

Grupa Pracuj S.A. Group

Consolidated quarterly report
for the nine-month period
ended September 30, 2023



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SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected consolidated financial data for the nine months ended 30 September 2023 and 2022¹

Financial results	PLN thousand		EUR thousand	
	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)
Revenue from contracts with customers	550,873	453,218	120,349	96,676
Operating profit	223,715	207,393	48,875	44,239
Profit before tax	199,156	197,483	43,509	42,125
Net profit attributable to:	160,171	152,602	34,992	32,552
Owners of the Parent	157,436	155,421	34,395	33,153
Non-controlling interests	2,735	(2,819)	598	(601)
Total comprehensive income attributable to:	154,455	174,746	33,744	37,275
Owners of the Parent	151,720	177,483	33,146	37,859
Non-controlling interests	2,735	(2,737)	598	(584)

Cash flows	PLN thousand		EUR thousand	
	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)
Net cash flows from operating activities	263,488	186,147	57,564	39,707
Net cash flows from investing activities	(17,476)	(515,417)	(3,818)	(109,944)
Net cash flows from financing activities	(180,975)	228,877	(39,537)	48,822
Total net cash flows	65,038	(100,393)	14,209	(21,415)

Financial position	PLN thousand		EUR thousand	
	30 September 2023 (unaudited)	31 December 2022 (restated)	30 September 2023 (unaudited)	31 December 2022 (restated)
Non-current assets	794,064	800,157	171,297	170,613
Current assets	285,776	218,058	61,648	46,495
Total assets	1,079,840	1,018,215	232,945	217,108
Equity attributable to owners of the Parent	370,254	310,923	79,872	66,296
Non-controlling interests	50	33	11	7
Non-current liabilities	288,357	341,119	62,205	72,735
Current liabilities	421,179	366,140	90,857	78,070
Total equity and liabilities	1,079,840	1,018,215	232,945	217,108

Grupa Pracuj S.A.

¹ The selected financial data was translated into the euro in accordance with the principles described in Note 1.6 to the condensed consolidated interim financial statements for the nine months ended 30 September 2023.

Selected separate financial data for the nine months ended 30 September 2023 and 2022²

Financial results	PLN thousand		EUR thousand	
	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)
Revenue from contracts with customers	354,460	369,717	77,439	78,865
Operating profit	201,302	206,861	43,978	44,126
Profit before tax	182,145	196,891	39,793	41,999
Net profit	148,145	155,428	32,365	33,154
Total comprehensive income	148,145	155,428	32,365	33,154

Cash flows	PLN thousand		EUR thousand	
	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)
Net cash flows from operating activities	204,736	208,661	44,729	44,510
Net cash flows from investing activities	(2,003)	(551,246)	(438)	(117,587)
Net cash flows from financing activities	(177,589)	232,406	(38,798)	49,575
Total net cash flows	25,144	(110,179)	5,493	(23,502)

Financial position	PLN thousand		EUR thousand	
	30 September 2023 (unaudited)	31 December 2022	30 September 2023 (unaudited)	31 December 2022
Non-current assets	806,453	796,061	173,969	169,739
Current assets	128,670	112,314	27,757	23,948
Total assets	935,123	908,375	201,726	193,687
Total equity	380,897	324,205	82,168	69,128
Non-current liabilities	273,086	329,603	58,911	70,279
Current liabilities	281,140	254,567	60,648	54,280
Total equity and liabilities	935,123	908,375	201,726	193,687

² The selected financial data was translated into the euro in accordance with the principles described in Note 1.6 to the quarterly financial information of the Company for the nine months ended 30 September 2023.

DIRECTORS' REPORT ON THE ACTIVITIES OF GRUPA PRACUJ S.A. AND THE GRUPA PRACUJ S.A. GROUP FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

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

Grupa Pracuj is a European leader in HR technology. It assists companies in recruiting, retaining, and developing employees, facilitates job seekers to find employment that aligns with their skills and potential, and develops cutting-edge technologies that shape the future of the HR market.

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

Grupa Pracuj includes Poland's largest online job board Pracuj.pl and Ukraine's recruitment website Robota.ua, publishing customers' job postings that reach millions of users on a daily basis, as well as recruitment management systems eRecruiter and softgarden, supporting recruiters in their daily work, both functioning under the software-as-a service (SaaS) model.

Strategic directions 2023+

The Company's strategic goal is to establish Grupa Pracuj as the premier HR Tech platform in Europe, holding the position of a leader in online recruitment services in Poland and Ukraine and the largest TAS (Talent Acquisition Suite) in the DACH region (Germany, Austria and Switzerland).

The Group aims to achieve several strategic goals, including solidifying its presence in established markets, refining and developing innovative HR technology solutions, increasing revenue by investing in SaaS tools and services, and pursuing potential acquisitions that can complement or broaden Grupa Pracuj's HR ecosystem.

Leading brands of the Group

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).

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.

eRecruiter is a leading Polish recruitment support system operating under the SaaS model. eRecruiter offers a 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 optimisation 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 organisation.

softgarden is a leader of the HR technology industry in Germany, also present in other European markets, Which has been part of the Grupa Pracuj S.A Group since 2022. The company develops comprehensive Talent Acquisition Suite 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.

Structure of the Group

Grupa Pracuj S.A. (the 'Company') has been listed on the Warsaw Stock Exchange (the 'WSE') 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 shares were added to the mWIG40 mid-cap index in June 2022.

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

As at 30 September 2023, 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: eRecruitment Solutions Ukraine TOV (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 1 Structure of the Grupa Pracuj S.A. Group

Company	Registered office	Principal business	Ownership interest
			30 September 2023
Parent:			
Grupa Pracuj S.A.	Poland	web portals	
Direct and indirect subsidiaries:			
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%
BinarJobs sp. z o.o.	Poland	advertising services	100%
Robota International TOV	Ukraine	advertising services	67%
Snowless Global Ltd	Cyprus	licensing activities	67%
eRecruitment Solutions Ukraine TOV	Ukraine	activities related to databases	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding financial holdings	100%
Spoonbill GmbH	Germany	activities of holding companies excluding financial holdings	100%
softgarden e-recruiting GmbH	Germany	IT services	100%
absence.io GmbH	Germany	IT services	100%

Following completion of the liquidation process, HumanWay sp. w o.o. w likwidacji (in liquidation) was removed from the National Court Register on 28 September 2023. As of the publication date of this report, the resolution is awaiting final approval.

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 and reportable segments:

- Segment Poland – the segment comprises entities that earn revenues in the Polish market, including: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o. and BinarJobs sp. z o.o. The particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – the segment comprises entities that earn revenues in the Ukrainian market, including: 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 comprises entities that earn revenues mainly in the German market, including: 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, and recruitment advertising on online portals, mainly in the DACH region (Germany, Austria, Switzerland).

DISCUSSION OF THE GROUP'S RESULTS

- In the nine months ended 30 September 2023, the Grupa Pracuj S.A. Group generated revenue of PLN 550.9 million, up 21.5% on the corresponding period of the previous year.
- Despite challenging market conditions and a 12.3% year-on-year drop in the number of recruitment projects, Segment Poland reported an only minor decline in revenue of 2.6% year on year. In the reporting period, the average price of a recruitment project on Pracuj.pl was PLN 885.3, a year-on-year increase of 7.9%.
- Revenue earned by Segment Ukraine improved year on year by 61%. Despite the difficult market situation, the number of recruitment projects on Robota.ua is steadily growing each quarter.
- Segment Germany generated PLN 137 million under contracts with customers.
- The Group's adjusted EBITDA increased 5.8% year on year in the nine months ended 30 September 2023, to PLN 260.6 million.
- Adjusted EBITDA margin for the reporting period was 47.3%, down from 54.3% the year before. The decline was due mainly to an increase in the Group's operating expenses, driven primarily by the acquisition of the softgarden Group (comprising Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH, jointly referred to as the "softgarden").
- The Group earned consolidated net profit of PLN 160.2m, up 5% year on year. Key drivers of this increase included the recognition of the softgarden Group's results for full nine months (three months in 2022) and higher operating profit generated on the Ukrainian and German markets.

Significant events in the three months ended 30 September 2023

Online job boards:

- The service range of the Pracuj.pl recruitment website was enhanced with Zasięg+, enabling promotion of job adverts using external tools such as the Google platform;
- The second phase of changes introduced as part of the Pracuj.pl 3.0 project was initiated. The project is designed to personalise Pracuj.pl and adapt it to key user segments. The first implementation is dedicated to IT segment candidates;
- The HR Camp conference was organised for Robota.ua customers in Lviv for the first time from the outbreak of the armed conflict. The event was devoted to the needs of the labour market operating under challenging conditions.

Recruitment management systems (SaaS):

- The eRecruiter's and softgarden's offering was expanded to include modules supporting the management of new employee induction processes; the first tests and preparation for the market launch of the service were started;
- A new version of the softgarden system was implemented, both for the SaaS business and for the management of multiposting services;
- eRecruiter provided customers with the HR Workflows platform, enabling integration of all HR processes in a unified space and thus supporting their automation.

Market environment – economic situation and macroeconomic factors

- **Poland**

The condition of the Polish labour market remains robust. According to the Polish Ministry of Family and Social Policy, the registered unemployment rate in Poland was 5% at the end of September 2023, having remained steady for three months And reflecting a slight year-on-year decrease of 0.1 pp. The total number of registered unemployed individuals as at the end of September 2023 was 776 thousand, down 0.8% from the previous month's 782.5 thousand. Compared with the corresponding period of 2022, the number of the unemployed fell by 25.7 thousand, or 3.2%.

As reported by Statistics Poland (GUS), average pay in the third quarter of 2023 reached PLN 7,462. Notably, the enterprise sector (non-financial companies with a minimum headcount of nine) witnessed a further increase in average monthly pay: In September 2023, it was PLN 7,380, up 10.3% on September 2022 and 0.1 on August 2023.

Despite a decline in CPI inflation to 8.2% in September, it still exceeded the National Bank of Poland's inflation target by more than threefold. The National Bank of Poland announced that core inflation, excluding energy and food prices, reached 10.7% in September on an annual basis, up from 9.9% in August 2023.

The most recent GUS data shows that in October 2023 the CPI index (prices of consumer goods and services) fell to 6.5% year on year, reaching the 2021 level.

With decreasing inflation and nominal growth in pay levels, real pay in the enterprise sector in September was 2.5% higher year on year. However, it is important to note that GUS statistics cover approximately 40% of employees.

Following the confirmation by GUS of Poland's GDP contraction in the first and second quarters of 2023, of -0.3% and -0.6%, respectively, experts anticipate a potential positive GDP growth rate in the third quarter.

In its latest report, the International Monetary Fund revised Poland's economic growth forecast for the current year from 1.2% to 0.6%. The IMF predicts a rebound in 2024, with a projected economic growth rate of 2.3%.

In October, the World Bank maintained its economic growth forecast for Poland at 0.7% for the current year and 2.6% for 2024, and increased the forecast for 2025 to 3.4%.

- **Germany**

According to the Federal Statistical Office of Germany, Destatis, in the three months ended 30 September 2023 Germany's gross domestic product fell 0.1% quarter on quarter and 0.8% year on year.

The International Monetary Fund projects a negative German GDP growth rate of -0.5% for the current year and anticipates a recovery with a 0.9% growth rate in 2024.

The Consumer Price Index (CPI) in Germany continued its downward trajectory, registering at 4.5% in September 2023, down from 6.1% in August and 6.2% in July 2023. CPI inflation in October 2023 is estimated at 3.8%, marking the lowest level from the outbreak of the armed conflict in Ukraine.

- **Ukraine**

In the second quarter of 2023, the Ukrainian economy saw an increase in GDP of 19.5% year on year and 0.8% quarter on quarter. Notably, this was the first positive reading from the onset of the armed conflict with Russia in February 2022. However, it is essential to remember that this growth is largely due to the low base of the preceding year, a consequence of the Russian invasion.

The National Bank of Ukraine revised upwards its forecasts, anticipating GDP growth of 2.9% in 2023.

In a positive turn, the Consumer Price Index (CPI) also presented a welcome surprise, declining to 7.1% in September 2023 from the August figure of 8.6%.

Looking ahead, barring any major geopolitical changes in 2023–2025, the National Bank of Ukraine predicts that the labour market will continue to recover amid economic revival and the fairly loose fiscal policy.

Operating results for the three months ended 30 September 2023

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 2

Financial indicator	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
Pracuj.pl						
Number of recruitment projects (thousand) ⁽¹⁾	380.9	434.5	(12.3%)	123.0	136.4	(9.8%)
Average price of recruitment project (PLN) ⁽²⁾	885.3	820.4	7.9%	899.9	836.3	7.6%
eRecruiter						
Number of active customers (SaaS)	1,927	1,766	9.1%	1,927	1,766	9.1%
softgarden						
Number of active customers (SaaS)	1,595	1,402	13.8%	1,595	1,402	13.8%
Robota.ua						
Number of recruitment projects (thousand) ⁽¹⁾	681.9	413.2	65.0%	278.5	132.3	110.5%
Number of no-cost recruitment projects (thousand)	313.3	200.0	56.7%	141.7	68.4	107.2%
Number of paid recruitment projects (thousand)	368.7	213.2	72.9%	136.9	67.5	102.8%
Average price of paid recruitment project (UAH)	722.6	657.6	9.9%	738.5	622.5	18.6%
Average price of paid recruitment project (PLN) ⁽³⁾	84.8	91.1	-6.9%	82.9	78.3	5.9%

⁽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 paid recruitment projects (excluding promotional starter packages) 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.

Furthermore, the Group continuously monitors the financial metrics presented in the table below to assess its ongoing operational performance and determine strategies for improvement. These indicators are not mandatory under the International Financial Reporting Standards ("IFRS") and are not calculated in accordance with IFRS guidelines.

Table 3

Financial indicator	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
EBITDA	249,661	224,965	11.0%	80,706	82,671	(2.4%)
<i>EBITDA margin (%)</i>	<i>45.3%</i>	<i>49.6%</i>	<i>(4.3pp)</i>	<i>44.6%</i>	<i>47.8%</i>	<i>(3.3pp)</i>
Adjusted EBITDA	260,631	246,235	5.8%	87,593	85,295	2.7%
<i>Adjusted EBITDA margin (%)</i>	<i>47.3%</i>	<i>54.3%</i>	<i>(7.0pp)</i>	<i>48.4%</i>	<i>49.3%</i>	<i>(1.0pp)</i>

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

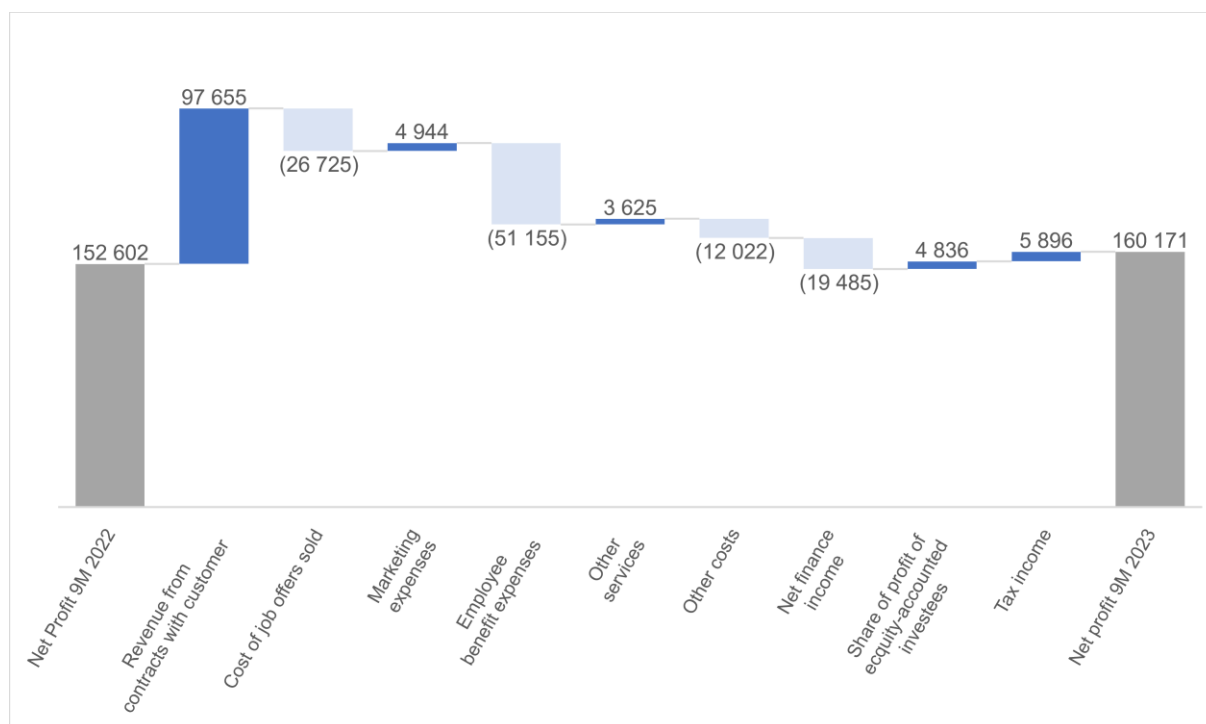
- *EBITDA is defined as operating profit/(loss) adjusted for depreciation and amortisation (net profit plus depreciation and amortisation and less the share of profit or loss of equity-accounted investees and finance income);*
- *Adjusted EBITDA is defined as operating profit/(loss) plus depreciation 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 arrangements 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 the three months ended 30 September 2023**Grupa Pracuj S.A. Group****Management Board's view on profit guidance vs actual results**

The Management Board of Grupa Pracuj S.A. does not issue any profit guidance.

