



grupa pracuj

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Grupa Pracuj S.A. Group

Consolidated quarterly report
for the three month period
ended on March 31, 2023

TABLE OF CONTENTS

SELECTED FINANCIAL DATA	5
DIRECTORS' REPORT ON THE ACTIVITIES OF GRUPA PRACUJ S.A. AND THE GRUPA PRACUJ S.A. GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2023	6
LEADING BRANDS OF THE GROUP	6
STRUCTURE OF THE GROUP	7
OPERATING SEGMENTS OF THE GROUP	8
DISCUSSION OF THE GROUP'S RESULTS	9
SIGNIFICANT EVENTS IN THE THREE MONTHS ENDED 31 MARCH 2023.....	9
MARKET ENVIRONMENT – ECONOMIC SITUATION AND MACROECONOMIC FACTORS	10
OPERATING RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2023.....	11
FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2023	13
MANAGEMENT BOARD'S VIEW ON PROFIT GUIDANCE VS ACTUAL RESULTS	13
FINANCIAL POSITION.....	16
DEBT 16	
CASH FLOWS	18
FUTURE PROSPECTS – FACTORS AFFECTING THE GROUP'S FINANCIAL AND OPERATING PERFORMANCE	19
OTHER INFORMATION	20
SUPERVISORY BODIES OF GRUPA PRACUJ S.A.	21
SUPERVISORY BOARD.....	21
MANAGEMENT BOARD.....	22
SHARES AND SHAREHOLDING STRUCTURE	22
SHAREHOLDING STRUCTURE	23
GRUPA PRACUJ S.A. ON WARSAW STOCK EXCHANGE	25
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	28
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	29
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	30
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	31
1. GENERAL INFORMATION	32
1.1 GENERAL INFORMATION ABOUT THE PARENT	32
1.2 COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT	32
1.3 COMPOSITION OF THE GROUP AND BASIS FOR CONSOLIDATION	33
1.4 BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	35
1.5 SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS	35
1.6 FUNCTIONAL CURRENCY AND FOREIGN CURRENCY TRANSACTIONS	36
1.7 CORRECTIONS FOR ERRORS AND CHANGES IN ACCOUNTING POLICIES.....	37
2. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	37
2.1 OPERATING SEGMENTS	37
2.2 REVENUE FROM CONTRACTS WITH CUSTOMERS.....	38
2.3 OTHER INCOME AND EXPENSES	39
2.4 FINANCE INCOME AND FINANCE COSTS	39
3. NOTES ON TAXATION	40
3.1 INCOME TAX.....	40

