published in the 2021 non-financial report that would require adjustment has been identified.

Contact

GRI 2-3

Contact for the non-financial report for the year ended 31 December 2022

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TAXONOMY

Key underlying principles

The **EU taxonomy** is a method of classifying the activities of companies from the perspective of their significant impact on the environment.

Under the provisions of Article 8(1) of Regulation (EU) 2020/852, non-financial companies are required to disclose in their reports information on how and to what extent the company's activities are related to business activities that qualify as environmentally sustainable

Under the provisions of Article 8(2) of Regulation (EU) 2020/852, non-financial companies are required to disclose information on the percentage of turnover, capital expenditures and expenses in their activities related to environmentally sustainable business assets or processes.

As a consequence of the above, under Regulation (EU) 2021/2178, non-financial companies are required to make disclosures for the financial 2022, published as of 1 January 2023, to present information on the classification of their activities with respect to the requirements of the Taxonomy, as well as to meet the detailed technical qualification criteria established by the European Commission and Delegated Regulation (EU) 2021/2139 for the first two environmental objectives, namely: - climate change mitigation - climate change adaptation.

The process of testing compliance with the requirements of the EU Taxonomy

Step 1 - Classification of activities

The Company has reviewed the Group's operations and has verified the financial information on turnover, capital expenditures and expenses. After gathering additional information from persons involved in the operational aspects of processes and services, three types of activities were identified, two of which did not meet the financial materiality criterion, which is PLN 3 million for the Group.

Further analysis has been performed for the activity defined in Section 8.1 of Regulation (EU) 2021/2139, i.e., data processing, hosting and related activities.

Services classified into this area consist in providing access to an application enabling the customer to manage HR areas and processes using the application functionalities, as well as enabling integration and automation of processes with external applications. The services are provided in the SaaS (*Software-as-a-Service*) model, i.e. a software distribution model where the user is granted access to software run by the service provider in a cloud infrastructure. The software is used online and the process does not involve multiplication of the source code. Cloud services are provided to the subsidiaries by an external service provider not related to the Group. An application means a web application owned by a subsidiary of the Company. Group companies earn revenue from service activation, subscription fee and packages not included in the subscription fee.

Step 2 – Allocation of turnover, capital expenditures and operating expenditures

At this stage, turnover, capital expenditures and operating expenditures have been allocated to the services provided by the Group companies. Given the form of service provision, the service provision process was disaggregated (in accordance with the rules set forth in Section 1.2.2.3 of Regulation (EU) 2021/2178) into two parts: (1) provision by the Group of subscription-based services for its customers involving access to recruitment management applications, from which the Group earns revenue, and (2) cloud services (data centres) provided to the Group by third-party service providers, enabling provision of services by the Group companies. The data centres are not an asset of the Group under the IFRS.

Step 3 – Verification of whether the technical screening criteria are met

As the technical screening criteria for the type of activity in question (Section 8.1 of Regulation EU 2021/2139) refer explicitly to data centres, which have been 'separated' as a result of the disaggregation and, under the IFRS, are independent of the Group, the verification is the responsibility of the owner of the data centre providing cloud services.

The activity comprising the service of providing access to recruitment management applications has been classified as Taxonomy-eligible because of the model in which it is provided, while the technical screening criteria apply to specific

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

assets that are outside the Group's control. Nonetheless, the Group has taken first steps toward decarbonisation in relation to greenhouse gas emissions and follows a responsible approach to the disposal of equipment (mainly laptop computer) which is used in the provision of these services.

The above approach, taking into account the European Commission's interpretation contained in the FQA published on 12 December 2022 warrants classification of the Group's activities comprising provision of these services as Taxonomy-compliant.

Step 4 – Verification of compliance with the minimum safeguard requirements

In accordance with the objectives of the European Green Deal, just energy transition must not come at the expense of people. Hence, as a mandatory element in the classification of activities under Article 18 of EU Regulation 2020/852, an obligation was introduced to verify compliance with the minimum safeguard requirements, i.e., the existence of due diligence procedures and the fulfilment of the 'do no significant harm' principle in four areas:

- Human rights, including labour rights;
- Anti-corruption;
- Taxes;
- Fair competition.

The verification process has confirmed:

- The existence of due diligence procedures in the area of human rights, in particular in the areas of labour rights, anti-corruption, taxes and fair competition;
- The absence of any court cases in the areas of human rights, including labour rights, involving corruption, taxes or unfair competition, and thus the absence of final judgments concerning those areas either with regard to the Group companies or members of the Management Board;
- No reports submitted to the OECD NCP in relation to Group companies, as confirmed by verifying the database of reports on the NCP website;
- No reports submitted to the Business and Human Rights Resource Centre (BHRRC) in relation to Group companies, as confirmed by verifying the database of reports on the BHRRC website.