Grupa Pracuj S.A. Group

The consolidated net profit generated by the Grupa Pracuj S.A. Group in the three months ended 30 September 2023 was largely on a par with the figure posted for the corresponding period of the previous year. On a year-to-date basis, for the first three quarters of 2023, the net profit earned in 2023 was PLN 160.2 million, up 5% year on year.

Net profit of the Group and impact of specific items of the consolidated statement of comprehensive income*Chart 1*

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

Table 4 Financial results of the Group

	9 months ended			3 months ended		
	30 September		Change	30 September		Change
	2023	2022 (restated)	(y/y)	2023	2022 (restated)	(y/y)
Revenue from contracts with customers, including:	550,873	453,218	21.5%	181,155	172,927	4.8%
Segment Poland	382,672	392,705	(2.6%)	125,489	126,545	(0.8%)
Segment Ukraine	31,253	19,417	61.0%	11,354	5,286	114.8%
Segment Germany	136,948	41,096	233.2%	44,312	41,096	7.8%
Depreciation and amortisation	(25,946)	(17,572)	47.7%	(8,688)	(11,340)	(23.4%)
Cost of job offers sold	(37,052)	(10,327)	258.8%	(10,550)	(10,327)	2.2%
Employee benefits expense	(188,877)	(137,722)	37.1%	(65,406)	(50,810)	28.7%
Marketing expenses	(33,478)	(38,422)	(12.9%)	(11,127)	(14,480)	(23.2%)
Software-as-a-service costs	(9,722)	(5,995)	62.2%	(3,211)	(2,198)	46.1%
Other services	(24,741)	(28,366)	(12.8%)	(7,552)	(9,735)	(22.4%)
Other costs	(7,431)	(5,124)	45.0%	(2,782)	(2,887)	(3.6%)
Other income	1,912	1,222	56.5%	545	505	13.9%
Other expenses	(1,678)	(2,590)	(35.2%)	(9)	(441)	(98.0%)
Expected credit losses	(145)	(929)	(84.4%)	(388)	117	(431.6%)
Operating profit, including:	223,715	207,393	7.9%	71,018	71,331	0.0%
Segment Poland	211,964	214,284	(1.1%)	68,050	71,449	(4.8%)
Segment Ukraine	7,708	(7,525)	(202.4%)	2,303	(752)	(406.4%)
Segment Germany	4,043	634	538.1%	1,664	634	162.7%
Finance income	5,773	7,330	(21.2%)	1,754	4,381	(60.0%)
Finance costs	(34,622)	(16,694)	107.4%	(12,275)	(10,603)	15.8%
Net finance income/(costs)	(28,849)	(9,364)	208.1%	(10,521)	(6,222)	69.1%
Share of profit/(loss) of equity-accounted investees	4,290	(546)	(885.7%)	1,920	(405)	(574.1%)
Profit before tax	199,156	197,483	0.8%	63,416	64,704	(2.0%)
Income tax	(38,985)	(44,881)	(13.1%)	(13,075)	(14,313)	(8.7%)
Net profit	160,171	152,602	5.0%	50,341	50,391	(0.1%)

Table 5 Percentage share of income and expenses in revenue from contracts with customers of the Group

	9 months ended			3 months ended		
	30 September		Change	30 September		Change
	2023	2022 (restated)	(y/y)	2023	2022 (restated)	(y/y)
Revenue from contracts with customers	550,873	453,218	97,655	181,155	172,927	8,228
Depreciation and amortisation	4.7%	3.9%	0.8%	4.8%	6.6%	(1.8%)
Cost of job offers sold	6.7%	2.3%	4.4%	5.8%	6.0%	(0.1%)
Employee benefits expense	34.3%	30.4%	3.9%	36.1%	29.4%	6.7%
Marketing expenses	6.1%	8.5%	(2.4%)	6.1%	8.4%	(2.2%)
Software-as-a-service costs	1.8%	1.3%	0.4%	1.8%	1.3%	0.5%
Other services	4.5%	6.3%	(1.8%)	4.2%	5.6%	(1.5%)
Other costs	1.3%	1.1%	0.2%	1.5%	1.7%	(0.1%)
Other income	(0.3%)	(0.3%)	(0.1%)	(0.3%)	(0.3%)	(0.0%)
Other expenses	0.3%	0.6%	(0.3%)	0.0%	0.3%	(0.3%)
Expected credit losses	0.0%	0.2%	(0.2%)	0.2%	(0.1%)	0.3%
Operating profit margin	40.6%	45.8%	(5.1pp)	39.8%	41.2%	(1.5pp)

Revenue from contracts with customers:

- The Group's revenue in the three and nine months ended 30 September 2023 rose by 4.8% and 21.5% year on year, respectively. This was due mainly to the consolidation of the softgarden Group from 1 July 2022, steadily growing average price of recruitment projects on Pracuj.pl, and increasing number of subscriptions at softgarden and eRecruiter, which operate under the software-as-a-service (SaaS) model;
 - The total number of recruitment projects on Pracuj.pl from January to September 2023 was 380.9 thousand, down 12.3% year on year. In the three months ended 30 September 2023, the figure stood at 123.0 thousand and was down 9.8% year on year. The average price in the reporting periods increased by 7.9% and 7.5% year on year, respectively;
 - From January to September 2023, the total number of recruitment projects on Robota.ua was 681.9 thousand, of which 368.7 thousand were paid projects. In the three months to 30 September 2023, the respective figures were 278.5 thousand and 136.9 thousand. The average price rose 18.6% year on year in the third quarter and 9.9% year on year in the first three quarters of the year;
 - The number of active customers using eRecruiter's services is constantly growing and as at 30 September 2023 reached 1, an increase of 9.1% year on year;
 - The number of active users of the softgarden system as at the end of the reporting period was 595, up 13.8% year on year. To note, revenue in Segment Germany is generated through sales of services in a subscription model, 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 revenue from purchases made for resale is recognised on a gross basis.

Operating expenses:

- Employee benefits expense increased 37.1%, mainly as a result of the recognition of expenses relating to the softgarden Group's employees for the full nine months of the current year, a steady increase in the average pay at the Group, and gradual rebuilding of the team in Ukraine;
- Marketing expenses were down 12.9%, to PLN 33.5 million. This reduction was a result of scaling down the Pracuj.pl's marketing efforts in connection with increased candidate activity (in a more demanding market) and high brand recognition. At the same time, a wide-ranging marketing campaign was run at the end of the third and at the beginning of the fourth quarter, with more focus on channels such as the Internet and social media;
- Depreciation and amortisation expense rose year on year, mainly as a result of the inclusion of expenses attributable to the softgarden Group, including amortisation charges recognised in the purchase price allocation process;
- The rise in software-as-a-service costs to PLN 9.7 million was caused by an increase in the number of software users and higher costs of access to software used by the Group;
- The increase in other costs to PLN 7.4 million in the nine months to 30 September 2023 was due mainly to higher costs of initiatives promoting employee engagement within the Group.

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

Grupa Pracuj S.A.
Table 6 Financial results of the Company

	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
Revenue from contracts with customers	354,460	369,717	(4.1%)	115,632	118,484	(2.4%)
Depreciation and amortisation	(8,305)	(6,628)	25.3%	(2,784)	(2,246)	24.0%
Employee benefits expense	(96,421)	(91,018)	5.9%	(33,856)	(28,472)	18.9%
Marketing expenses	(24,235)	(32,789)	(26.1%)	(6,924)	(10,423)	(33.6%)
Software-as-a-service costs	(4,855)	(3,883)	25.0%	(1,558)	(1,404)	10.9%
Other services	(15,999)	(24,394)	(34.4%)	(5,032)	(6,205)	(18.9%)
Other costs	(3,567)	(3,217)	10.8%	(1,220)	(1,742)	(29.9%)
Other income	997	823	20.6%	205	296	(31.0%)
Other expenses	(403)	(1,180)	(65.8%)	(4)	(73)	(94.5%)
Expected credit losses	(370)	(570)	(35.1%)	(247)	446	(155.4%)
Operating profit, including:	201,302	206,861	(2.7%)	64,212	68,661	(6.5%)
Finance income	10,852	11,876	(8.6%)	8,040	9,677	(16.9%)
Finance costs	(34,299)	(21,300)	61.0%	(11,992)	(9,425)	27.2%
Net finance income/(costs)	(23,447)	(9,424)	148.8%	(3,952)	252	(1,674.5%)
Share of profit/(loss) of equity-accounted investees	4,290	(546)	(885.7%)	1,920	(405)	(574.1%)
Profit before tax	182,145	196,891	(7.5%)	62,180	68,507	(9.2%)
Income tax	(34,000)	(41,463)	(18.0%)	(11,305)	(14,208)	(20.4%)
Net profit	148,145	155,428	(4.7%)	50,875	54,299	(6.3%)

Table 7 Percentage share of operating expenses in revenue from contracts with customers of the Company

	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
Revenue from contracts with customers	354,460	369,717	(4.1%)	115,632	118,484	(2.4%)
Depreciation and amortisation	2.3%	1.8%	0.6%	2.4%	1.9%	0.5%
Employee benefits expense	27.2%	24.6%	2.6%	29.3%	24.0%	5.2%
Marketing expenses	6.8%	8.9%	(2.0%)	6.0%	8.8%	(2.8%)
Software-as-a-service costs	1.4%	1.1%	0.3%	1.3%	1.2%	0.2%
Other services	4.5%	6.6%	(2.1%)	4.4%	5.2%	(0.9%)
Other costs	1.0%	0.9%	0.1%	1.1%	1.5%	(0.4%)
Other income	(0.3%)	(0.2%)	(0.1%)	(0.2%)	(0.3%)	0.1%
Other expenses	0.1%	0.3%	(0.2%)	0.0%	0.1%	(0.1%)
Expected credit losses	0.1%	0.2%	(0.0%)	0.2%	(0.4%)	0.6%
Operating profit margin	56.8%	56.0%	0.8pp	55.5%	57.9%	(2.4pp)

Revenue from contracts with customers:

- Revenue earned by the Company from January to September and in the three months to 30 September 2023 fell 4.1% and 2.4% year on year, respectively, driven by a year-on-year decrease in the number of published recruitment projects. On the other hand, revenue from sale of branding products, e.g. employer profiles, rose (by 37.6% year on year).

Operating expenses:

- Employee benefits expense at the Company went up 5.9% year on year in the reporting periods, mainly as a result of the steadily growing average pay;
- High brand recognition and increased candidate activity allowed the Company to reduce marketing expenses by 26.1% year on year. At the same time, measures were taken to educate the market, both customers and users;
- The increase in depreciation and amortisation was due to development work completed last year on projects designed to enhance service functionalities, as well as higher expenditures incurred to purchase computer hardware and expand the IT infrastructure;
- The decrease in the cost of services was largely attributable to last year's recognition of costs related to the acquisition of softgarden;
- Software-as-a-service costs rose by 25%, to PLN 4.9 million, driven by an increase in the number of software users and higher costs of access to software used by the Company.

Financial position**Grupa Pracuj S.A. Group***Table 8 Assests of the Group*

	30 September 2023 (unaudited)	31 December 2022	Change (y/y)
Non-current assets, including:	794,064	800,157	(0.8%)
Intangible assets	94,694	96,377	(1.7%)
Property, plant and equipment	12,424	12,382	0.3%
Right-of-use assets	12,893	15,093	(14.6%)
Goodwill	475,637	481,209	(1.2%)
Equity-accounted investees	27,012	27,407	(1.4%)
Other financial assets	131,695	130,622	0.8%
Other non-financial assets	866	944	(8.3%)
Deferred tax assets	38,843	36,123	7.5%
Current assets, including:	285,776	218,058	31.1%
Inventory	7,392	3,912	89.0%
Trade receivables	63,427	73,121	(13.3%)
Other financial assets	647	348	85.9%
Other non-financial assets	39,687	31,139	27.5%
Cash and cash equivalents	174,623	109,538	59.4%
Total assets	1,079,840	1,018,215	6.1%

The carrying amount of non-current assets was down relative to 31 December 2022.

The year-on-year change in goodwill was due to movements in the EUR/PLN exchange rate, affecting the valuation of shares in Spoonbill Holding GmbH. Exchange differences arising from the revaluation were taken to equity.

Current assets rose 31.1% on the end of 2022, mainly as a result of an increase in cash, other non-financial assets and inventories. The higher amount of non-financial assets was attributable to, among other things, prepayments for marketing services and computer hardware and software maintenance services. The rise in inventory was driven largely by the purchase of job adverts, to be gradually sold under the multiposting service in Germany. The difference in trade receivables between the reporting and comparative periods followed chiefly from the higher amount of recruitment projects sold as at the end of 2022, and was due to seasonality.

Table 8 Equity and liabilities of the Group

	30 September 2023 (unaudited)	31 December 2022 (restated)	Change (y/y)
Equity, including:	370,304	310,956	19.1%
Equity attributable to owners of the Parent	370,254	310,923	19.1%
Non-controlling interests	50	33	51.5%
Total liabilities, including:	709,536	707,259	0.3%
Non-current liabilities, including:	288,357	341,119	(15.5%)
Bank borrowings	255,176	303,168	(15.8%)
Lease liabilities	5,563	8,762	(36.5%)
Other financial liabilities	12,792	9,138	40.0%
Employee benefit obligations	1,847	1,847	0.0%
Deferred tax liabilities	12,979	18,204	(28.7%)
Current liabilities, including:	421,179	366,140	15.0%
Bank borrowings	63,435	63,492	0.0%
Lease liabilities	10,713	10,942	(2.1%)
Other financial liabilities	12,524	4,171	200.3%
Employee benefit obligations	26,398	23,618	11.8%
Trade payables	34,139	32,809	4.1%
Other non-financial liabilities	16,795	16,765	0.2%
Current tax liabilities	17,311	5,923	192.3%
Contract liabilities	239,864	208,420	15.1%
Total equity and liabilities	1,079,840	1,018,215	6.1%

As at 30 September 2023, the Group's equity stood at PLN 370.3 million. Total liabilities increased to PLN 709.5 million, up 0.3% year on year.

The Group's total liabilities under borrowings decrease gradually as the debt is repaid on a regular basis, in accordance with the agreed schedule.

Current liabilities rose to PLN 421.2 million at the end of September 2023. Key reasons behind this increase included a change in the amount of derivative financial instruments under the agreement hedging the Company against interest rate risk, and an increase in contract liabilities and current tax liabilities. Current tax liabilities were higher than as at the end of the previous year, the reason being that in 2023 income tax was paid in the form of monthly flat-rate advances, while in 2022 it was paid based on monthly calculation of the liability.

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

Grupa Pracuj S.A.*Table 9 Assets of the Company*

	30 September 2023 (unaudited)	31 December 2022 (restated)	Change (y/y)
Non-current assets, including:	806,453	796,061	1.3%
Intangible assets	15,520	10,098	53.7%
Property, plant and equipment	7,942	7,734	2.7%
Right-of-use assets	8,480	10,053	(15.6%)
Investments in subsidiaries	579,881	578,325	0.3%
Equity-accounted investees	27,012	27,407	(1.4%)
Other financial assets	131,309	129,916	1.1%
Other non-financial assets	668	733	(8.9%)
Deferred tax assets	35,641	31,795	12.1%
Current assets, including:	128,670	112,314	14.6%
Trade receivables	38,821	48,724	(20.3%)
Other financial assets	83	83	0.0%
Other non-financial assets	5,308	4,241	25.2%
Cash and cash equivalents	84,458	59,266	42.5%
Total assets	935,123	908,375	2.9%

The carrying amount of non-current assets remained largely unchanged relative to the end of 2022 and stood at PLN 806.5 million as at 30 September 2023. The increase in intangible assets is attributable to the completion of development work on projects extending the functionality of the Company's services.

Current assets went up 14.6% compared with 31 December 2022, mainly as a result of an increase in cash.