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.	
DEBT OF THE GROUP	42
4.1 CAPITAL MANAGEMENT POLICY AND NET DEBT	42
4.2 EQUITY.....	42
4.3 DEBT LIABILITIES	43
4.4 CASH AND CASH EQUIVALENTS	45
5. FINANCIAL INSTRUMENTS AND MANAGEMENT FINANCIAL RISK	45
5.1 FINANCIAL INSTRUMENTS AND FAIR VALUE	45
5.2 OTHER FINANCIAL ASSETS	46
5.3 OTHER FINANCIAL LIABILITIES.....	48
5.4 FINANCIAL RISK MANAGEMENT	48
5.4.1 Principles of financial risk management	48
5.4.2 Credit risk.....	49
5.4.3 Liquidity risk.....	50
5.4.4 Currency risk.....	51
5.4.5 Interest rate risk	51
6. NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	52
6.1 INTANGIBLE ASSETS	52
6.2 PROPERTY, PLANT AND EQUIPMENT	52
6.3 RIGHT-OF-USE ASSETS.....	52
6.4 GOODWILL.....	53
6.5 EQUITY-ACCOUNTED INVESTEEES	54
6.6 INVENTORY	55
6.7 OTHER NON-FINANCIAL ASSETS	56
6.8 OTHER NON-FINANCIAL LIABILITIES.....	56
6.9 EMPLOYEE BENEFIT OBLIGATIONS	56
7. OTHER NOTES	59
7.1 EARNINGS PER SHARE.....	59
7.2 RELATED-PARTY TRANSACTIONS.....	59
7.3 REMUNERATION AND OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	60
7.4 EMPLOYEE BENEFITS EXPENSE	60
7.5 OTHER INFORMATION RELEVANT TO THE ASSESSMENT OF ASSETS, FINANCIAL CONDITION AND RESULTS	60
7.6 CONTINGENT LIABILITIES	60
7.7 IMPACT OF THE ARMED CONFLICT IN UKRAINE ON THE GROUP'S BUSINESS.....	61
7.8 EVENTS AFTER THE REPORTING DATE	62
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME	64
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION	65
INTERIM CONDENSED STATEMENT OF CASH FLOWS	66
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY	67
1. NOTES TO THE QUARTERLY FINANCIAL INFORMATION OF GRUPA PRACUJ S.A.....	68
1.1 STATEMENT CONCERNING ACCOUNTING POLICIES.....	68
1.2 REVENUE FROM CONTRACTS WITH CUSTOMERS.....	68
1.3 EMPLOYEE BENEFITS EXPENSE	69
5.1 INVESTMENTS IN SUBSIDIARIES	69
5.2 ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET PROFIT/(LOSS) OR CASH FLOWS THAT ARE UNUSUAL BECAUSE OF THEIR NATURE, SIZE OR INCIDENCE	70

5.3	FAIR VALUE OF FINANCIAL INSTRUMENTS	70
5.4	RELATED-PARTY TRANSACTIONS.....	70
AUTHORISATION OF THE CONSOLIDATED QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2023		71
GLOSSARY OF TERMS AND ABBREVIATIONS		72

SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected consolidated financial data for the three months ended 31 March 2023 and 2022¹

Financial results

Table 1.

	PLN thousand		EUR thousand	
	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Revenue from contracts with customers	185,370	142,096	39,437	30,577
Operating profit	76,421	68,706	16,258	14,784
Profit before tax	67,053	70,423	14,265	15,154
Net profit attributable to:	52,754	55,035	11,223	11,843
Owners of the Parent	51,724	55,146	11,004	11,867
Non-controlling interests	1,030	(111)	219	(24)
Total comprehensive income attributable to:	51,026	55,851	10,856	12,018
Owners of the Parent	49,996	55,962	10,636	12,042
Non-controlling interests	1,030	(111)	219	(24)

Cash flows

Table 2.

	PLN thousand		EUR thousand	
	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Net cash flows from operating activities	110,204	71,329	23,445	15,349
Net cash flows from investing activities	(6,269)	(12,539)	(1,334)	(2,698)
Net cash flows from financing activities	(26,541)	(2,293)	(5,646)	(493)
Total net cash flows	77,394	56,497	16,465	12,157

Financial position

Table 3.

	PLN thousand		EUR thousand	
	31 March 2023 (unaudited)	31 December 2022	31 March 2023 (unaudited)	31 December 2022
Non-current assets	805,018	804,615	172,178	171,563
Current assets	327,153	218,058	69,972	46,495
Total assets	1,132,171	1,022,673	242,150	218,059
Equity attributable to owners of the Parent	367,201	315,381	78,537	67,247
Non-controlling interests	52	33	11	7
Non-current liabilities	324,108	341,119	69,321	72,735
Current liabilities	440,810	366,140	94,281	78,070
Total equity and liabilities	1,132,171	1,022,673	242,150	218,059

¹ The selected financial data was translated into the euro in accordance with the principles described in Note 1.6 to the interim condensed consolidated financial statements for the three months ended 31 March 2023.