The evaluation criterion used in the verification process was based on the guidelines contained in the [Final Report on Minimum Safeguards](#) prepared by the Platform On Sustainable Finance, and therefore the OECD Guidelines for Multinational Enterprises.

Step 5 – Reporting

As a result of the process described above, it has been confirmed that the selected activities and related financial transactions are compliant with the principles set forth in Regulation (EU) 2020/852 and, as a result, key performance indicators have been identified in accordance with the principles and the format specified in Regulation (EU) 2021/2178. The accounting rules and additional information used in the process are described in the next section. Key performance indicators:

- Revenue (turnover);
- Capital expenditures;
- Operating expenditures.

Accounting rules

The following accounting rules have been adopted for the purpose of allocating turnover, capital expenditures and operating expenditures.

Turnover: based on the total consolidated revenue of the Group for 2022, as reported in the consolidated financial statements for the year ended 31 December 2022, in Note 2.2 'Revenue from contracts with customers'. The numerator is revenue from Taxonomy-eligible activity, that is revenue from the activity referred to in '8.1 Data processing, hosting and related activities', which includes revenue from the service of providing software and applications for comprehensive management of recruitment processes.

Capital expenditure (CapEx): based on the Group's capital expenditure, as reported in in the consolidated financial statements for the year ended 31 December 2022, in Notes: 6.1. 'Intangible assets' and 6.2 'Property, plant and equipment', including items acquired in connection with the acquisition of shares in Spoonbill Holding GmbH. The numerator is that portion of CapEx that relates to the Taxonomy-eligible activity, including expenditures on ICT infrastructure and intangible assets related to software and application development.

Operating expenses (OpEx): based on all costs of the Group's day-to-day operations, including non-capitalised research and development expenses and all costs relating to the day-to-day operation and maintenance of the Group's assets. OpEx includes such expenditures as: costs of staff responsible for the maintenance and repair of the Group's assets, including the costs of repairs and renovations of buildings, vehicles, facilities, systems and software; costs of cleaning or fire safety costs. The numerator is that portion of OpEx that relates to the Taxonomy-eligible activity, including expenses related to maintenance of the ICT infrastructure, hosting services and non-capitalised research and development expenses.

Other information

For the purpose of identifying EU Taxonomy-eligible activities, the Group adopted a materiality threshold of PLN 3 million, which represents 0.5% of revenue from contracts with customers of the Group and is in line with the Group's materiality threshold used in preparing financial statements.

The financial data received from individual Group companies was aggregated, and then exclusions and consolidation adjustments were made. The financial statements of all subsidiaries and associates were prepared for the same reporting periods, using consistent accounting policies. The consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with the International Financial Reporting Standards.

The Group reports on Taxonomy-eligible activity for the second time, and for the first time with respect to Spoonbill Holding GmbH and its subsidiaries, acquired in 2022.

Disclosures in this Report for the first time include key performance indicators.

The reporting period used for those disclosures is 1 January to 31 December 2022 or, for the Group companies based in Germany, the period from 1 July to 31 December.

The activity in question contributes to only one of the objectives, so there is no risk of double-counting of financial transactions. In the Taxonomy eligibility determination process the Group has applied disaggregation based on the process and the control of assets, which reflects the specific nature of this process. The disaggregation has no impact on key performance indicators, as the part of the process relating to data centres is independent of the Group.

Key performance indicators are presented at the Group level in connection with the preparation of the consolidated non-financial report.

The Group is not involved in any way in the activities referred to in Sections 4.26 - 4.31 of Annexes I and II to Regulation (EU) 2021/2139 (activities related to the generation of energy through nuclear processes and energy production from gaseous fossil fuels).

The assumptions we have made here may change at the time of the 2023 disclosures as result of further analysis of the EC's future positions and the development of the reporting approach contained in the EC regulations.

MANAGEMENT BOARD REPRESENTATION LETTERS

Management representation letter with respect to the financial statements and the Directors' Report.

(in accordance with Article 70.1.6 and Article 71.1.6 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state)

The Management Board of Grupa Pracuj S.A. represents that, to the best of its knowledge, the consolidated financial statements of Grupa Pracuj S.A. Group for the year ended 31 December 2022 and the separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2022, along with the comparative data, have been prepared in compliance with the relevant accounting principles and provide an accurate, fair, and clear picture of the financial and economic position of the Company and the Group, as well as the financial results of the Company and the Group. Furthermore, the Directors' Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group provide a true and accurate view of the development and achievements, as well as the condition of the Group and Company, including a description of the basic risks and threats.