Table 10 Equity and liabilities of the Company

	30 September 2023 (unaudited)	31 December 2022 (restated)	Change (y/y)
Equity	380,897	324,205	17.5%
Total liabilities, including:	554,226	584,170	(5.1%)
Non-current liabilities, including:	273,086	329,603	(17.1%)
Bank borrowings	255,176	303,168	(15.8%)
Lease liabilities	3,235	6,535	(50.5%)
Employee benefit obligations	1,696	1,696	0.0%
Deferred tax liabilities	12,979	18,204	(28.7%)
Current liabilities, including:	281,140	254,567	10.4%
Bank borrowings	63,435	63,492	(0.1%)
Lease liabilities	7,292	6,935	5.1%
Employee benefit obligations	11,073	12,995	(14.8%)
Trade payables	9,602	13,393	(28.3%)
Other non-financial liabilities	11,410	10,523	8.4%
Other financial liabilities	12,523	4,171	200.3%
Current tax liabilities	14,414	5,681	153.7%
Contract liabilities	151,391	137,377	10.2%
Total equity and liabilities	935,123	908,375	2.9%

As at the end of September 2023, the Company's equity rose to PLN 380.9 million.

The Company's total liabilities under borrowings decrease gradually as the debt is repaid on a regular basis, in accordance with the agreed schedule.

Current liabilities went up 10.4%, to PLN 281.1 million as at 30 September 2023. Key reasons behind this increase included a change in the amount of derivative financial instruments under the agreement hedging the Company against interest rate risk, and an increase in contract liabilities and current tax liabilities. Current tax liabilities were higher than as at the end of the previous year, the reason being that in 2023 income tax was paid in the form of monthly flat-rate advances, while in 2022 it was paid based on monthly calculation of the liability.

Cash flows

Grupa Pracuj S.A. Group

The Group generated positive net cash flows, chiefly on the back of positive net cash flows from operating activities.

Table 11 Cash flows of the Group

	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
Net cash flows from operating activities	263,488	186,147	41.5%	89,983	40,562	121.8%
Net cash flows from investing activities	(17,476)	(515,417)	(96.6%)	(6,746)	5,999	(212.5%)
Net cash flows from financing activities	(180,975)	228,877	(179.1%)	(128,112)	(163,815)	(21.8%)
Total net cash flows	65,038	(100,393)	(164.8%)	(44,876)	(117,254)	(61.7%)

Net cash flows from operating activities

On a year-to-date basis, for the first three quarters of 2023, net cash flows from operating activities grew 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 items with the most significant impact on net cash flows from investing activities in 2023 comprised spending on the acquisition of property, plant and equipment and on in-house software development and infrastructure upgrades.

Net cash flows from financing activities

On a year-to-date basis, for the first three quarters of 2023, the Company reported a negative balance of cash flows from financing activities, including primarily dividend payment of PLN 102.4 million, payment of the principal amount of the term facility of PLN 48.0 million, payment of interest on the term facility of PLN 21.9 million, and payment of liabilities under lease contracts on an ongoing basis.

Grupa Pracuj S.A.

Table 12 Cash inflows of the Company

	9 months ended 30 September		Change (y/y)	3 months ended 30 September		Change (y/y)
	2023	2022		2023	2022	
Net cash flows from operating activities	204,736	208,661	(1.9%)	57,936	58,171	0.0%
Net cash flows from investing activities	(2,003)	(551,246)	(99.8%)	4,392	7,287	(40.0%)
Net cash flows from financing activities	(177,589)	232,406	(176.4%)	(126,952)	(161,828)	(22.0%)
Total net cash flows	25,144	(110,179)	(122.8%)	(64,624)	(96,370)	(33.0%)

Net cash flows from operating activities

In the nine months ended 30 September 2023, the amount of net cash flows from operating activities was close to the respective figure for the corresponding period of the previous year.

Net cash flows from investing activities

The items that had the most significant impact on net cash flows from investing activities comprised spending on in-house software development and infrastructure upgrades. They were partly offset by PLN 7.2 million cash receipts from dividend.

Net cash flows from financing activities

On a year-to-date basis, for the first three quarters of 2023, the Company reported a negative balance of cash flows from financing activities, including primarily dividend payment of PLN 102.4 million, payment of the principal amount of the term facility of PLN 48.0 million, payment of interest on the term facility of PLN 21.9 million, and payment of liabilities under lease contracts on an ongoing basis.

Factors affecting the Group's financial and operating performance

The Management Board acknowledges that the operations of the Group and the Company are influenced by a number of internal and external factors that affect, among other things, the Group's and the Company's development plans and financial performance.

External factors:

- expectations regarding the development of macroeconomic factors, which significantly influence sentiment and decision-making for both businesses (Group customers) and users (candidates);
- businesses' willingness to invest in human resources, which drives the creation of new jobs and an active search for job candidates;
- legislative changes, including revisions to the Labour Code or an increase in the national minimum wage, potentially leading to changes in the employment policies and working conditions offered by employers, and thus to increased staff turnover;
- staff shortages and continued challenge for businesses in finding highly qualified staff.

Internal factors:

- steady rise in the average prices of recruitment projects and services across the Group;
- added value offered to customers and users through the expansion of the service and product portfolio to include AI-based solutions;
- addition of tools supporting management of new employee induction processes to the product portfolios of eRecruiter and softgarden (both operating under the SaaS model);
- expansion of activity in new markets, with more focus on the acquisition of customers for the recruitment management systems (SaaS) outside their main markets, i.e. Poland and Germany;
- process automation and optimisation within the Group, as well as ongoing review of marketing budgets, allowing the Group to continuously improve its business efficiency;
- active support for the Ukrainian company in regaining full operational efficiency and ongoing monitoring of its business activity in the context of high uncertainty and ongoing armed conflict.

gradual strengthening of competitive position across all markets – increased appetite for acquisitions.

OTHER INFORMATION

Litigation

As at the date of this consolidated quarterly report for the nine months ended 30 September 2023, no material proceedings were pending before a court, arbitration body or public administration body related to liabilities or receivables of the Company or other Group companies.

Related-party transactions

In accordance with the provisions of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the 'Act on Public Offering'), 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'*.

In the reporting period, there were no material transactions with related parties, as defined in the 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 transactions with related parties, see Note 7.2 'Related-party transactions' in the condensed consolidated interim financial statements for the nine months ended 30 September 2023.

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. For a detailed description of the capital management policy, see Note 4.1 to the condensed consolidated interim financial statements for the nine months ended 30 September 2023. In the reporting period, the Group was fully capable of meeting its liabilities when due.

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

The following table presents the net debt to equity ratio at the end of each reporting period covered by these condensed consolidated interim financial statements.

Table 13 Debt-to-equity ratio

	30 September 2023 (unaudited)	31 December 2022 (restated)
Bank borrowings	318,611	366,660
Lease liabilities	16,276	19,704
Other financial liabilities	25,316	13,309
Less: cash and cash equivalents	(174,623)	(109,538)
Net debt	185,580	290,135
Equity	370,304	310,956
Leverage (net debt to equity)	0.50	0.93

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 thousand to finance general corporate purposes, including planned future investments and further growth of the Company. 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, see Note 4.3 'Debt liabilities' in the condensed consolidated interim financial statements for the nine months ended 30 September 2023.

Sureties and guarantees

As at 30 September 2023, 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 7.6 'Contingent liabilities' in the condensed consolidated interim financial statements for the nine months ended 30 September 2023.

SUPERVISORY BODIES OF GRUPA PRACUJ S.A.

Supervisory Board

Composition

As at 30 September 2023, the composition of the Supervisory Board was as follows:

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
Martina van Hettinga	Member of the Supervisory Board	1 February 2023

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

Management Board

Composition

As at 30 September 2023, 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***

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 Company's shares are listed on the WSE main market in the continuous trading system under the ticker symbol 'GPP'. The Company shares were added to 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

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.

4 April 2023	Consolidated and separate full-year report for 2022
25 May 2023	Consolidated report for the three months ended 31 March 2023
31 August 2023	Consolidated report for the six months ended 30 June 2023
23 November 2023	Consolidated report for the three months ended 30 September 2023

Dividends

Distribution of profit earned in 2022

On 15 June 2023, the Company's Annual General Meeting passed a resolution to pay dividend of PLN 102,397,539.00, i.e., PLN 1.50 per share. The dividend will be paid from 68,265,026 shares. The dividend record date was set at 30 June 2023, and the dividend payment date at 14 July 2023.

Shares

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

As at 30 September 2023, 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 30 September 2023, 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. All Company shares are ordinary bearer shares with no preference attached to them, in particular any preference giving special control powers. The Company's Articles of Association provide for no restrictions on the transferability of Company shares.

Shareholding structure

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 30 September 2023:

Shareholder	Number of shares / voting rights	Par value of shares (PLN)	Ownership/voting interest (%)
Przemysław Gacek*	35,857,913	179,289,565	52.53%
TCV Luxco Perogie S.à r.l.	4,638,861	23,194,305	6.80%
Fundacja Rodzinna MANageWell**	5,755,449	28,777,245	8.43%
Others	22,012,803	110,064,015	32.24%
Total	68,265,026	341,325,130	100%

* 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.

** Entity controlled by Maciej Noga.

Shares held by management and supervisory personnel

As at 30 September 2023, holdings of Company shares by its management and supervisory personnel were as follows:

Management members	Board	Number of shares / voting rights	Par value of shares (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., 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.

Supervisory members	Board	Number of shares / voting rights	Par value of shares (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%

* Through Fundacja Rodzinna MANageWell.

Information on agreements relating to changes in the shareholder structure

As at the issue date of this report, the Company operated the following employee stock option plan:

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). 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. The Incentive Scheme 1 will be implemented in 2022-2024.

For detailed information on the scheme, see Note 1.3 'Employee benefits expense' in the condensed consolidated interim financial statements for the nine months ended 30 September 2023.

Additional information

On 11 September 2023, the Management Board of Grupa Pracuj S.A. received a notification from TCV Luxco Perogie S.à r.l. about a change in its share in total voting rights in the Company, submitted pursuant to Art. 69.1.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005. The notification referred to the settlement of a share sale transaction following an accelerated bookbuilding process for Company shares. For details, see Current Report No. 12/2023 of 11 September 2023, at <https://grupapracuj.pl/dla-inwestorow/raporty-biezace/12-2023>.



**Interim condensed consolidated
financial statements
of Grupa Pracuj S.A. Group
for the nine-month period
ended September 30, 2023**



Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Revenue from contracts with customers	2.2	550,873	453,218	181,155	172,927
Depreciation and amortisation		(25,946)	(17,572)	(8,688)	(11,340)
Cost of advertisements sold		(37,052)	(10,327)	(10,550)	(10,327)
Employee benefits expense	7.4	(188,877)	(137,722)	(65,406)	(50,810)
Marketing expenses		(33,478)	(38,422)	(11,127)	(14,480)
Software-as-a-service costs		(9,722)	(5,995)	(3,211)	(2,198)
Other services		(24,741)	(28,366)	(7,552)	(9,735)
Other costs		(7,431)	(5,124)	(2,782)	(2,887)
Other income	2.3	1,912	1,222	575	505
Other expenses	2.3	(1,678)	(2,590)	(9)	(441)
Expected credit losses		(145)	(929)	(388)	117
Operating profit		223,715	207,393	72,017	71,331
Finance income	2.4	5,773	7,330	1,754	4,381
Finance costs	2.4	(34,622)	(16,694)	(12,275)	(10,603)
Net finance income/(costs)		(28,849)	(9,364)	(10,521)	(6,222)
Share of profit of equity-accounted investees	6.5	4,290	(546)	1,920	(405)
Profit before tax		199,156	197,483	63,416	64,704
Income tax	3.1	(38,985)	(44,881)	(13,075)	(14,313)
Net profit from continuing operations		160,171	152,602	50,341	50,391
Net profit		160,171	152,602	50,341	50,391

OTHER COMPREHENSIVE INCOME	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Items that may be reclassified to profit or loss		(5,716)	22,144	22,010	23,910
Exchange differences on translation of foreign operations		(5,716)	22,144	22,010	23,910
Total other comprehensive income		(5,716)	22,144	22,010	23,910
TOTAL COMPREHENSIVE INCOME		154,455	174,746	72,351	74,301

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Net profit attributable to:					
Owners of the Parent		157,436	155,421	49,590	50,915
Non-controlling interests		2,735	(2,819)	751	(524)
		160,171	152,602	50,341	50,391
Total comprehensive income attributable to:					
Owners of the Parent		151,720	177,483	71,600	74,743
Non-controlling interests		2,735	(2,737)	751	(442)
		154,455	174,746	72,351	74,301
Basic earnings per share (PLN) - continuing operations	7.1	2.31	2.28	0.73	0.75
Diluted earnings per share (PLN) - continuing operations	7.1	2.28	2.26	0.72	0.74

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2023 (unaudited)	31 December 2022 (restated)
Intangible assets	6.1	94,694	96,377
Property, plant and equipment	6.2	12,424	12,382
Right-of-use assets	6.3	12,893	15,093
Goodwill	6.4	475,637	481,209
Equity-accounted investees	6.5	27,012	27,407
Other financial assets	5.2	131,695	130,622
Other non-financial assets	6.7	866	944
Deferred tax assets	3.1	38,843	36,123
Non-current assets		794,064	800,157
Inventory	6.6	7,392	3,912
Trade receivables	5.2	63,427	73,121
Other financial assets	5.2	647	348
Other non-financial assets	6.7	39,687	31,139
Cash and cash equivalents	4.4	174,623	109,538
Current assets		285,776	218,058
Total assets		1,079,840	1,018,215

EQUITY AND LIABILITIES	Note	30 September 2023 (unaudited)	31 December 2022 (restated)
Share capital	4.2	341,325	341,325
Reserve capital		300,617	238,248
Share repurchase reserve		1,080	1,080
Share-based payment arrangements	6.10	68,361	57,416
Other reserves		(14,570)	(13,633)
Translation reserve		(5,208)	508
Merger reserve		(586,707)	(586,707)
Retained earnings		265,356	272,686
Equity attributable to owners of the Parent		370,254	310,923
Non-controlling interests		50	33
Total equity		370,304	310,956
Bank borrowings	4.3	255,176	303,168
Lease liabilities	4.3	5,563	8,762
Other financial liabilities	5.3	12,792	9,138
Employee benefit obligations	6.9	1,847	1,847
Deferred tax liabilities	3.1	12,979	18,204
Non-current liabilities		288,357	341,119
Bank borrowings	4.3	63,435	63,492
Lease liabilities	4.3	10,713	10,942
Employee benefit obligations	6.9	26,398	23,618
Trade payables	5.3	34,139	32,809
Other financial liabilities	5.3	12,524	4,171
Other non-financial liabilities	6.8	16,795	16,765
Current tax liabilities	3.1	17,311	5,923
Contract liabilities	2.2	239,864	208,420
Current liabilities		421,179	366,140
Total liabilities		709,536	707,259
Total equity and liabilities		1,079,840	1,018,215

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)
Cash flows from operating activities			
Profit before tax		199,156	197,483
Adjustments for:			
Share of (profit) / loss of equity-accounted investees		(4,290)	546
Depreciation and amortisation		25,946	17,572
Foreign exchange (gains) / losses		788	1,813
(Gain) / loss on interest		22,124	9,653
(Gain) / loss on investing activities		134	(2,032)
Impairment loss on dividends receivable		833	-
Remeasurement of investments measured at fair value through profit or loss		1,872	-
Impairment loss on equity-accounted investees		-	4,230
Measurement of equity-settled share-based payment arrangement		10,945	12,855
Settlement and measurement of financial instruments		8,881	-
Income tax paid		(25,838)	(49,532)
Changes in working capital:			
Employee benefit obligations	6.9	2,780	(22,803)
Change in inventory		(3,480)	15,428
Trade receivables	5.2	9,700	6,847
Other non-financial assets	6.7	(8,405)	(8,521)
Trade payables	5.3	573	(10,747)
Other non-financial liabilities	6.8	(9,674)	(7,517)
Contract liabilities		31,444	21,209
Other adjustments		(1)	(337)
Net cash flows from operating activities		263,488	186,147
Cash flows from investing activities			
Expenditure on acquisition of subsidiaries less cash and cash equivalents in acquired subsidiaries		-	(514,047)
Purchase of financial assets		(178)	(56,053)
Proceeds from sale of financial assets		-	65,000
Proceeds from sale of property, plant and equipment and intangible assets		397	224
Purchase of property, plant and equipment and intangible assets		(17,694)	(10,541)
Net cash flows from investing activities		(17,476)	(515,417)
Cash flows from financing activities			
Dividends paid	4.2	(102,398)	(136,530)
Net proceeds from issue of shares		-	804
Proceeds from bank borrowings		-	400,000
Payment of bank borrowings	4.3	(48,000)	(16,000)
Payment of lease liabilities	4.3	(8,425)	(8,048)
Interest paid	4.3	(22,166)	(9,349)
Commissions on bank borrowings		-	(2,000)
Settlement of derivative financial instruments		14	-
Net cash flows from financing activities		(180,975)	228,877
Total net cash flows		65,038	(100,393)
Cash and cash equivalents at beginning of period		109,538	184,836
Exchange differences on cash and cash equivalents		47	65
Cash and cash equivalents at end of period		174,623	84,508
Cash and cash equivalents in the statement of financial position	4.4	174,623	84,508