DIRECTORS' REPORT ON THE ACTIVITIES OF GRUPA PRACUJ S.A. AND THE GRUPA PRACUJ S.A. GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2023

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

With over 20 years of operations in Poland, more than 15 years in Ukraine, and an expansion into the DACH region (Germany, Austria, Switzerland) since 2022, the Group employs around 1,100 people. Its brands form a sophisticated digital ecosystem for the HR industry. Grupa Pracuj comprises Poland's largest job portal Pracuj.pl, Ukraine's job portal Robota.ua, and recruitment management systems eRecruiter in Poland and softgarden in Germany, both functioning under the SaaS (software as a service) model.

The Group aims to achieve several strategic goals, including solidifying its presence in established markets, refining and developing innovative HR technology solutions, and increasing revenue by investing in SaaS tools and services, along with 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 (software as a service) 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, a leader of the HR technology industry in Germany, also present in other European markets, which has been part of Grupa Pracuj 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.

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023

All amounts in PLN thousand (in tables and charts), unless otherwise stated

Structure of the Group

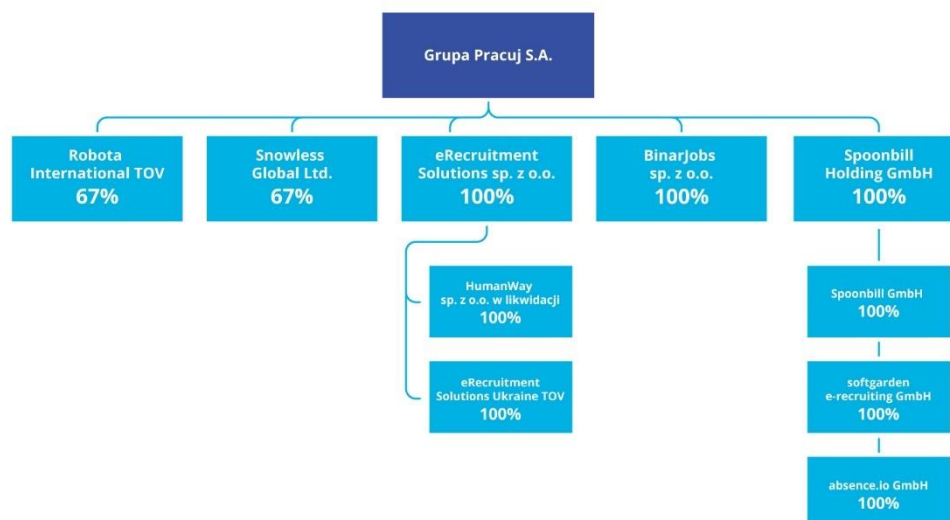
Grupa Pracuj S.A. (the 'Company') has been listed on the Warsaw Stock Exchange (the 'WSE') since 9 December 2021. The Company shares are listed on the WSE main market in the continuous trading system under the ticker symbol 'GPP'. The Company shares were added to the mWIG40 mid-cap index in June 2022.

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

As at 31 March 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 and HumanWay sp. z o.o. w likwidacji (in liquidation) (through eRecruitment Solutions sp. z o.o.) and Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH (through Spoonbill Holding GmbH), and (iv) 67%-owned subsidiaries of the Company: Robota International TOV and Snowless Global Ltd. The Company is the Parent of the Group.

Table 4 Structure of the Grupa Pracuj S.A. Group

Company	Registered office	Principal business	Ownership interest
			31 March 2023
Parent:			
Grupa Pracuj S.A.	Poland	web portals	
Direct and indirect subsidiaries			
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%
HumanWay sp. z o.o. w likwidacji	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 holding financial holdings	100%
Spoonbill GmbH	Germany	activities of holding companies excluding holding financial holdings	100%
softgarden e-recruiting GmbH	Germany	IT services	100%
absence.io GmbH	Germany	IT services	100%