On the authority of the Supervisory Board of Grupa Pracuj S.A.

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

Management representation letter on the selection of the audit firm

(in accordance with Article 70.1.7 and Article 71.1.7 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state)

The Management Board of Grupa Pracuj S.A. represents that the selection of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa of Warsaw to audit the annual financial statements of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group, has been carried out in compliance with the regulations governing the selection and appointment of audit firms. The selected audit firm and its team members have satisfied the necessary requirements to produce an impartial and independent report on the audit of the annual financial statements, in accordance with the applicable regulations as well as professional and ethical standards.

Further, the Management Board represents that the audit firm selected to perform the audit of the annual financial statements of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group has complied with the applicable regulations regarding the rotation of the audit firm and the key statutory auditor and mandatory grace periods. The Company also maintains policies concerning the selection of an audit firm and the provision of additional non-audit services by the audit firm or its network, including conditionally exempt services.

On the authority of the Supervisory Board of Grupa Pracuj S.A.

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

GLOSSARY OF TERMS AND ABBREVIATIONS

In this document, unless the context requires otherwise, the following terms have the meanings set forth below.

Articles of Association	Articles of Association of Grupa Pracuj Spółka Akcyjna
Company, Parent	Grupa Pracuj S.A.
Consolidated financial statements	Consolidated financial statements of the Group for the year ended 31 December 2021
Director's Report, Management Board's Report	Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the year ended 31 December 2022.
E&Y	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.
ESG	Corporate social responsibility, including Environmental, Social and Governance factors.
Euro, EUR or €	Euro, the common currency of the member states participating in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended.
Frascati Investments	Frascati Investments sp. z o.o. with its registered office in Warsaw at ul. Grzybowska 43, 00-855 Warsaw, entered in the business register, kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Department of the National Court Register under number KRS 0000905362 (REGON: 389166213, NIP: 5272960722)
FTE	Full-time-equivalent employees, i.e., persons employed under employment contracts, excluding those on long-term leaves (such as maternity/parental leaves, unpaid leaves, and sickness absence of more than 30 days), as well as persons working for the Group under temporary employment contracts (<i>umowa zlecenia</i>) and independent contractors providing services under B2B contracts.
Fund, Pracuj Ventures	Pracuj Ventures spółka z ograniczoną odpowiedzialnością Alternatywna Spółka Inwestycyjna spółka komandytowa.
GDP	Gross domestic product
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
General Meeting	Means the General Meeting of Shareholders of the Company.
GRI	Global Reporting Initiative (GRI Standards).
Group, Grupa Pracuj, Grupa Pracuj S.A. Group	The Company and its subsidiaries, i.e., eRecruitment Solutions sp. z o.o., eRecruitment Solutions Ukraine TOV and HumanWay sp. z o.o. in liquidation, Robota International TOV and Snowless Global Ltd. and Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH (through Spoonbill Holding GmbH)
GUS	Statistics Poland

IFRS	Standards and interpretations adopted by the International Accounting Standards Board (IASB), as announced by the European Commission. These include: International Financial Reporting Standards, International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee.
Law on Offerings	The Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.
multiposting	Service consisting in publishing a job offer simultaneously on several selected recruitment sites in a given country. Currently offered by softgarden.
NBP	National Bank of Poland
NPS	Net Promoter Score, a metric used to measure customer loyalty
Non-financial report	Non-financial statement
Operating segment	Segment Poland and/or Segment Ukraine and Segment Germany
PFSA	Polish Financial Supervision Authority
PLN	Polish zloty, the official currency in the Republic of Poland
Q/q; QtQ	Quarter-to-quarter change
Robota	Robota International TOV
Russia	Russian Federation
S.A.	Joint-stock company (<i>spółka akcyjna</i>)
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.
Separate financial statements	Separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2021
Shares	Issued and existing shares of the Company
softgarden	Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH.
Sp. z o.o.	Limited liability company (<i>spółka z ograniczoną odpowiedzialnością</i>)
Taxonomy	A set of criteria which, if satisfied, mean that an economic activity is environmentally sustainable; a framework to facilitate sustainable investment under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020).
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

UoR

Accounting policies

**WSE, Exchange, Stock
Exchange**

Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna, with its registered office at ul. Książęca street 4, 00-498 Warsaw and, unless the context suggests otherwise, the regulated market operated by the company.

Y/y, YtY

Year-to-year change