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Translation reserve	Merger reserve	Retained earnings / (losses) carried forward	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
31 December 2022 (audited)	341,325	238,248	1,080	57,416	(13,633)	506	(586,707)	277,146	315,381	33	315,414
Accounting for business combination	-	-	-	-	-	2	-	(4,460)	(4,458)	-	(4,458)
1 January 2023 (restated)	341,325	238,248	1,080	57,416	(13,633)	508	(586,707)	272,686	310,923	33	310,956
Net profit/(loss) for period	-	-	-	-	-	-	-	157,436	157,436	2,735	160,171
Other comprehensive income for period	-	-	-	-	-	(5,716)	-	-	(5,716)	-	(5,716)
Total comprehensive income for period	-	-	-	-	-	(5,716)	-	157,436	151,720	2,735	154,455
Share-based payments	-	-	-	10,945	-	-	-	-	10,945	-	10,945
Distribution of retained earnings	-	62,369	-	-	-	-	-	(62,369)	-	-	-
Valuation of put option	-	-	-	-	(937)	-	-	-	(937)	(2,718)	(3,655)
Dividends	-	-	-	-	-	-	-	(102,398)	(102,398)	-	(102,398)
Transactions with owners of the Parent	-	62,369	-	10,945	(937)	-	-	(164,766)	(92,389)	(2,718)	(95,107)
30 September 2023 (unaudited)	341,325	300,617	1,080	68,361	(14,570)	(5,208)	(586,707)	265,356	370,254	50	370,304

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Translation reserve	Merger reserve	Retained earnings / (losses) carried forward	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
1 January 2022	340,521	108,516	1,080	29,256	(15,792)	(94)	(586,707)	372,365	249,145	12	249,157
Net profit/(loss) for period	-	-	-	-	-	-	-	155,421	155,421	(2,819)	152,603
Other comprehensive income for period	-	-	-	-	-	22,144	-	-	22,144	-	22,144
Total comprehensive income for period	-	-	-	-	-	22,144	-	155,421	177,565	(2,819)	174,747
Issue of shares	804	-	-	-	-	-	-	-	804	-	804
Share-based payments	-	-	-	12,855	-	-	-	-	12,855	-	12,855
Distribution of retained earnings	-	129,731	-	-	-	-	-	(129,731)	-	-	-
Valuation of put option	-	-	-	-	1,271	-	-	-	1,271	2,814	4,085
Dividends	-	-	-	-	-	-	-	(136,530)	(136,530)	-	(136,530)
Transactions with owners of the Parent	804	129,731	-	12,855	1,271	-	-	(266,258)	(121,597)	2,814	(118,783)
30 September 2022 (unaudited, restated)	341,325	238,247	1,080	42,111	(14,521)	22,050	(586,707)	261,529	305,114	7	305,121

1. GENERAL INFORMATION

1.1 General information about the Parent

Name	Grupa Pracuj spółka akcyjna
Registered office	ul. Prosta 68, 00-838 Warsaw
Registry court	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register (KRS)
KRS number	0000913770

Tax identification number (NIP) 527-27-49-631

Grupa Pracuj spółka akcyjna ('Grupa Pracuj S.A.', the 'Company' or the 'Parent') is the parent of the Grupa Pracuj S.A. Group (the 'Group').

On 2 August 2021, the Parent was transformed from a limited liability company (*spółka z ograniczoną odpowiedzialnością*) into a joint-stock company (*spółka akcyjna*).

Grupa Pracuj S.A. is a prominent HR technology platform in Central and Eastern Europe that operates online job posting sites and offers various services to assist organisations in employee recruitment, retention, and development. The Group helps its users find the right employment that enables them to use their full potential, and develops world-class technologies shaping the future of the HR market.

The Group's brands form an advanced digital ecosystem for the HR industry, with Pracuj.pl, Robota.ua, eRecruiter and softgarden as the mainstays of the portfolio.

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

In the nine months ended 30 September 2023 and as at that date, 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.

The composition of the Parent's Management Board remained unchanged as at the date of authorisation of these condensed consolidated interim financial statements.

As at 30 September 2023 and until the date of authorisation of these condensed consolidated interim financial statements, the composition of the Supervisory Board was as follows:

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

- Martina van Hetting, Member of the Supervisory Board from 1 February 2023.
-

1.3 Composition of the Group and basis for consolidation

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

These condensed consolidated interim financial statements of the Group include financial information of the Parent and all its subsidiaries. The subsidiaries are consolidated on a full consolidation basis. The Group also holds shares in associates, which are measured using the equity method.

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

As at 30 September 2023 and 31 December 2022, the Group's ownership interests in its subsidiaries were equal to the voting interests held by the Group in these entities.

The table below provides a list of the subsidiaries and associates of the Group as at 30 September 2023 and 31 December 2022. In the period between 31 December 2022 and 30 September 2023, there were no changes in the composition of the Group. The table below provides a list of the subsidiaries and associates of the Group.

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

Company	Registered office	Principal business	Ownership interest	
			30 September 2023 (unaudited)	31 December 2022
Direct and indirect subsidiaries				
Robota International TOV	Ukraine	advertising services	67%	67%
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
eRecruitment Solutions Ukraine TOV	Ukraine	activities related to databases	100%	100%
HumanWay sp. z o.o. w likwidacji	Poland	IT services	..1)	100%
BinarJobs sp. z o.o.	Poland	advertising services	100%	100%
Snowless Global Ltd	Cyprus	licensing activities	67%	67%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
softgarden e-recruiting GmbH	Germany	IT services	100%	100%
absence.io GmbH	Germany	IT services	100%	100%
Associates				
Epicode sp. z o.o.	Poland	IT services	35%	35%
Resolutio sp. z o.o.	Poland	HR management consulting services	34%	34%
Video Recruiting Solutions s.r.o., v likvidaci	Czech Republic	IT services	..2)	30%
Work Ukraine TOV	Ukraine	advertising services	33%	33%
WorkIP Ltd	Cyprus	licensing activities	33%	33%
Coders Lab sp. z o.o.	Poland	training services	22%	22%
Fitqbe sp. o.o.	Poland	IT services	34% 3)	35%

¹⁾ The liquidation of Humanway sp. z o.o. w likwidacji (in liquidation) was completed on 31 August 2023. The company was removed from the business register on 28 September 2023.

²⁾ The liquidation of Video Recruiting Solutions s.r.o., v likvidaci was completed on 12 April 2023.

³⁾ Under an agreement of 21 June 2023, the preliminary share purchase agreement was terminated with respect to Pracuj Ventures sp. z o.o. ASI sp.k.'s commitment to sell and Grupa Pracuj S.A.'s commitment to purchase 4 shares in the share capital of Fitqbe sp. z o.o. Consequently, the Company now owns a total of 112 shares, which represent 34% of the share capital of Fitqbe sp. z o.o.

1.4 Basis of preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as endorsed by the European Union ('IAS 34'). These condensed consolidated interim financial statements do not include all the information and disclosures required to be included in full-year financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022, which were authorised for issue on 3 April 2023.

The accounting policies applied to prepare these condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's full-year consolidated financial statements for the year ended 31 December 2022.

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

The Management Board of the Parent represents that, to the best of its knowledge, these condensed consolidated interim financial statements have been prepared in accordance with the applicable accounting principles and give a true, fair and clear view of the Group's assets and financial position.

These condensed consolidated interim financial statements have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months from 30 September 2023. As at the date of preparation of these condensed consolidated interim financial statements, the Management Board of the Parent did not identify any events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. The impact of the armed conflict in Ukraine on the Group's business is analysed and described in Note 7.7.

The scope of these condensed consolidated interim financial statements is compliant with 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 (consolidated text: Dz.U. of 2018, item 757), covering the reporting period from 1 January to 30 September 2023 and the comparative period from 1 January to 30 September 2022 for, respectively, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows, as well as the statement of financial position as at 30 September 2023 and 31 December 2022.

The data for the three months ended 30 September 2023 was calculated as the difference between the year-to-date data for the period ended 30 September 2023 and the data presented in the condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the six months ended 30 June 2023, which were reviewed by the auditor and published on 31 August 2023.

1.5 Significant judgements and assumptions

The preparation of financial statements in accordance with IFRS requires the reporting entity to make significant accounting judgements and assumptions. Such judgements and assumptions are reviewed on an ongoing basis taking into account past experience and other factors, including predictions about future events that seem reasonable in a given situation. The Group makes judgements and assumptions relating to the future. The resulting accounting estimates will rarely match actual results, as they are subject to uncertainties and assumptions. Judgements and assumptions that entail a significant risk of

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a material adjustment to the reported carrying amounts of assets and liabilities within the next financial period are described in relevant notes to these condensed consolidated interim financial statements.

In the nine months ended 30 September 2023, there were no material changes in the method in which accounting estimates are made.

Judgements and assumptions that entail a significant risk of a material adjustment to the reported carrying amounts of assets and liabilities within the next financial period are described in relevant notes to the Group's consolidated financial statements for the year ended 31 December 2022, authorised for issue on 3 April 2023.

Line items in the financial statements to which significant estimates and judgments pertain	Note
Revenue from contracts with customers	2.2
Deferred tax assets	3.1
Intangible assets	6.1
Property, plant and equipment	6.2
Right-of-use assets	6.3
Taxes payables/receivables	3.1
Lease liabilities	4.3
Financial assets measured at amortised cost	5.1
Trade receivables	5.3
Unlisted shares	5.3
Equity-accounted investees	6.5
Employee benefit obligations	6.9
Share-based payments	6.10

1.6 Functional currency and foreign currency transactions

Functional currency and presentation currency

Financial statements of individual Group companies are prepared in the currency of the primary economic environment in which the company operates, i.e. in its functional currency.

The Polish złoty (PLN) is the functional currency of the Parent and of some of the Group companies (except for the foreign operations listed below) as well as the presentation currency of these condensed consolidated interim financial statements.

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

The foreign operations of the Group whose functional currency is other than the Polish złoty are Robota International TOV, eRecruitment Solutions Ukraine TOV, and Work Ukraine TOV, with the Ukrainian hryvnia (UAH) as the functional currency, and Snowless Global Ltd, WorkIP Ltd, Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH, and absence.io GmbH, with the euro (EUR) as the functional currency.

The following exchange rates were applied to translate foreign operations into PLN and to translate transactions and balances denominated in foreign currencies:

	Exchange rate at the reporting date		
	30 September 2023	31 December 2022	30 September 2022
EUR	4.6356	4.6899	4.8698
USD	4.3697	4.4018	4.9533
UAH	0.1183	0.1258	0.1258

	Average rate in the period	
	9 months ended 30 September 2023	9 months ended 30 September 2022
EUR	4.5773	4.6880
USD	4.2337	4.4413
UAH	0.1173	0.1385

1.7 Corrections of errors and changes in accounting policies

The Group did not make any correction of errors or changes in accounting policies during the reporting period.

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

2.1 Operating segments

In accordance with IFRS 8 *Operating Segments* ('IFRS 8'), an operating segment is a distinguishable part of the Group's business activities for which separate financial information is available and whose operating results are regularly reviewed by the Management Board of the Parent as the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group has identified the following operating segments:

- Segment Poland – the segment comprises entities that earn revenues in the Polish market, including: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o. and BinarJobs sp. z o.o. The particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – the segment comprises entities that earn revenues in the Ukrainian market, 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 on the Ukrainian market offer, similarly to the companies operating in Poland, end-to-end recruitment projects.
- Segment Germany – the segment includes companies that earn revenues mainly in the German market, including: 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, and recruitment advertising on online portals mainly in the DACH region.

The Group has chosen to disclose selected data on profit or loss in individual reporting periods by operating segments. The Group has elected not to disclose the allocation of assets and liabilities to operating segments using the exemption permitted under IFRS 8, as the Management Board of Grupa Pracuj S.A. (i.e. the chief operating decision maker within the meaning of IFRS 8) does not analyse the segment data in terms of allocation of the assets and liabilities.

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Selected data on income and expenses analysed by the Management Board of the Parent for both operating segments are presented in the tables below.

9 months ended 30 September 2023 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	382,672	31,253	136,948	-	550,873
Other income	1,170	9	732	-	1,912
Intersegment revenue	56	36	-	(92)	-
Total segment revenue	383,898	31,298	137,680	(92)	552,785
Depreciation and amortisation	(8,841)	(1,446)	(15,659)	-	(25,946)
Operating expenses other than depreciation and amortisation	(163,093)	(22,144)	(117,978)	92	(303,124)
Operating profit	211,964	7,708	4,043	-	223,715

9 months ended 30 September 2022 (unaudited, restated)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	392,705	19,417	41,096*	-	453,218
Other income	900	31	291	-	1,222
Intersegment revenue	46	75	-	(121)	-
Total segment revenue	393,651	19,523	41,387	(121)	454,440
Depreciation and amortisation	(7,122)	(2,153)	(8,297)	-	(17,572)
Operating expenses other than depreciation and amortisation	(172,245)	(24,895)	(32,457)*	121	(229,475)
Operating profit	214,284	(7,525)	634	-	207,393

* In the nine months ended 30 September 2022, a presentation adjustment was made with respect to Segment Germany whereby revenue from contracts with customers and cost of advertisements sold were decreased by PLN 10,532 thousand.

3 months ended 30 September 2023 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	125,489	11,354	44,312	-	181,155
Other income	327	-	248	-	575
Intersegment revenue	30	19	-	(49)	-
Total segment revenue	125,846	11,373	44,560	(49)	181,730
Depreciation and amortisation	(2,985)	(453)	(5,251)	-	(8,688)
Operating expenses other than depreciation and amortisation	(54,812)	(8,617)	(37,645)	49	(101,025)
Operating profit	68,050	2,303	1,664	-	72,017

3 months ended 30 September 2022 (unaudited, restated)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	126,545	5,286	41,096*	-	172,927
Other income	322	(108)	291	-	505
Intersegment revenue	21	7	-	(28)	-
Total segment revenue	126,888	5,185	41,387	(28)	173,432
Depreciation and amortisation	(2,477)	(566)	(8,297)	-	(11,340)
Operating expenses other than depreciation and amortisation	(52,962)	(5,371)	(32,457)	28	(90,761)
Operating profit	71,449	(752)	634	-	71,331

* In the three months ended 30 September 2022, a presentation adjustment was made with respect to Segment Germany whereby revenue from contracts with customers and cost of advertisements sold were decreased by PLN 10,532 thousand.

2.2 Revenue from contracts with customers

Key types of products and services

The table below shows revenue from contracts with customers, broken down according to the timing of satisfaction of performance obligations and by country.

The key categories of services offered by the Group are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2022.

Revenue from contracts with customers by the timing of satisfaction of performance obligations

Revenue from contracts with customers segmented by the timing of revenue recognition	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Over time	339,674	284,424	115,362	100,698
At a point in time	211,199	168,794	65,793	72,229
Total	550,873	453,218	181,155	172,927

Revenue from contracts with customers by region

Revenue from contracts with customers segmented by geography	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Poland	373,195	381,090	122,867	123,223
Ukraine	31,308	19,464	11,382	5,307
DACH region	141,938	48,954	45,734	43,089
Other countries	4,432	3,710	1,172	1,308
Total	550,873	453,218	181,155	172,927

Contract liabilities

Contract liabilities represent the amount of transaction price attributable to an unsatisfied performance obligation at the reporting date. The most significant item under contract liabilities is the sale of recruitment projects.

Contract liabilities	30 September 2023 (unaudited)	31 December 2022
Current	239,864	208,420
Total	239,864	208,420

The Group anticipates that the amounts reported as contract liabilities will be recognised as revenue within 12 months after payment, as the contracts with customers are typically signed for a maximum of one year.