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

DISCUSSION OF THE GROUP'S RESULTS

- In the three months ended 31 March 2023, the Grupa Pracuj S.A. Group earned revenue of PLN 185.4 million, representing a 30.5% increase year on year.
 - Despite challenging market conditions and a 12.7% year-on-year decrease in the number of recruitment projects, Segment Poland recorded results largely unchanged year on year. In the three months ended 31 March 2023, the average price of a recruitment project on Pracuj.pl was PLN 853.2, a year-on-year increase of 8.7%.
 - Revenue earned by Segment Ukraine fell year on year by 8.1%. Although recruitment activities carried out via the portal were downscaled, the number of recruitment projects on Robota.ua has been on a slow but steady upward trend from quarter to quarter. In the three months ended 31 March 2023, it was 15.3% lower year on year.
 - Segment Germany generated PLN 46.1 million under contracts with customers.
- The Group's adjusted EBITDA increased by 5.1% year on year in the three months ended 31 March 2023, to PLN 83.9 million.
- Adjusted EBITDA margin in 2022 was 45.3%, compared to 56.2% a year earlier, which is primarily due to an increase in the Group's operating expenses.
- The Group earned PLN 52.8 million in consolidated net profit, down 4.1% year on year, due mainly to higher finance costs related to the credit facility taken out to finance the acquisition of softgarden in mid-2022.

Significant events in the three months ended 31 March 2023

- With the beginning of the year, a new product offering was rolled out on Pracuj.pl. The new additions and packages offered via all sales channels will, in the long term, translate into higher average prices.
- To accommodate these changes and meet the growing expectations of both customers and users, a new version of Pracuj.pl was launched in the three months ended 31 March 2023, to be developed based on data and AI solutions, representing added value for all parties.
- A new enlarged and intuitive website was also launched by eRecruiter, a leading Polish recruitment support system operating under the SaaS (software as a service) model.
- In addition, eRecruiter has made available to its customers the PRO Career Site Builder, previously offered by softgarden, for building professional and fully personalised career sites – a new channel to engage with job candidates.
- The Robota.ua team started to implement its own ATS (Applicant Tracking System), an electronic recruitment support tool, to improve customer service, strengthen customer relations through added value, and enhance user experience.
- softgarden was working on a number of features to improve its solutions and deployed new modules, such as a video call feature for job interviewing.

Market environment – economic situation and macroeconomic factors

Poland

Poland continues to have one of the lowest unemployment rates in the European Union.

According to EUROSTAT, the statistical office of the European Union, the unemployment rate in Poland in March 2023 was 2.8%,² significantly below the 6.0% recorded for the European Union as a whole, and 6.5% for the eurozone.

According to the Polish Ministry of Family and Social Policy, the registered unemployment rate in Poland stood at 5.3% at the end of April 2023.³ This represents a decrease of 0.3 percentage point on the end of April 2022 and a slight decrease of 0.1 percentage point compared to March 2023. At the end of April, 823.7 thousand individuals were registered as unemployed, according to data from the Ministry.

As reported by Statistics Poland (GUS)⁴, average pay in the first quarter of 2023 reached PLN 7,124. A steady increase has also been recorded in the case of average monthly wages in the enterprise sector (comprising companies with headcounts of at least 9). In March 2023, the amount was PLN 7,508, up 12.6% on March 2022 and 6.3% on February 2023.

In April 2023, the consumer price index (CPI) rose 14.7% year on year, relative to 16.1% in March 2023. On this basis, the year-on-year rise in core inflation, excluding energy and food prices, was estimated at 12.2% in April, compared with 12.3% in March 2023.

According to the IPAG Institute for Economic Forecasts and Analyses⁵, the GDP growth rate in the first quarter of 2023 was negative at -0.9%. In the coming quarters, the GDP growth rate is expected to pick up slightly, to 1.2% as estimated for the full year 2023.

In May 2023, ⁶the European Commission revised the forecast of Poland's GDP growth from 0.4% to 0.7% in 2023 and from 2.5% to 2.7% in 2024.

Moreover, according to the European Commission's spring forecast, despite a slowdown in economic activity, the unemployment rate is expected to stay put with continued rapid growth in wages, driven by an increase in the minimum national wage and the low jobless rate. It has been noted that a labour shortage makes companies reluctant to lay off staff, deciding on this move only as a last resort, which is in line with our observations.