The Group uses the practical expedient permitted by IFRS 15 whereby it is not required to disclose the transaction price allocated to the unsatisfied performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

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2.3 Other income and expenses**Other income**

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Gain on disposal of non-current non-financial assets	115	187	15	108
Income from lease modifications	-	8	-	-
Income from sublease of office space	690	51	187	35
Other income	1,107	976	373	362
Total	1,912	1,222	575	505

Other expenses

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Donations	1,070	2,470	85	467
Other expenses	608	120	(76)	(26)
Total	1,678	2,590	9	441

2.4 Finance income and finance costs**Finance income**

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Interest income	5,543	5,496	1,754	2,379
Remeasurement of financial instrument at fair value and settlement of deferred gain on first-day measurement of options	227	318	-	486
Measurement of derivative financial instruments	-	1,516	-	1,516
Other	3	-	-	-
Total	5,773	7,330	1,754	4,381

Finance costs

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Interest expense on bank borrowings	21,670	9,077	6,844	8,441
Interest expense on lease contracts	460	577	148	197
Impairment of equity-accounted investees	-	4,230	-	169
Remeasurement of investments measured at fair value through profit or loss	1,872	-	734	-
Impairment loss on dividends receivable	833	-	(168)	-
Measurement of derivative financial instruments	8,881	-	4,458	-
Exchange differences	555	2,438	146	1,481
Other	351	372	113	315
Total	34,622	16,694	12,275	10,603

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As at 30 September 2023, the Group measured at fair value the investment in Pracuj Ventures spółka z ograniczoną odpowiedzialnością ASI sp.k. ('Pracuj Ventures'), recognising an amount of PLN 1,872 thousand under finance costs (Note 5.2).

In connection with the ongoing armed conflict in Ukraine, the rapidly changing financial flow conditions and the scope of applicable sanctions, the Management Board decided to recognise an impairment loss of PLN 833 thousand in the nine months ended 30 September 2023 for the dividend receivable from Work Ukraine TOV (see Note 5.2 and Note 7.7).

In the nine months ended 30 September 2023, finance costs from measurement of derivative financial instruments (instruments not designated for hedge accounting) were related to the hedge of a variable interest rate on a credit facility (Note 4.3).

3. NOTES ON TAXATION

3.1 Income tax

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Current tax	48,437	50,439	15,064	12,997
Reduction of income tax for 2022	(1,507)	-	-	-
Deferred tax	(2,720)	(5,558)	967	1,316
Change in net deferred tax liabilities arising from capital gains	(5,225)	-	(2,956)	-
Total tax expense in the statement of comprehensive income	38,985	44,881	13,075	14,313

Tax rates

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

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Deferred income tax

The table below presents the deferred tax assets and liabilities that have been recognised for temporary differences arising from individual items of assets and liabilities.

	30 September 2023 (unaudited)	31 December 2022 (restated)
Deferred tax assets arising from other sources		
Contract liabilities	32,684	29,561
Other liabilities	48	802
Other non-financial assets	1,243	1,288
Trade receivables	(478)	484
Right-of-use assets and lease liabilities	629	881
Employee benefit obligations	2,770	2,868
Trade payables	873	-
Tax losses carried forward	25,233	28,216
Difference between carrying amount and tax base of liabilities arising from bank borrowings	116	-
Measurement of derivative financial instruments	2,380	690
Other deductible temporary differences	659	354
Total deferred tax assets arising from other sources	66,156	65,144

	30 September 2023 (unaudited)	31 December 2022 (restated)
Deferred tax liabilities arising from other sources		
Temporary differences between carrying amounts of property, plant, and equipment and intangible assets recognised in the accounts and their tax base	22,685	25,647
Capitalised costs of obtaining contracts with customers	4,470	3,328
Taxable temporary differences	159	47
Total deferred tax liabilities arising from other sources	27,314	29,021
Deferred tax liabilities from capital gains		
Deferred tax liabilities arising from remeasurement of investments measured at fair value	19,033	18,813
Tax losses from capital gains carried forward	(6,054)	(609)
Total net deferred tax liabilities arising from capital gains	12,979	18,204

Net deferred tax assets arising from other sources	38,843	36,123
Net deferred tax liabilities arising from capital gains	12,979	18,204

4. NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS; DEBT OF THE GROUP

4.1 Capital management policy and net debt

The Group's capital management policy aims to support the continuous operations of the Group and increase value for shareholders and other stakeholders. It also seeks to maintain an optimal capital structure that balances the cost of capital with appropriate levels of credit ratings. The Group may modify the level of dividends paid to shareholders, conduct share buybacks, issue new shares, or sell assets as appropriate to maintain or adjust the capital structure and reduce the level of net debt.

The Group's capital management policy considers various factors, including:

- the Group's performance in relation to investment and development plans;
- the repayment schedule for financial debt;
- credit rating and capital ratios;
- and value creation for shareholders.

As at 31 December 2022 and 30 September 2023, the Group had financial liabilities arising from the Credit Facility Agreement (Note 4.3).

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

The following table presents the net debt to equity ratio at the end of each reporting period covered by these condensed consolidated interim financial statements.

	30 September 2023 (unaudited)	31 December 2022 (restated)
Bank borrowings	318,611	366,660
Lease liabilities	16,276	19,704
Other financial liabilities	25,316	13,309
Less: cash and cash equivalents	(174,623)	(109,538)
Net debt	185,580	290,135
Equity	370,304	310,956
Leverage (net debt to equity)	0.50	0.93

4.2 Equity

Share capital

As at 30 September 2023, the share capital consisted of 68,265,026 shares with a par value of PLN 5.00 each. All shares outstanding as at 30 September 2023 had a total par value of PLN 341,325,130.00 and were fully paid for.

Changes in equity in the nine months ended 30 September 2023

On 15 June 2023, the Annual General Meeting resolved on the following allocation of the net profit of PLN 164,766,117.07 earned by the Company in the financial year ended 31 December 2022:

- PLN 62,368,578.07 was allocated to the Company's reserve fund;
- PLN 102,397,539.00 was allocated to dividend.

The dividend of PLN 102,397,539.00 was paid in July 2023.

Changes in equity in 2022

On 23 May 2022, the Management Board of the Parent adopted a resolution to increase the Company's share capital within the limits of authorised capital by issuing 160,776 Series D ordinary bearer shares ('Series D Shares'). Under the resolution, the Management Board decided to increase the share capital from PLN 340,521,250.00 to PLN 341,325,130.00, i.e. by PLN 803,880.00.

On 8 July 2022, the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, registered amendments to Article 5.1 of the Company's Articles of Association adopted pursuant to the resolution of the Management Board dated 23 May 2022. The Company's share capital was increased within the limits of authorised capital, and the Company's authorised capital remaining to be issued as at 30 June 2023 amounted to PLN 5,155,235.

On 12 August 2022, 160,776 Series D Shares were registered with the Central Securities Depository of Poland.

All of the newly issued Series D Shares were offered privately by the Management Board to employees and associates of the Company and its subsidiaries as part of the incentive schemes established by Resolutions No. 4 and No. 5 of the Extraordinary General Meeting on 29 October 2021, which outlined the rules for Incentive Schemes No. 2 and No. 3 designed for key personnel employed by the Group. The eligible employees and associates acquired Series D Shares at an issue price of PLN 5.00 per share. The Series D shares were subject to a temporary lock-up until 9 September 2022.

On 22 June 2022, the Annual General Meeting resolved on the following allocation of the net profit of PLN 266,261,411.34 earned by the Company in the financial year ended 31 December 2021:

- PLN 129,731,359.34 was allocated to the Company's reserve fund;
- PLN 136,530,052.00 was allocated to dividend.

The dividend of PLN 136,530,052.00 was paid in September 2022.

4.3 Debt liabilities

Debt liabilities

	30 September 2023 (unaudited)	31 December 2022
Bank borrowings	318,611	366,660
- long-term	255,176	303,168
- short-term	63,435	63,492
Lease liabilities	16,276	19,704
- long-term	5,563	8,762
- short-term	10,713	10,942
Total	334,887	386,364

Upon initial recognition, bank borrowings are recognised at fair value, less costs associated with obtaining the borrowings. After initial recognition, interest-bearing bank borrowings are measured at amortised cost using the effective interest rate method. Amortised cost includes the cost of obtaining the borrowing and any discounts or premiums received in connection with the borrowing.

Bank borrowings – terms, payment schedules

Facility	Currency	Nominal value	Credit limit	Interest rate	Maturity
Term credit facility from BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.	PLN	399,999,999	400,000,000	3M WIBOR + margin 1.2-1.9%; * for periods shorter than 3M the linear interpolation rate	14 June 2027

On 14 June 2022, 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 (the 'Credit Facility Agreement'). Under the Credit Facility Agreement, the Banks provided the Company with a term loan of up to PLN 400,000 thousand to finance general corporate purposes, including planned future investments and further development of the Company. The facility repayment date is 14 June 2027. The facility bears interest at a variable rate plus the Banks' margin.

Debt covenants

The credit facility agreements entered into with the Banks impose standard legal and financial obligations (covenants) on the Parent, as is typical in transactions of this kind. Some of the key covenants in the Credit Facility Agreement include the following financial ratios calculated for the Group: Debt Coverage Ratio (equal to or greater than 1.20), Interest Coverage Ratio (equal to or greater than 2.0), Leverage Ratio (less than 3.50).

As at 30 September 2023, the Group was in compliance with the limits for all of the ratios.

Execution of interest rate risk hedging transactions

Grupa Pracuj S.A. entered into framework agreements with banks on 11 July 2022 to govern the execution and settlement of forward financial transactions, as provided for in Article 85.2 of the Bankruptcy Law. These agreements aim to mitigate the risk of negative impact of variable interest rates on finance costs related to debt. Under the agreements, the Company hedged the variable interest rate on the 3M WIBOR credit facility with an interest rate swap (IRS) that guarantees a fixed interest rate of 6.94% for a period of three years, i.e., until 30 September 2025. The carrying amount of the liability

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under derivative financial instruments used for hedging interest rate risk and not covered by hedge accounting was PLN 12,524 thousand as at 30 September 2023.

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)
Measurement of derivative financial instruments		
IRS – Interest Rate Swap	(8,895)	1,516
Settlement of derivative financial instruments		
IRS – Interest Rate Swap	14	-
Total	(8,881)	1,516

Collateral for repayment of the credit facility

In order to provide additional security for the repayment of the Company's liabilities under the Credit Facility Agreement of 14 June 2022, on the same day the Parent entered into agreements with the Banks for the establishment of registered pledges over trademarks and an Internet domain name, as well as an agreement for the establishment of registered pledges and financial pledges over Grupa Pracuj S.A.'s bank accounts.

As at 30 September 2023, the following security instruments were created by the Company over its assets:

- registered pledge on a set of Grupa Pracuj S.A.'s assets up to PLN 852,450 thousand;
- registered pledge on the word and graphic trademark 'pracuj.pl' of up to PLN 852,450 thousand;
- registered pledge on the word trademark mark 'pracuj.pl' of up to PLN 852,450 thousand;
- registered pledge on the Internet domain name 'pracuj.pl' of up to PLN 852,450 thousand;
- registered pledges and financial pledges on bank accounts of up to PLN 852,450 thousand each;
- the Company's statement of voluntary submission to enforcement pursuant to Article 777 of the Code of Civil Procedure.

During the nine months ended 30 September 2023 and until the issue date of these condensed consolidated interim financial statements, there were no events of default in repayment of principal or interest by the Group or any other breaches of the terms of credit facility agreements.

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

	Bank borrowings	Lease liabilities	Total
1 January 2023	366,660	19,704	386,364
Changes in cash flows from financing activities			
Payment of bank borrowings	(48,000)	-	(48,000)
Payment of interest on bank borrowings	(21,714)	-	(21,714)
Payment of lease liabilities	-	(8,427)	(8,427)
Payment of lease interest	-	(452)	(452)
Net cash flows from financing activities	(69,714)	(8,879)	(78,593)
Other changes			
New lease contracts	-	1,037	1,037
Lease modifications	-	4,341	4,341
Accrued interest	21,665	460	22,125
Effect of changes in foreign exchange rates	-	(387)	(387)
Total other changes	21,665	5,451	27,116
30 September 2023 (unaudited)	318,611	16,276	334,887

	Bank borrowings	Lease liabilities	Total
1 January 2022	-	26,326	26,326
Changes in cash flows from financing activities			
New credit facility agreements	400,000	-	400,000
Payment of bank borrowings	(16,000)	-	(16,000)
Payment of commissions on bank borrowings	(2,000)	-	(2,000)
Payment of interest on bank borrowings	(8,772)	-	(8,772)
Payment of lease liabilities	-	(8,048)	(8,048)
Payment of lease interest	-	(577)	(577)
Net cash flows from financing activities	373,228	(8,625)	364,603
Other changes			
Acquisition-related leases	-	5,485	5,485
New lease contracts	-	454	454
Lease modifications	-	(871)	(871)
Accrued interest	9,077	576	9,653
Effect of changes in foreign exchange rates	-	2,675	2,675
Total other changes	9,077	8,319	17,396
30 September 2022 (unaudited)	382,304	26,020	408,324

For information on the Group's exposure to interest rate risk, currency risk, and liquidity risk see Note 5.4. For information on fair value see Note 5.1.

4.4 Cash and cash equivalents

Cash and cash equivalents

	30 September 2023 (unaudited)	31 December 2022
Cash in current accounts	69,490	33,127
Bank deposits	104,786	75,918
Cash in transit	347	493
Total	174,623	109,538

The Group holds restricted cash at banks in Ukraine, whose limited availability results from restrictions imposed by the National Bank of Ukraine. An additional moratorium on cross-border foreign exchange payments was imposed on 24 February 2022. The total value of cash held in Ukrainian bank accounts as at 30 September 2023 was PLN 18,687 thousand. The Ukrainian company Robota International TOV ('Robota') has the capacity to meet its financial obligations and use cash balances in those bank accounts as its liabilities are largely limited to the domestic market.

5. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

5.1 Financial instruments and fair value

Due to the short-term nature of trade receivables, cash and short-term bank deposits, cash security deposits, bonds, trade payables, and other financial liabilities, the Group assesses that their carrying amounts at the end of each reporting period covered by these condensed consolidated interim financial statements are a reliable approximation of their fair value.

The fair value of interest-bearing bank borrowings is estimated based on a discounted cash flow model using a discount rate reflecting the Banks' interest rate. Based on this calculation, the Group has assessed that the value of bank loans at the end of each of the periods presented is a reliable approximation of their fair value.

In the nine months ended 30 September 2023 and in the year ended 31 December 2022, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, and no instruments were transferred from or to Level 3 of the fair value hierarchy.

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In the nine months ended 30 September 2023, there were no changes in the measurement processes or techniques or in the types of inputs used to measure the fair value.

	30 September 2023 (unaudited)	31 December 2022	Fair value hierarchy
Financial assets measured at fair value through profit or loss			
Unlisted shares	124,635	126,507	Level 3
Total	124,635	126,507	
Financial assets measured at amortised cost			
Trade receivables	63,427	73,121	
Cash and cash equivalents	174,623	109,538	
Cash security deposits	4,634	4,463	
Dividends receivable	3,073	-	
Total	245,757	187,122	
Other financial liabilities			
Bank borrowings	318,611	366,660	Level 2
Lease liabilities	16,276	19,704	
Trade payables	34,139	32,809	
Liabilities arising from put option	12,792	9,365	Level 3
Derivatives recognised in financial liabilities	12,524	3,630	Level 3
Other financial liabilities	-	314	Level 3
Total	394,342	432,482	

5.2 Trade receivables and other financial assets

Trade receivables

	30 September 2023 (unaudited)	31 December 2022
Trade receivables		
- from related entities	51	19
- from other entities	63,376	73,102
Total	63,427	73,121

Other financial assets

	30 September 2023 (unaudited)	31 December 2022
Non-current	131,695	130,622
Unlisted shares	124,635	126,507
Cash security deposits	3,987	4,115
Dividends receivable	3,073	-
Current	647	348
Cash security deposits	647	348
Total	132,342	130,970

On 9 January 2023, shareholders of Work Ukraine TOV passed a resolution to distribute profits earned in previous years. The dividend of PLN 4,371 thousand reduced the value of equity-accounted investees in the nine months ended 30 September 2023. Given the restrictions on dividend payments outside of Ukraine in connection with the ongoing armed conflict, the Management Board expects the dividend to be received by 31 December 2024. On that basis, the Management Board decided to recognise an impairment loss of PLN 833 thousand in the nine months ended 30 September 2023 for a part of the dividend receivable (see Note 7.7).

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

	9 months ended 30 September 2023 (unaudited)	Year ended 31 December 2022
Unlisted shares measured at fair value through profit and loss at beginning of period	126,507	122,172
Purchase of unlisted shares measured at fair value	-	6,084
Changes in fair value measurement recognised in net finance income/(costs)	(1,872)	(1,749)
Unlisted shares measured at fair value through profit and loss at end of period	124,635	126,507
<i>including shares in:</i>		
Beamery Inc.	107,730	107,730
Pracuj Ventures sp. z o.o. ASI sp.k.	16,905	18,777

The Group measures unlisted shares at fair value classified as Level 3 of the fair value hierarchy. The Group uses its own estimates for this valuation, based on the belief that no reasonably available information suggests that market participants would adopt different assumptions in their valuations.

Pursuant to Resolution No. 2 passed by the General Meeting of Pracuj Ventures on 16 February 2022, Grupa Pracuj S.A. provided an additional cash contribution of PLN 6,084 thousand to Pracuj Ventures as part of a capital increase. The payment was made on 21 February 2022.

The Management Board undertakes regular analysis of the factors that could potentially affect the fair value measurement of the shares. In the opinion of the Company's Management Board, as at the reporting date of 31 December 2022 the fair value of unlisted shares was lower by PLN 1,749 thousand, without taking into account the above-described cash contribution of PLN 6,084 thousand. In the opinion of the Company's Management Board, as at 30 September 2023 the fair value of unlisted shares was lower by PLN 1,872 thousand from the amount disclosed as at 31 December 2022.

Measurement of unlisted shares

The Group determines the fair value of the shares in Beamery Inc. by reference to the valuations of the shares issued by the entity in successive funding rounds. As a result of the funding round in June 2021, the fair value of shares in Beamery Inc. was revalued by the Company by PLN 86,222 thousand. On 13 December 2022, Beamery Inc. completed another funding round (Series D) without external investors, in which the Company did not participate. There was no change to the valuation of the asset as at the reporting date, which remains the same as that presented in the consolidated financial statements for the year ended 31 December 2022.

Assessment of the Group's interest in Pracuj Ventures sp. z o.o. ASI sp. k.

As at 30 September 2023, the Company continued to classify its interest in Pracuj Ventures as an investment, despite having contributed as much as 71.96% of its share capital. The Group's interest in Pracuj Ventures, detailed in Note 5.2 to the consolidated financial statements for the year ended 31 December 2022, did not change as at the date of these condensed consolidated interim financial statements.

5.3 Trade payables and other financial liabilities

Trade payables

	30 September 2023 (unaudited)	31 December 2022
Trade payables		
- to related entities	69	536
- to other entities	34,070	32,273
Total	34,139	32,809

Other financial liabilities

	30 September 2023 (unaudited)	31 December 2022
Non-current liabilities		
Non-current liabilities arising from put option	12,792	9,138
Current liabilities		
Current liability arising from acquisition of shares in associate	-	314
Liability arising from put option on shares in associate	-	227
Derivative liabilities	12,524	3,630
Total	25,316	13,309

Liabilities arising from put option

The non-current liabilities arising from a put option are related to the estimated value of potential future payments to non-controlling shareholders of Robota International TOV. The liability was recognised in the amount of PLN 12,792 thousand, with a corresponding entry in equity (other reserves). For detailed information, see Note 5.3 to the consolidated financial statements for the year ended 31 December 2022.

Liability arising from acquisition of shares in associate

On 28 May 2021, an agreement was signed regarding investment in Fitqbe, under which the Company acquired 44 shares, with a par value of PLN 50.00 per share, on 2 August 2021. In accordance with the provisions of the agreement, the Company had a call option on further shares. On 7 October 2021, the Company entered into a preliminary share purchase agreement with Pracuj Ventures sp. z o.o. ASI sp.k. ('Pracuj Ventures') to purchase an additional 33 shares in the share capital of Fitqbe. As a result, the Company recognised a liability of PLN 2,590 thousand. The liability is presented under other financial liabilities, with a corresponding entry under equity-accounted investees. On 22 December 2021, the Company accepted offers to sell shares and acquired an additional 39 shares in Fitqbe. The shares were paid up in full on 11 January 2022. On 13 December 2022, the Company signed the final share purchase agreement for 29 shares, which were sold for a total price of PLN 2,276 thousand. This sale was effected in the performance of the preliminary share purchase agreement of 7 October 2021. After completing the acquisition of an additional 33 shares, the Company now owns a total of 116 shares, which represent 35% of the share capital of Fitqbe.

Under an agreement of 21 June 2023, the preliminary share purchase agreement was terminated with respect to Pracuj Ventures' commitment to sell and Grupa Pracuj S.A.'s commitment to purchase 4 shares in the share capital of Fitqbe. Consequently, as at 30 September 2023 the Company owned a total of 112 shares, representing 34% of the share capital of Fitqbe.

Derivative liabilities

The carrying amount of derivative financial instruments used for hedging interest rate risk and not covered by hedge accounting was PLN 12,524 thousand as at 30 September 2023 (see Note 4.3).

5.4 Financial risk management**5.4.1 Principles of financial risk management**

The Group is exposed to various financial instrument risks, including:

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

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

5.4.2 Credit risk

Credit risk is the potential risk of a credit event occurring in the future, which can take the form of counterparty insolvency, partial repayment of receivables, significant delays in repayment, unexpected deviations from contractual terms, or the risk of not recovering cash placed with banks. This risk primarily relates to trade receivables, cash and cash equivalents, and other financial assets, under which the Group recognises, in particular, cash security deposits.

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

	30 September 2023 (unaudited)	31 December 2022
Trade receivables	63,427	73,121
Other financial assets	7,707	4,463
Cash and cash equivalents	174,623	109,538
Total	245,757	187,122

Credit risk related to cash

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

The credit risk associated with cash at banks and bank deposits is considered to be low since the Group transacts with banks that have high ratings and a stable market position. The Company has estimated that the expected credit loss is minimal, and therefore it has not recognised any allowance for such loss.

The maximum exposure to this risk is equal to the carrying amount of cash and cash equivalents as presented in the financial statements.

Credit risk related to trade receivables

The table below presents information on the gross carrying amount and allowance for expected credit losses for trade receivables measured at amortised cost.

	Weighted-average loss rate	Gross carrying amount	Allowance for expected credit loss	Net carrying amount
30 September 2023 (unaudited)	4.07%	66,119	2,692	63,427
31 December 2022	3.49%	75,769	2,648	73,121

Changes in the amount of allowance for expected credit losses for trade receivables in the periods covered by these condensed consolidated interim financial statements were as follows:

	9 months ended 30 September 2023 (unaudited)	Year ended 31 December 2022
Opening balance	2,648	1,781
Net change in allowance for expected credit loss	145	914
Net change arising from acquisition	-	413
Amounts written off	(84)	(449)
Exchange differences on translation of foreign operations	(16)	(11)
Closing balance	2,692	2,648

5.4.3 Liquidity risk

The Group faces liquidity risk, which refers to its ability to meet its financial obligations in a timely manner. The Group monitors and manages its liquidity risk by regularly assessing payment dates and cash requirement for both short-term obligations and long-term cash needs. The Group compares its cash requirement with the available sources of funds and assesses its free funds to manage liquidity risk. In addition, the Group has a policy of diversifying its funding sources.

In managing liquidity risk, the Group's approach is to ensure financing needed for its companies to meet their obligations, prioritising the most advantageous financing options available. The following measures are applied to reduce liquidity risk:

- ongoing monitoring of the liquidity position of Group companies,
- monitoring and optimising the level of working capital,
- ongoing monitoring of the Group's compliance with the terms of credit facility agreements and timely payment of principal and interest.

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The following tables show the maturity of the Group's financial liabilities. The table below presents the maturity profile of the Group's financial liabilities, including undiscounted cash flows with interest based on contractual terms.

30 September 2023 (unaudited)	Carrying amount	Expected cash flows from financial liabilities				
		up to 1 year	1-3 years	3-5 years	over 5 years	Total
Bank borrowings	318,611	84,790	155,957	134,080	-	374,827
Lease liabilities	16,276	10,810	5,225	700	-	16,735
Trade payables	34,139	34,139	-	-	-	34,139
Liabilities arising from put option	12,792	-	15,412	-	-	15,412
Derivatives recognised in financial liabilities	12,524	12,524	-	-	-	12,524
Total	394,342	142,262	176,594	134,779	-	453,636

31 December 2022	Carrying amount	Expected cash flows from financial liabilities				
		up to 1 year	1-3 years	3-5 years	over 5 years	Total
Bank borrowings	366,660	92,748	169,734	192,968	-	455,450
Lease liabilities	19,704	10,867	9,579	361	-	20,807
Trade payables	32,809	32,809	-	-	-	32,809
Financial liabilities	17,480	8,342	12,604	-	-	20,946
Total	436,653	144,766	191,916	193,329	-	530,012

The table below presents working capital, which is the difference between current assets and current liabilities, at the end of the reporting periods covered in these condensed consolidated interim financial statements. Changes in working capital in the periods presented were mainly attributable to changes in cash and dividend liabilities. Contract liabilities are a significant component of current liabilities, representing the Group's obligation to provide services to customers for which it has already received payment (or payment is pending) from the customer.

	30 September 2023 (unaudited)	31 December 2022
Current assets	285,776	218,058
Current liabilities	(421,179)	(366,140)
Working capital	(135,403)	(148,082)

5.4.4 Currency risk

The Group's exposure to transactional currency risk arises when there is a mismatch between the currencies used for sales, purchases, receivables, and payables and the respective functional currencies of its subsidiaries.

The Group's financial statements are reported in the Polish zloty, but its foreign subsidiaries operate in different functional currencies. The Group is exposed to currency risk arising from transactions denominated in currencies other than the functional currency of the respective Group company. The Group regularly assesses currency risk by analysing transactions conducted in currencies other than the functional currency of each respective entity, and monitors the impact of exchange rate fluctuations on these transactions.

5.4.5 Interest rate risk

The Group faces the risk of cash flow volatility due to fluctuations in interest rates, which can affect assets and liabilities that are subject to variable interest rates, such as credit facilities and leases, resulting in changes in interest income and expenses. The Group aims to minimise the impact of interest

rate fluctuations on items that bear variable-rate interest through its interest rate risk management strategy.

The profile of the Group's exposure to interest rate risk is provided in the table below, which breaks down interest-bearing financial assets and liabilities according to whether they have fixed or variable interest rates.

	30 September 2023 (unaudited)	31 December 2022
Interest-bearing financial instruments		
- fixed-rate instruments	(28,800)	(23,875)
Lease liabilities	(16,276)	(19,704)
Derivatives recognised in financial liabilities	(12,524)	(3,630)
Other financial liabilities	-	(541)
- variable-rate instruments	(139,695)	(252,995)
Bank borrowings	(318,611)	(366,660)
Cash security deposits	4,293	4,127
Cash and cash equivalents	174,623	109,538
Net exposure to interest rate risk (in relation to variable-rate instruments)	(139,695)	(252,995)

An increase in interest rates may lead to higher service costs of external financing, resulting in a decrease in profit or loss and potentially reducing the financial effectiveness of investments made by the Group. Seeking to minimise interest rate risk, the Group hedged the variable interest rate on the 3M WIBOR credit facility with an interest rate swap (IRS) that guarantees a fixed interest rate of 6.94% for a period of three years, i.e., until 30 September 2025.

The table below illustrates how changes in interest rates impact the Company's profit or loss with respect to variable-rate instruments.

	Net exposure to interest rate risk	Effect on profit or loss	
		1bp increase in interest rate	1bp decrease in interest rate
30 September 2023	(139,695)	(1,132)	1,132
31 December 2022	(252,995)	(2,049)	2,049

Credit risk related to derivative instruments

The counterparties with which the Group enters into derivative transactions to hedge interest rate risk operate in the financial sector. These are banks with investment-grade ratings. The Company diversifies the banks with which it enters into derivative transactions.

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

6.1 Intangible assets

The Group distinguishes the following categories of intangible assets: acquired property rights, other intangible assets, and internally produced software. All categories mostly relate to software used in the Group's core operations. Expenditures incurred for internally produced software represent the costs of development incurred before the software is used to generate revenue from contracts with customers.

In the reporting period, the Group did not conclude any individually material transactions involving acquisition or sale of intangible assets.

Based on the assessments performed, the Group did not identify any objective indications of impairment of intangible assets as at the end of the reporting periods presented in these condensed consolidated interim financial statements.

6.2 Property, plant and equipment

The most significant item of the Group's property, plant and equipment is hardware infrastructure (computers, servers, telephones) and improvements in leased office space. The Group also has its own fleet of vehicles used for business purposes.

In the reporting period, the Group did not conclude any individually material transactions involving acquisition or sale of property, plant and equipment.

Based on the assessments performed, the Group did not identify any objective indications of impairment of property, plant and equipment as at the end of the reporting periods presented in these condensed consolidated interim financial statements.

6.3 Right-of-use assets

The Group acts as a lessee in contracts involving the use of office space leased for business purposes and car lease contracts.

In the reporting period, the Group signed several new car lease contracts.

Based on the assessments performed, the Company did not identify any objective indications of impairment of right-of-use assets as of the end of the reporting periods presented in these condensed consolidated interim financial statements.

6.4 Goodwill

Purchase of shares in Spoonbill Holding GmbH

On 14 June 2022, Grupa Pracuj S.A., as the buyer, entered into a share purchase agreement with Eden Investment S.à r.l. (a company controlled by Investcorp, an alternative investment company) and Stefan Schöffler Beteiligungs UG (haftungsbeschränkt), as the sellers, to acquire 25,000 shares, representing 100% of the share capital in Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH, and absence.io GmbH. From the date of acquisition to 30 June 2022, there were no material transactions at Spoonbill Holding GmbH or its subsidiaries.

The sale price was partly financed through a term loan of PLN 399,999,999.00, while the remaining amount of PLN 152,488,196.69 was financed with the Company's own funds.

The acquisition of Spoonbill Holding GmbH, which includes the indirectly acquired shares in Spoonbill GmbH, softgarden e-recruiting GmbH, and absence.io GmbH, marks a significant milestone for the Grupa Pracuj S.A. Group in executing its international expansion strategy. The acquisition is expected to enhance the Grupa Pracuj S.A. Group's position as a leading player in HR Tech within Central and Eastern Europe and the DACH region (Germany, Austria, Switzerland).

Softgarden e-recruiting GmbH ('softgarden') is the owner of a leading Talent Acquisition System (TAS), which supports and automates the management of recruitment processes, offered through a subscription model (SaaS). Softgarden's offerings also include multiposting features, allowing job offers

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to be posted simultaneously on several job portals in a specific country. The company operates mainly in the German market, while also building presence in several European markets.

Absence.io GmbH ('absence.io') offers, through a SaaS model, dedicated HR Tech software for the SME sector to support efficient and transparent time and absence management. Absence.io operates mainly in the German market, but also has customers in other countries.

As a result of this transaction, the Grupa Pracuj S.A. Group acquired the know-how and experience of one of the leading HR Tech companies. Access to a broad customer base can provide the basis for further growth in these markets by building the Group's ecosystem of HR Tech solutions.

As at 30 September 2023, the purchase price allocation was completed. On accounting for the acquisition, certain intangible assets were recognised, including brands, software, customer databases including customer orders, and the related deferred tax liabilities. The following are the fair values of the acquired assets and liabilities as at the acquisition date:

	Provisional amounts as at the acquisition date, EUR thousand	Provisional amounts as at the acquisition date, PLN thousand	Accounting for the acquisition (EUR '000)	Accounting for the acquisition (PLN '000)
Acquired assets				
Intangible assets	3,503	16,396	19,146	89,615
Property, plant and equipment	495	2,317	495	2,317
Right-of-use assets	975	4,564	975	4,564
Inventory	2,454	11,486	2,454	11,486
Trade receivables	4,146	19,406	4,146	19,406
Cash and cash equivalents	8,213	38,442	8,213	38,442
Other assets	5,210	24,386	5,210	24,386
Deferred tax assets	4,904	22,954	4,904	22,954
Total assets	29,899	139,947	45,542	213,164
Acquired liabilities				
Employee benefit obligations	5,882	27,531	5,882	27,531
Trade payables	6,272	29,357	6,272	29,357
Contract liabilities	10,235	47,906	10,235	47,906
Lease liabilities	982	4,596	982	4,596
Other liabilities and provisions	2,452	11,477	2,452	11,477
Deferred tax liabilities	-	-	4,720	22,094
Total liabilities	25,824	120,872	30,544	142,966
Net assets	4,075	19,075	14,998	70,198
Acquired percentage of share capital	100%	100%	100%	100%
Purchase price	117,603	552,488	117,603	552,488
Goodwill recognised as at 30 June 2022 (unaudited)	113,527	531,376	102,605	480,254

The accounting for the acquisition resulted in retrospective restatements of comparative data. In the statement of financial position as at 31 December 2022 the restatements affected the following assets: intangible assets (increased by PLN 66,974 thousand), goodwill (reduced by PLN 51,223 thousand), deferred tax assets (reduced by PLN 20,209 thousand), and the following items of equity: the translation reserve (increased by PLN 2 thousand) and retained earnings (reduced by PLN 4,460 thousand).