Germany

According to the German Federal Statistical Office Destatis, between January and March 2023 Germany's GDP remained unchanged quarter on quarter, having fallen 0.1% year on year.

Based on spring forecasts released recently by the German government, GDP is estimated to increase by 0.4% in 2023 and by 1.6% in 2024.

The consumer price index (CPI) is slowing down to 7.2% in April 2023, compared with 7.4% in March and 8.7% in January and February 2023.⁷

² https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics_and_beyond

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

⁴ <https://stat.gov.pl/sygnalne/komunikaty-i-obwieszczenia/lista-komunikatow-i-obwieszczen/>

⁵ <https://www.ipag.org.pl/pl-PL/text/prognozy/prognozy-ipag>

⁶ https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/poland/economic-forecast-poland_en

⁷ https://www.destatis.de/SiteGlobals/Forms/Suche/Presse/EN/Pressesuche_Formular.html?nn=263424

Ukraine

The National Bank of Ukraine believes the Ukrainian economy may start growing again in 2023–2024 and estimates its GDP growth rate for 2023 at 2.0%.

The consumer price index (CPI) dropped from 21.3% in March 2023 to 17.3% in⁸ April 2023, and may decline further to 14.8% for the full year 2023. Bar 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. The unemployment rate is estimated to gradually go down: to 18.3% in 2023, 16.5% in 2024 and 14.7% in 2025.

Operating results for the three months ended 31 March 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 5.

Financial indicator	3 months ended		Change (y/y)
	2023	31 March 2022	
Pracuj.pl			
Number of recruitment projects (thousand) ⁽¹⁾	132.7	152.0	(12.7%)
Average price of recruitment project (PLN) ⁽²⁾	853.2	784.6	8.7%
eRecruiter			
Number of active customers	1,848	1,656	11.6%
softgarden			
Number of active customers	1,501	N/A	N/A
Robota.ua			
Number of recruitment projects (thousand) ⁽¹⁾	175.1	206.7	(15.3%)
Number of no-cost recruitment projects (thousand)	72.2	95.8	(24.6%)
Number of paid recruitment projects (thousand)	102.8	110.9	(7.3%)
Average price of paid recruitment project (UAH)	748.3	671.2	11.5%
Average price of paid recruitment project (PLN) ⁽³⁾	94.1	95.0	(0.9%)

⁽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 recruitment projects divided by the number of recruitment projects.

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

⁸ <https://bank.gov.ua/en/news/all/komentar-natsionalnogo-banku-schodo-rivnya-inflyatsiji-v-kvitni-2023-roku>

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

Table 6.

Financial indicator	3 months ended		Change (y/y)
	2023	2022	
EBITDA	81,910	71,795	14.1%
<i>EBITDA margin (%)</i>	<i>44.2%</i>	<i>50.5%</i>	<i>(12.5%)</i>
Adjusted EBITDA	83,936	79,856	5.1%
<i>Adjusted EBITDA margin (%)</i>	<i>45.3%</i>	<i>56.2%</i>	<i>(19.4%)</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 contracts with customers for the same period.*

Financial results for the three months ended 31 March 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.

In the three months ended 31 March 2023, the Grupa Pracuj S.A. Group generated PLN 52.8 million in consolidated net profit, which represented a year-on-year decrease, due chiefly to higher finance costs related to a credit facility.

Net profit of the Group for the three months ended 31 March 2023 and the impact of specific items of the consolidated statement of comprehensive income

Chart 1.