6.5 Equity-accounted investees

A list of associates, along with information on the Group's shares in their equity in the periods covered by these condensed consolidated interim financial statements, is presented in Note 1.3.

The table below presents the carrying amount of equity-accounted investments in associates:

	30 September 2023 (unaudited)	31 December 2022
Carrying amount of equity-accounted investments in associates		
WorkIP Ltd and Work Ukraine TOV	15,396	15,313
Fitqbe sp. z o.o.	11,564	11,960
Other associates	52	134
Total	27,012	27,407

WorkIP Ltd and Work Ukraine TOV are assessed jointly for the presence of impairment indicators due to the significant operational relationships between the two companies. The Company believes that it cannot consider the cash flows generated by these companies as largely independent of each other. WorkIP Ltd owns trademarks and domain names, and its main revenue source is license fees paid by Work Ukraine TOV for the use of these rights. In contrast, Work Ukraine TOV generates operating revenue by using licenses from WorkIP Ltd. Impairment indicators, which result mainly from the armed conflict in Ukraine, are described in Note 7.7.

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

	9 months ended 30 September 2023 (unaudited)	Year ended 31 December 2022
Equity-accounted investees at beginning of period	27,407	32,484
Share of profit/(loss) of equity-accounted investees	4,290	(848)
Dividends	(4,371)	-
Disposal of shares	(314)	-
Impairment loss	-	(4,230)
Equity-accounted investees at end of period	27,012	27,407

In 2022, the Company recognised an impairment loss of PLN 330 thousand on financial assets classified as equity-accounted financial assets due to the non-attainment of business objectives that were assumed at the time of the Company's investment in these entities (Segment Poland). In addition, the Company recognised an impairment loss of PLN 3,900 thousand in the same period, as described in Note 7.7, for reasons specific to Segment Ukraine. The Company applied discount rates between 30-40% to the current and previous estimates of value in use. On 9 January 2023, shareholders of Work Ukraine TOV passed a resolution to distribute profits earned in previous years. The dividend of PLN 4,371 thousand reduced the value of equity-accounted investees in the three months ended 31 March 2023.

In the nine months ended 30 September 2023, the Company did not identify any impairment indicators for equity-accounted financial assets.

No reversals of impairment losses were recognised for equity-accounted investees as at the end of the periods covered by these condensed consolidated interim financial statements.

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6.6 Inventory

	30 September 2023 (unaudited)	31 December 2022
Inventory		
Advertisements	7,392	3,912
Total	7,392	3,912

The Group includes in its inventory the value of advertisements purchased for resale from websites that mainly operate in the DACH region. The advertisements are usually purchased at the beginning of the financial year and then regularly resold in the following months of the year.

During the nine months to 30 September 2023 and the year ended 31 December 2022, the Group did not recognise any inventory write-downs.

6.7 Other non-financial assets

	30 September 2023 (unaudited)	31 December 2022
Non-current	866	944
Other	866	944
Current	39,687	31,139
Prepaid services		
Internet domain names	22	155
Prepaid marketing expenses	1,782	1,081
Prepaid hardware and software maintenance services	4,510	3,393
Prepaid other services	1,245	1,259
Advertisements purchased on the basis of orders	11,981	11,650
Other	902	252
Other assets		
Prepayments for intangible assets and property, plant and equipment	447	259
Taxes and public charges receivable	1,485	1,903
Uninvoiced bonuses on advertisements sold	2,108	-
Incremental costs of obtaining a contract	14,864	11,067
Assets of Company Social Benefits Fund	240	-
Other	101	120
Total	40,553	32,083

6.8 Other non-financial liabilities

	30 September 2023 (unaudited)	31 December 2022
Tax liabilities (other than CIT) and social security liabilities	15,139	13,180
Other non-financial liabilities	1,656	3,585
Total	16,795	16,765

6.9 Employee benefit obligations

	30 September 2023 (unaudited)	31 December 2022
Non-current	1,847	1,847
Provisions	1,847	1,847
Death gratuities	946	946
Retirement benefits	785	785
Disability benefits	116	116
Current	26,398	23,618
Provisions	57	57
Death gratuities	28	28
Retirement benefits	14	14
Disability benefits	15	15
Other obligations to employees	26,341	23,561
Accrued holiday entitlements	7,390	6,098
Sales-related bonuses and commission fees payable to employees	16,579	17,009
Other	2,372	455
Total	28,245	25,465

6.10 Incentive schemes and free transfer of part of the Company shares

Incentive Scheme 1

On 29 October 2021, the Extraordinary General Meeting of the Parent adopted a resolution establishing incentive scheme No. 1 ('Incentive Scheme 1') for members of the Management Board, the Supervisory Board and key employees (persons employed under an employment contract or contract of mandate, regardless of the applicable law governing the contract). Incentive Scheme 1 is founded on shares issued under the authorisation granted to the Management Board to increase the share capital within the limits of the authorised share capital pursuant to Resolution No. 5 of the Extraordinary General Meeting of 22 October 2021 ('Bonus Shares 1'). To implement Incentive Scheme 1, the Management Board is authorised to issue up to 1,021,563 Bonus Shares 1, representing up to 1.5% of the share capital, and to disapply shareholders' pre-emptive rights with respect to the shares, subject to approval from the Supervisory Board. Incentive Scheme 1 aims to align the interests of key employees with the long-term success of the Company and retain talents who play a significant role in shaping and executing the Company's strategy. Incentive Scheme 1 will be implemented in 2022–2024. A participant's entitlement to receive Bonus Shares 1 will be conditionally vested at the end of each calendar year during the term of Incentive Scheme 1 and will be subject to the fulfilment of the following conditions as determined by the Management Board:

- delivery of a specific financial result in a given performance period (proportion 80%);
- delivery of a specific business objective in a given performance period (20%).

Each participant will pay the issue price per Bonus Share 1 determined as:

- a PLN-equivalent of 33% of the final price per share in the retail tranche of the initial public offering, rounded down to the nearest grosz (PLN 1/100); or
- the par value per share, that is PLN 5.00.

As at 31 December 2022, the Group's employees were invited to participate in, and joined, the portion of Incentive Scheme 1 that is linked to the 2022 results. The vesting period runs from 1 June 2022 to 31 March 2025. The total cost of the scheme, which was taken to the Company's equity in 2022, amounted

to PLN 4,795 thousand. Additionally, an amount of PLN 10,945 thousand was recognised in employee benefits expense in the nine months ended 30 September 2023.

The scheme has an estimated maximum total cost of PLN 33,489 thousand, which may be recognised in the Company's equity during the scheme's term.

The following table shows the key assumptions used for the scheme valuation and terms of the scheme.

Fair value measurement of the scheme as at the grant date of Tranche 2 under Incentive Scheme 1, i.e. 10 July 2023	
Fair value of a single option at the grant date (PLN)	32.48 (tranche 1) 32.89 (tranches 2 and 3)
Number of priced options	1.021.563
Total fair value of the scheme (PLN thousand)	33,498
Key inputs used in the fair value measurement	
Option exercise price (PLN)	24.42 or 5.00
Expected option exercise date	31 March 2025
Expected dividend yield	2.03%
Model used	Black-Scholes-Merton

Incentive Schemes 2 and 3

On 29 October 2021, the Extraordinary General Meeting of the Company passed resolutions establishing the rules for Incentive Schemes No. 2 and No. 3 (separately 'Incentive Scheme 2' and 'Incentive Scheme 3', and collectively 'Incentive Schemes 2 and 3').

Two main objectives behind Incentive Schemes 2 and 3 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 Schemes 2 and 3 were founded on shares issued under the authorisation granted to the Management Board to increase the share capital within the limits of the authorised share capital pursuant to Resolution No. 5 of the Extraordinary General Meeting of 22 October 2021, and to disapply shareholders' pre-emptive rights with respect to the issued shares, subject to approval from the Supervisory Board. 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)). To implement Incentive Schemes 2 and 3, the Management Board was authorised to issue a maximum of 163,113 bonus shares 2 ('Bonus Shares 2') and 7,147 bonus shares 3 ('Bonus Shares 3'), representing a total of no more than 0.25% of the Company's share capital.

The number of shares received by each participant in Incentive Schemes 2 and 3 was determined at the discretion of the Management Board based on two factors:

- total length of service or cooperation with the Group; and
- the amount of remuneration of a participant in Incentive Schemes 2 and 3, which reflects their contribution to the development of the Company.

The vesting period under these schemes ended in the first half of 2022. The Management Board offered a total of 160,776 shares, which were admitted to trading on the regulated market of the Stock Exchange on 9 August 2022.

Bonus Shares 2 and Bonus Shares 3 were subject to a lock-up until 9 September 2022. Incentive Schemes 2 and 3 were implemented in 2021-2022. On 17 December 2021, each program participant was notified of their allocation of Bonus Shares 2 and Bonus Shares 3, along with the specific number of shares they would receive. The price of each granted equity instrument was calculated by subtracting

the par value per share from the share price on the Warsaw Stock Exchange as at 17 December 2021. Each scheme participant subscribed for the shares at par. As at 31 December 2021, employee benefit expenses amounting to PLN 1,254 thousand were recognised for the period from the date of share allotment to 31 December 2021. The total value of the schemes, of PLN 10,658 thousand, was recognised in the Company's equity. The total cost of the schemes, expensed as employee benefit expense in 2022, was PLN 9,404 thousand, of which PLN 8,341 thousand was recognised in the six months ended 30 June 2022.

On 22 October 2021, the Company's Extraordinary General Meeting authorised the Management Board to issue up to 1,191,823 new bearer shares with a par value of PLN 5.00 per share, and a total par value not more than PLN 5,959,115.00. Within the limits of the authorised capital, the Management Board is authorised to increase the Company's share capital once or multiple times for the purposes of Incentive Schemes 2 and 3 and Incentive Scheme 1. The authorisation will expire three years after the registration of the relevant amendment to the Company's Articles of Association by the competent registry court, i.e., the amendment made in accordance with Resolution No. 5/2021 of the General Meeting held on 22 October 2021. As the allotment of Bonus 1 Shares is scheduled no earlier than 31 March 2025, the Annual General Meeting passed a resolution to extend the Management Board's authorisation to increase the share capital within the limits of the authorised capital and to disapply the pre-emptive rights to shares issued within the authorised capital, either wholly or in part, subject to approval from the Supervisory Board. Following the extension, the share capital increase and the issuance of Bonus 1 Shares may be effected in 2025.

Free transfer of part of the Company shares

In January 2023, the following shareholders of the Company: Przemysław Gacek, Maciej Noga, Gracjan Fiedorowicz, Rafał Nachyna, Oksana Świerczyńska, and Paweł Leks transferred a total of 341,325 shares in the Company to a group of 18 members of senior management from the Company and selected Group companies. The transfer aimed to acknowledge each individual's contribution to the Company and Group's development while providing motivational incentives. The shares were existing ordinary bearer shares held by each of the named shareholders, issued by the Company and listed on the regulated market operated by the Warsaw Stock Exchange.

The fair value of the transferred shares was determined based on the market share price of PLN 40.90 per share. The total value of the transferred shares was PLN 13,960,192.50 and was recognised as employee benefit expense in 2022.

Fair value measurement of Company shares transferred free of charge as at the grant date, i.e. 5 January 2023	
Fair value of the shares as at the date of grant (donation) (PLN)	40.90
Number of priced options	341,325
Total fair value of the transferred shares (PLN thousand)	13,960

7. OTHER NOTES

7.1 Earnings per share

Earnings per share are calculated by dividing the net profit for the financial year attributable to the owners of the Parent by the weighted average number of ordinary shares in the reporting period.

The calculation of basic earnings per share for the periods covered by these condensed consolidated interim financial statements took into account the dilution caused by equity instruments. These instruments resulted from the acquisition of rights under the share-based payment arrangement outlined in Note 6.10.

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited, restated)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited, restated)
Net profit attributable to owners of the Parent	157,436	155,421	49,590	50,915
Continuing operations	157,436	155,421	49,590	50,915
Net profit attributable to owners of the Parent	157,436	155,421	49,590	50,915
Weighted average number of ordinary shares – for the purpose of calculation of basic earnings per share	68,265,026	68,265,026	68,265,026	68,265,026
Effect of dilution (share-based payment arrangement)	931,952	410,669	931,952	410,669
Weighted average number of ordinary shares – for the purpose of calculation of diluted earnings per share	69,196,978	68,675,695	69,196,978	68,675,695
Basic earnings per share (PLN) – continuing operations	2.31	2.28	0.73	0.75
Diluted earnings per share (PLN) – continuing operations	2.28	2.26	0.72	0.74

7.2 Related-party transactions

During the period covered by these condensed consolidated interim financial statements, there were no transactions between the Group and its related parties on other than arm's length terms.

Members of the Parent's Management Board, Supervisory Board and close members of their families, or other related parties, did not engage in transactions with Group companies that had a material impact on net profit for the reporting period or the Group's financial position.

7.3 Remuneration and other transactions with key management personnel

Remuneration of key management personnel

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

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Short-term employee benefits	2,394	2,275	800	749
Share-based payments	1,796	604	1,162	412
Total	4,190	2,879	1,962	1,161

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Short-term employee benefits comprise the cost of salaries and bonuses, including additional payroll costs, for members of the Management Board and the Supervisory Board.

Non-monetary benefits received by members of the Group's key management personnel mainly consist of medical care packages, company cars, and company phones for private use. However, the value of these benefits is not significant.

Payments to key management personnel arising from their shareholdings in the Company

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Cash flows:				
- dividends paid	(64,097)	(86,110)	(64,097)	(86,110)
Total	(64,097)	(86,110)	(64,097)	(86,110)

7.4 Employee benefits expense

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Salaries and wages	121,945	89,033	40,185	32,478
Bonuses	27,159	16,339	9,688	8,568
Share-based payments	10,945	12,856	6,870	2,624
Social security contributions	23,159	16,111	7,081	5,776
Other employee benefits	5,669	3,382	1,582	1,365
Total	188,877	137,722	65,406	50,810

7.5 Other information relevant to the assessment of assets, financial condition and results

Other than the information disclosed in these condensed consolidated interim financial statements, the Group is not aware of any information which, in its opinion, could be relevant to the assessment of its assets, financial condition and results.

7.6 Contingent liabilities

Guarantee provider	Currency	30 September 2023 (unaudited)	31 December 2022
PKO Bank Polski S.A.	EUR	421	498
Total	EUR	421	498

The Group recognises bank guarantees issued on behalf of the Parent as contingent liabilities. These guarantees secure lease payments under office leases in which the Group is the lessee.

7.7 Impact of the armed conflict in Ukraine on the Company's business

On 24 February 2022, martial law was declared in Ukraine due to the invasion of Russian troops into Ukraine and the onset of an armed conflict that has created new and unpredictable circumstances for the Ukrainian economy. The Company did not earn material revenue from contracts with customers in

Ukraine, Russia and Belarus, but it holds shares in entities conducting business operations in Ukraine ('Ukrainian Companies').

The armed conflict in Ukraine could potentially have a long-term adverse impact on the operational and financial performance of entities operating in the region. The most significant risk could stem from the prolonged economic downturn in Ukraine, potentially resulting in continued decline in revenues, challenges in receivables collection at Ukrainian Companies, and the potential loss of value of the Company's assets involved in Ukraine. To date, no assets used to generate cash flows in Ukrainian Companies 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. Ukrainian Companies have sufficient cash resources to continue operations in the coming months. The risk of losing the use of Internet domain names that Ukrainian Companies use for their operations under license agreements is either low or non-existent. These domain names are registered by entities domiciled in Cyprus in which the Company holds shares.

In the first half of 2022, due to the further escalation of the armed conflict, the constantly changing financial flow conditions, and the scope of applicable sanctions, the Management Board decided to recognise an impairment loss of PLN 3,900 thousand for the value of equity-accounted investees (WorkIP Ltd and Work Ukraine TOV).

On 9 January 2023, shareholders of Work Ukraine TOV passed a resolution to distribute profits earned in previous years. The dividend of PLN 4,371 thousand reduced the value of equity-accounted investees in the nine months ended 30 September 2023. In connection with the ongoing armed conflict in Ukraine, the Management Board decided to recognise an impairment loss of PLN 833 thousand in the nine months ended 30 September 2023 for the dividend receivable. The loss was charged to finance costs.

The Management Board of the Parent continually monitors the military and economic situation in Ukraine and analyses its impact on the operations of Ukrainian Companies. Although the difficult and unstable situation has caused a significant decrease in their revenue from customer contracts since 24 February 2022, they have managed to maintain business continuity. The financial results delivered by Ukrainian Companies in the nine months ended 30 September 2023 were positive.

The table below summarises Robota's assets recognised in the consolidated statement of financial position as at 30 September 2023 which are at risk of impairment, and the corresponding assets of the Group as reported in the condensed consolidated interim statement of financial position as at 30 September 2023.