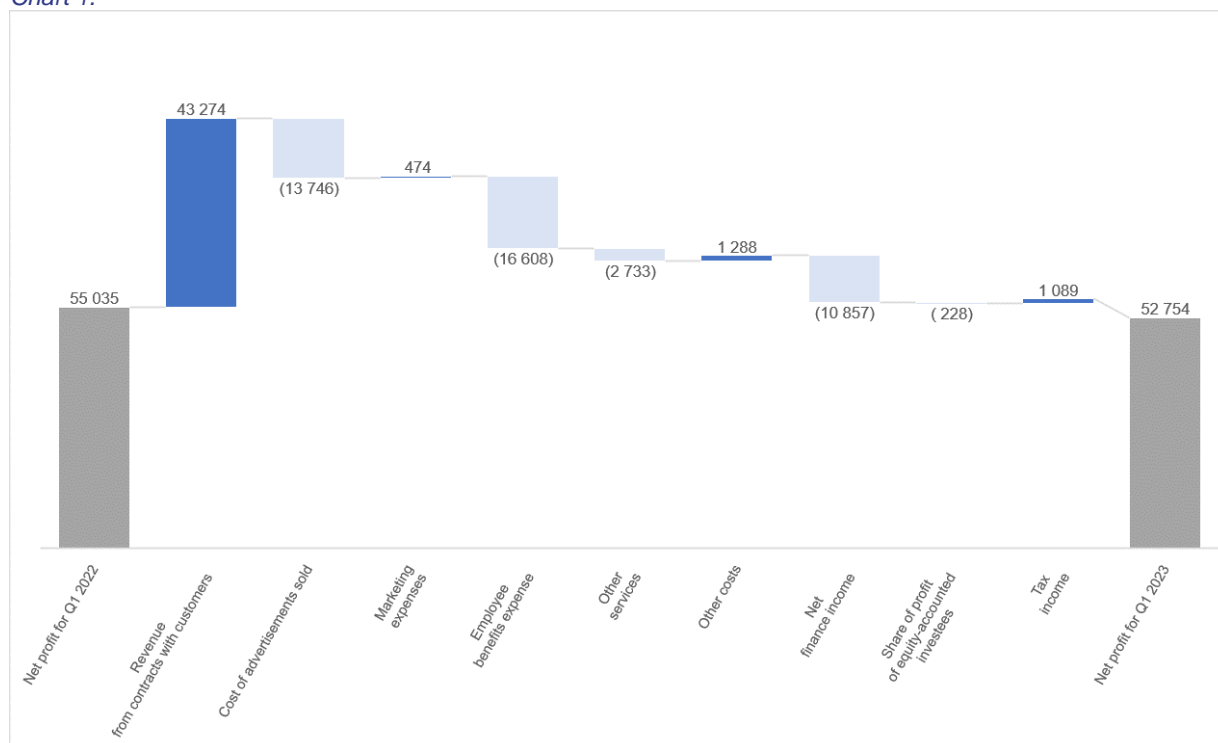


Table 7. Financial results of the Group

	3 months ended 31 March		Change (y/y)
	2023	2022	
Revenue from contracts with customers, including:	185,370	142,096	30.5%
<i>Segment Poland</i>	129,576	131,563	(1.5%)
<i>Segment Ukraine</i>	9,677	10,533	(8.1%)
<i>Segment Germany</i>	46,117	-	
Depreciation and amortisation	(5,489)	(3,089)	77.7%
Cost of job offer sold	(13,746)	-	
Marketing expenses	(14,206)	(14,680)	(3.2%)
Software as service	(3,106)	(1,460)	112.7%
Other services	(7,998)	(5,265)	51.9%
Employee benefits expense	(62,766)	(46,158)	36.0%
Other costs	(2,098)	(1,035)	102.7%
Other income	828	388	113.4%
Other expenses	(472)	(1,760)	(73.2%)
Expected credit losses	104	(331)	(131.4%)
Operating profit, including:	76,421	68,706	11.2%
<i>Segment Poland</i>	70,620	69,335	1.9%
<i>Segment Ukraine</i>	2,311	(629)	(467.4%)
<i>Segment Germany</i>	3,490	-	
Finance income	2,447	1,305	87.5%
Finance costs	(12,721)	(722)	1,661.9%
Net finance income / (costs)	(10,274)	583	(1,862.3%)
Share of profit of equity-accounted investees	906	1,134	(20.1%)
Profit before tax	67,053	70,423	(4.8%)
Income tax	(14,299)	(15,388)	(7.1%)
Net profit	52,754	55,035	(4.1%)

Table 8. Percentage share of income and expenses in revenue from contracts with customers of the Group

	3 months ended 31 March		Change (y/y)
	2023	2022	
Revenue from contracts with customers	185,370	142,096	43,274
Depreciation and amortisation	3.0%	2.2%	0.8%
Cost of job offers sold	7.4%	-	7.4%
Marketing expenses	7.7%	10.3%	(2.7%)
Software as service	1.7%	1.0%	0.6%
Other services	4.3%	3.7%	0.6%
Employee benefits expense	33.9%	32.5%	1.4%
Other costs	1.1%	0.7%	0.4%
Other income	(0.4%)	(0.3%)	(0.2%)
Other expenses	0.3%	1.2%	(1.0%)
Expected credit losses	(0.1%)	0.2%	(0.3%)
Operating profit margin	41.2%	48.4%	(7.1%)

Revenue from contracts with customers

- two-digit growth in the Group's revenue, mainly on consolidation of revenue of the softgarden Group, operating, among others, under the Software-as-a-Service (SaaS) subscription model;
- in the three months ended 31 March 2023, the total number of recruitment projects on Pracuj.pl was down 12.7% year on year, while their average unit price rose by nearly 9.0% year on year, to PLN 853;
- revenue in Segment Germany is generated through sales of services in a subscription model (SaaS), as well as through sales of multiposting services, which involves the simultaneous posting of job offers on various recruitment sites; revenue from multiposting is recognised either on a gross basis or a net basis, depending on the company's role as an agent or principal. Recognition on a net basis applies to purchases made based on a customer's specific orders, while recognition on a gross basis pertains to purchases made for subsequent resale. In the future, the Management Board intends to redesign the contracts so that the majority of revenue from multiposting is recognised on a net basis;
- the number of active customers using the eRecruiter and softgarden systems, offered in a Software-as-a-Service (SaaS) model, is steadily rising. As at the end of March 2023, there were 1,848 such customers in Poland and 1,501 in Germany;
- Segment Ukraine's revenue was only slightly lower compared with the same period of 2022, which we perceive as a positive fact given the obvious operating challenges. In the three months to 31 March 2023, the total number of recruitment projects on the Ukrainian site Robota.ua was 175.1 thousand, out of which 102.8 thousand were paid projects.

Operating expenses:

- increase in employee benefits expense, by 36.0% year on year, due mainly to the consolidation of employee benefits expense of Segment Germany, as well as higher headcount and salary increases in Poland;
- marketing expenses remained broadly unchanged year on year, at PLN 14.2 million. In the three months ended 31 March 2023, the Group focused on strengthening its competitive position through omnichannel marketing campaigns and organising the Jobicon job fair;
- rise in Software-as-a-Service costs, to PLN 3.1 million, driven by an increase in the number of software users and higher costs of access to software used by the Group;
- 51.9% increase in costs of other services, to PLN 8.0 million, including as a result of recognition of operating expenses of Segment Germany, higher year-on-year office maintenance cost and higher cost of organising the Jobicon job fair, resumed again in the offline format.

Financial position**Grupa Pracuj S.A. Group****Debt**

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. as the lenders for a term facility of up to PLN 400,000,000.00 to finance general corporate purposes, including planned future investments and further growth of the Company.

For details of the credit facility, see Note 4.3 'Debt liabilities' in these interim condensed consolidated financial statements for the three months ended 31 March 2023.

Table 9.