	Robota's assets as at 30 September 2023	Assets of the Group as at 30 September 2023
Intangible assets	5	94,694
Property, plant and equipment	1,206	12,424
Right-of-use assets	2,354	12,893
Deferred tax assets	3,467	38,843
Trade receivables	5,263	63,427
Other non-financial assets	1,720	40,553
Cash and cash equivalents	18,679	174,623

The Group's assets include equity-accounted investees (WorkIP Ltd and Work Ukraine TOV) which have operations in Ukraine, measured at PLN 15,396 thousand as at 30 September 2023.

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The following table summarises the Group's liabilities related to its operations in Ukraine and the corresponding liabilities of the Group as reported in the condensed consolidated interim statement of financial position as at 30 September 2023.

	Group's liabilities related to operations in Ukraine as at 30 September 2023	Group's liabilities as at 30 September 2023
Non-current lease liabilities	2,060	5,563
Current lease liabilities	1,582	10,713
Employee benefit obligations	2,252	28,245
Trade payables	395	34,139
Other non-financial liabilities	1,738	16,795
Contract liabilities	21,692	239,864

In addition, the Group has a put option liability to non-controlling shareholders in Robota. The carrying amount of the liability as at 30 September 2023 was PLN 12,792 thousand.

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

The Management Board of the Company points out that the effects of the ongoing armed conflict in Ukraine and its potential impact on the financial performance of the Ukrainian Companies in future periods remain uncertain. Consequently, the Management Board is closely monitoring developments and potential indicators of the loss of ability of Ukrainian Companies to continue as going concerns, and will take appropriate actions as necessary.



**Quarterly financial information
for Grupa Pracuj S.A.
for the nine-month period
ended September 30, 2023**



Grupa Pracuj S.A.

Quarterly financial information of Grupa Pracuj S.A. for the nine months ended 30 September 2023

All amounts in PLN thousand, unless stated otherwise

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Revenue from contracts with customers	1.2	354,460	369,717	115,632	118,483
Depreciation and amortisation		(8,305)	(6,628)	(2,784)	(2,246)
Employee benefits expense	1.3	(96,421)	(91,018)	(33,856)	(28,472)
Marketing expenses		(24,235)	(32,789)	(6,924)	(10,423)
Software-as-a-service costs		(4,855)	(3,883)	(1,558)	(1,404)
Other services		(15,999)	(24,394)	(5,032)	(6,205)
Other costs		(3,567)	(3,217)	(1,220)	(1,742)
Other income		997	823	205	296
Other expenses		(403)	(1,180)	(4)	(73)
Expected credit losses		(370)	(570)	(247)	446
Operating profit		201,302	206,861	64,212	68,660
Finance income		10,852	11,876	8,040	9,677
Finance costs		(34,299)	(21,300)	(11,992)	(9,425)
Net finance income/(costs)		(23,447)	(9,424)	(3,952)	252
Share of profit/(loss) of equity-accounted investees		4,290	(546)	1,920	(405)
Profit before tax		182,145	196,891	62,180	68,507
Income tax		(34,000)	(41,463)	(11,305)	(14,208)
Net profit from continuing operations		148,145	155,428	50,875	54,299
Net profit		148,145	155,428	50,875	54,299

OTHER COMPREHENSIVE INCOME	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
TOTAL COMPREHENSIVE INCOME	148,145	155,428	50,875	54,299

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Basic earnings per share (PLN) - continuing operations	2.17	2.28	0.75	0.80
Diluted earnings per share (PLN) - continuing operations	2.14	2.26	0.74	0.79

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2023 (unaudited)	31 December 2022
Intangible assets		15,520	10,098
Property, plant and equipment		7,942	7,734
Right-of-use assets		8,480	10,053
Investments in subsidiaries	1.4	579,881	578,325
Equity-accounted investees	1.5	27,012	27,407
Other financial assets		131,309	129,916
Other non-financial assets		668	733
Deferred tax assets		35,641	31,795
Non-current assets		806,453	796,061
Trade receivables		38,821	48,724
Other financial assets		83	83
Other non-financial assets		5,308	4,241
Cash and cash equivalents		84,458	59,266
Current assets		128,670	112,314
Total assets		935,123	908,375

EQUITY AND LIABILITIES	Note	30 September 2023 (unaudited)	31 December 2022
Share capital		341,325	341,325
Reserve capital		300,617	238,248
Share repurchase reserve		1,080	1,080
Share-based payment arrangements		68,361	57,416
Other reserves		(102)	(102)
Merger reserve		(585,375)	(585,375)
Retained earnings / (losses) carried forward		254,991	271,613
Total equity		380,897	324,205
Bank borrowings		255,176	303,168
Lease liabilities		3,235	6,535
Employee benefit obligations		1,696	1,696
Deferred tax liabilities		12,979	18,204
Non-current liabilities		273,086	329,603
Bank borrowings		63,435	63,492
Lease liabilities		7,292	6,935
Employee benefit obligations		11,073	12,995
Trade payables		9,602	13,393
Other financial liabilities		12,523	4,171
Other non-financial liabilities		11,410	10,523
Current tax liabilities		14,414	5,681
Contract liabilities		151,391	137,377
Current liabilities		281,140	254,567
Total liabilities		554,226	584,170
Total equity and liabilities		935,123	908,375

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)
Cash flows from operating activities			
Profit before tax		182,145	196,891
Adjustments for:			
Share of (profit) / loss of equity-accounted investees		(4,290)	546
Depreciation and amortisation		8,305	6,628
Foreign exchange gains/(losses)		236	725
(Gain)/ loss on interest		21,879	9,335
(Gain) / loss on investing activities		(7,508)	(426)
Impairment loss on dividends receivable		833	6,740
Impairment loss on shares in subsidiaries		1,872	-
Impairment loss on equity-accounted investees		-	4,230
Measurement of equity-settled share-based payment arrangement		9,390	11,137
Settlement and measurement of financial instruments		8,881	-
Income tax paid		(24,634)	(48,030)
Changes in working capital:			
Employee benefit obligations		(1,922)	(866)
Trade receivables		9,902	(3,900)
Other non-financial assets		(1,002)	375
Trade payables		(3,791)	(4,110)
Other non-financial liabilities		(9,574)	(1,311)
Contract liabilities		14,014	32,220
Other adjustments		-	(1,523)
Net cash flows from operating activities		204,736	208,661
Cash flows from investing activities			
Interest received		-	-
Repaid loans (principal part)		-	-
Loans granted		-	-
Acquisition of subsidiaries		-	(552,488)
Purchase of financial assets		(196)	(56,053)
Proceeds from sale of financial assets		-	65,000
Dividends received		7,193	-
Proceeds from sale of property, plant and equipment and intangible assets		363	134
Purchase of property, plant and equipment and intangible assets		(9,363)	(7,839)
Net cash flows from investing activities		(2,003)	(551,246)
Cash flows from financing activities			
Dividends paid		(102,398)	(136,530)
Net proceeds from issue of shares		-	804
Payment of borrowings		(48,000)	(16,000)
Payment of lease liabilities		(5,283)	(4,838)
Proceeds from borrowings		-	400,000
Interest paid		(21,922)	(9,030)
Commissions on bank borrowings		-	(2,000)
Settlement of derivative financial instruments		14	-
Net cash flows from financing activities		(177,589)	232,406
Total net cash flows		25,144	(110,179)
Cash and cash equivalents at beginning of period		59,266	141,815
Exchange differences on cash and cash equivalents		48	63
Cash and cash equivalents at end of period		84,458	31,699
Cash and cash equivalents in the statement of financial position		84,458	31,699

Grupa Pracuj S.A.

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All amounts in PLN thousand, unless stated otherwise

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Merger reserve	Retained earnings / (losses) carried forward	Total equity
1 January 2023	341,325	238,248	1,080	57,416	(102)	(585,375)	271,613	324,205
Net profit/(loss) for period	-	-	-	-	-	-	148,145	148,145
Total comprehensive income for period	-	-	-	-	-	-	148,145	148,145
Share-based payments	-	-	-	10,945	-	-	-	10,945
Distribution of retained earnings	-	62,369	-	-	-	-	(62,369)	-
Dividends	-	-	-	-	-	-	(102,398)	(102,398)
	-	62,369	-	10,945	-	-	(164,766)	(91,452)
30 September 2023	341,325	300,617	1,080	68,361	(102)	(585,375)	254,991	380,897

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Merger reserve	Retained earnings / (losses) carried forward	Total equity
1 January 2022	340,521	108,516	1,080	29,256	32	(585,375)	373,108	267,138
Net profit/(loss) for period	-	-	-	-	-	-	155,428	155,428
Total comprehensive income for period	-	-	-	-	-	-	155,428	155,428
Issue of shares	804	-	-	-	-	-	-	804
Share-based payments	-	-	-	12,856	-	-	-	12,856
Distribution of retained earnings	-	129,731	-	-	-	-	(129,731)	-
Dividends	-	-	-	-	-	-	(136,530)	(136,530)
	804	129,731	-	12,855	-	-	(266,261)	(122,870)
30 September 2022 (unaudited)	341,325	238,247	1,080	42,111	32	(585,375)	262,275	299,695

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

1.1 Statement concerning accounting policies

This quarterly financial information should be read in conjunction with the separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2022 with the related notes, prepared in accordance with the International Financial Reporting Standards, approved for issue on 3 April 2023.

This quarterly financial information has been prepared on the assumption that the Company would continue as a going concern for a period of at least 12 months from 30 September 2023. As at the date of preparation of this quarterly financial information, the Management Board did not identify any events or conditions that could cast significant doubt on the Company's ability to continue as a going concern.

The accounting policies and methods of computation used to prepare this quarterly financial information are consistent in all material respects with the policies and methods described in the separate financial statements for the year ended 31 December 2022.

The functional currency of the Company as well as the presentation currency of this quarterly financial information is the Polish zloty (PLN). All amounts have been rounded to the nearest thousand PLN, unless otherwise indicated.

1.2 Revenue from contracts with customers

Key types of products and services

The table below shows revenue from contracts with customers, broken down according to the timing of satisfaction of performance obligations and by country.

The key categories of services offered by the Company are consistent with those applied in the preparation of the separate financial statements for the year ended 31 December 2022.

Revenue from contracts with customers by the timing of satisfaction of performance obligations

Revenue from contracts with customers segmented by the timing of revenue recognition	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Over time	225,502	227,872	74,700	74,139
At a point in time	128,958	141,845	40,932	44,344
Total	354,460	369,717	115,632	118,483

Revenue from contracts with customers by region

Revenue from contracts with customers segmented by geography	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Poland	345,007	358,216	113,078	115,109
Ukraine	56	47	29	21
DACH region	6,840	8,503	2,039	2,639
Other countries	2,557	2,951	486	714
Total	354,460	369,717	115,632	118,483

Contract liabilities

Contract liabilities represent the amount of transaction price attributable to an unsatisfied performance obligation at the reporting date. The most significant item under contract liabilities is the sale of recruitment projects.

Contract liabilities	30 September 2023 (unaudited)	31 December 2022
Current	151,391	137,377
Total	151,391	137,377

1.3 Employee benefits expense

	9 months ended 30 September 2023 (unaudited)	9 months ended 30 September 2022 (unaudited)	3 months ended 30 September 2023 (unaudited)	3 months ended 30 September 2022 (unaudited)
Salaries and wages	65,390	61,486	21,134	21,182
Bonuses	7,720	5,803	2,671	1,696
Share-based payments	9,390	11,137	6,132	2,125
Social security contributions	11,263	9,934	3,157	2,577
Other employee benefits	2,658	2,658	762	892
Total	96,421	91,018	33,856	28,472

1.4 Investments in subsidiaries

A list of subsidiaries and associates, along with information on the Company's interest in their share capital in the periods covered by this quarterly financial information, is presented in Note 1.3 to the condensed consolidated interim financial statements of the Group for the nine months ended 30 September 2023.

The table below presents the carrying amounts of investments in subsidiaries measured at historical cost:

	30 September 2023 (unaudited)	31 December 2022
Gross carrying amount of shares in subsidiaries	582,241	580,685
Foreign companies	567,366	566,993
Polish companies	14,875	13,692
Impairment loss on shares in subsidiaries	2,360	2,360
Polish companies	2,360	2,360
Total	579,881	578,325

	30 September 2023 (unaudited)	31 December 2022
Impairment loss on shares in subsidiaries		
At beginning of period	2,360	2,360
At end of period	2,360	2,360

The investment agreement for Robota International TOV and Work Ukraine TOV includes written and vested put and call options on shares in both entities, which become exercisable upon the occurrence of events specified in the agreement. The options are derivative financial instruments and are recognised as financial assets or liabilities with measurement changes recognised in the statement of comprehensive income. As per the investment agreement and the Management Board's assessment of the entities' value, the estimated share purchase price is not materially different from the fair value of

the shares in these entities at the date of exercise of each option. Therefore, the Company valued these instruments at a fair value of zero as at each reporting date.

1.5 Items affecting assets, liabilities, equity, net profit/(loss) or cash flows that are unusual because of their nature, size or incidence

Impact of the armed conflict in Ukraine on the Company's business

On 24 February 2022, martial law was declared in Ukraine due to the invasion of Russian troops into Ukraine and the onset of an armed conflict that has created new and unpredictable circumstances for the Ukrainian economy. The Company did not earn material revenue from contracts with customers in Ukraine, Russia and Belarus, but it holds shares in Ukrainian Companies.

The armed conflict in Ukraine could potentially have a long-term adverse impact on the operational and financial performance of entities operating in the region. The most significant risk could stem from the prolonged economic downturn in Ukraine, potentially resulting in continued decline in revenues, challenges in receivables collection at Ukrainian Companies, and the potential loss of value of the Company's assets involved in Ukraine. To date, no assets used to generate cash flows in Ukrainian Companies 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. Ukrainian Companies have sufficient cash resources to continue operations in the coming months. The risk of losing the use of Internet domain names that Ukrainian Companies use for their operations under license agreements is either low or non-existent. These domain names are registered by entities domiciled in Cyprus in which the Company holds shares.

In the first half of 2022, due to the further escalation of the armed conflict, the constantly changing financial flow conditions, and the scope of applicable sanctions, the Management Board decided to recognise an impairment loss of PLN 3,900 thousand for the value of equity-accounted investees (WorkIP Ltd and Work Ukraine TOV).

On 9 January 2023, shareholders of Work Ukraine TOV passed a resolution to distribute profits earned in previous years. The dividend of PLN 4,371 thousand reduced the value of equity-accounted investees in the nine months ended 30 September 2023. In connection with the ongoing armed conflict in Ukraine, the Management Board decided to recognise an impairment loss of PLN 833 thousand in the nine months ended 30 September 2023 for the dividend receivable. The loss was charged to finance costs.

The Management Board of the Company continually monitors the military and economic situation in Ukraine and analyses its impact on the operations of Ukrainian Companies and the Group. Although the difficult and unstable situation has caused a significant decrease in their revenue from customer contracts since 24 February 2022, they have managed to maintain business continuity. The financial results delivered by Ukrainian Companies in the nine months ended 30 September 2023 were positive.

The Company's assets at risk of impairment related to its operations in Ukraine as at 30 September 2023 were as follows:

	30 September 2023 (unaudited)	31 December 2022
Investments in subsidiaries	14,875	14,502
Equity-accounted investees	15,396	15,313
Total	30,271	29,815

The Management Board of the Company points out that the effects of the ongoing armed conflict in Ukraine and its potential impact on the financial performance of the Ukrainian Companies in future periods remain uncertain. Consequently, the Management Board is closely monitoring developments

and potential indicators of the loss of ability of Ukrainian Companies to continue as going concerns, and will take appropriate actions as necessary.

1.6 Fair value of financial instruments

Due to the short-term nature of trade receivables, cash and short-term bank deposits, cash security deposits, trade payables, and other financial liabilities, their carrying amounts at the end of each reporting period covered by this quarterly financial information are a reliable approximation of their fair value.

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

1.7 Related-party transactions

During the period covered by this quarterly financial information, there were no transactions between the Company and its related entities of the Grupa Pracuj S.A. Group on other than arm's length terms.

Members of the Company's Management Board, Supervisory Board and close members of their families, or other related parties, did not engage in transactions with the Group companies that had a material impact on the profit or loss of the reporting period or the financial position of Grupa Pracuj S.A.

Authorisation of the consolidated quarterly report for the nine months ended 30 September 2023

This consolidated quarterly report for the nine months ended 30 September 2023 was authorised for issue by the Management Board of Grupa Pracuj S.A. on 22 November 2023.

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Przemysław Gacek
President of the Management Board

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Gracjan Fiedorowicz
Member of the Management Board

.....
Rafał Nachyna
Member of the Management Board