Group's assets	31 March 2023 (unaudited)	31 December 2022	Change (y/y)
Non-current assets, including:	805,018	804,615	0.1%
Intangible assets	31,852	29,403	8.3%
Property, plant and equipment	13,023	12,382	5.2%
Right-of-use assets	15,462	15,093	2.4%
Goodwill	530,797	532,432	(0.3%)
Equity-accounted investees	23,942	27,407	(12.6%)
Other financial assets	129,191	130,622	(1.1%)
Other non-financial assets	917	944	(2.9%)
Deferred tax assets	59,834	56,332	6.2%
Current assets, including:	327,153	218,058	50.0%
Inventory	26,655	3,912	581.4%
Trade receivables	71,124	73,121	(2.7%)
Other financial assets	4,112	348	1,081.6%
Other non-financial assets	38,303	31,139	23.0%
Cash and cash equivalents	186,959	109,538	70.7%
Total assets	1,132,171	1,022,673	10.7%

The carrying amount of non-current assets remained close to the level posted as at 31 December 2022. The increase in current assets was mainly attributable to higher inventory and cash. The rise in inventory was driven largely by the purchase of job adverts, to be gradually sold under the multiposting service at softgarden.

Table 10.

Equity and liabilities of the Group	31 March 2023 (unaudited)	31 December 2022	Change (y/y)
Equity, including:	367,253	315,414	16.4%
Equity attributable to owners of the Parent	367,201	315,381	16.4%
Non-controlling interests	52	33	57.6%
Total liabilities, including:	764,918	707,259	8.2%
Non-current liabilities, including:	324,108	341,119	(5.0%)
Bank borrowings	287,080	303,168	(5.3%)
Lease liabilities	7,230	8,762	(17.5%)
Other financial liabilities	10,350	9,138	13.3%
Employee benefit obligations	1,847	1,847	-
Deferred tax liabilities	17,601	18,204	(3.3%)
Current liabilities, including:	440,810	366,140	20.4%
Bank borrowings	63,615	63,492	0.2%
Lease liabilities	12,048	10,942	10.1%
Other financial liabilities	6,652	4,171	59.5%
Employee benefit obligations	21,838	23,618	(7.5%)
Trade payables	61,186	32,809	86.5%
Other non-financial liabilities	14,501	16,765	(13.5%)
Current tax liabilities	11,069	5,923	86.9%
Contract liabilities	249,901	208,420	19.9%
Total equity and liabilities	1,132,171	1,022,673	10.7%

At the end of March 2023, the Group's equity rose to PLN 367.3 million, up by 16.4% relative to 31 December 2022.

Total liabilities went up 8.2% on the end of December 2022, to PLN 764.9 million. Non-current liabilities fell, mainly as a result of reclassification of some liabilities arising from a credit facility to current liabilities, as well as a low number of new lease contracts.

Current liabilities went up to PLN 440.8 million at the end of March 2023. The change was mainly attributable to an increase in trade payables, mainly within Segment Germany, and contract liabilities reflecting higher sales of services to be performed over the next 12 months.

Cash flows**Grupa Pracuj S.A. Group**

Table 11.

The Group	3 months ended 31 March		Change (y/y)
	2023	2022	
Net cash flows from operating activities	110,204	71,329	54.5%
Net cash flows from investing activities	(6,269)	(12,539)	(50.0%)
Net cash flows from financing activities	(26,541)	(2,293)	1,057.3%
Total net cash flows	77,394	56,497	37.0%

Net cash flows from operating activities

Net cash flows from operating activities increased by 54.5% 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

Net cash flows from investing activities were mainly attributable to lower funds invested in bonds compared with the three months ended 31 March 2022.

Net cash flows from financing activities

In the three months ended 31 March 2023, net cash flows from financing activities reflected primarily repayment of principal and interest under a credit facility of, respectively, PLN 16.0 million and PLN 7.7 million.

Future prospects – factors affecting the Group's financial and operating performance

The Management Board acknowledges that the Group's and Company's future prospects are influenced by both positive and negative factors that affect their development plans.

Market environment:

- the economic situation in Poland, particularly the uncertainty stemming from the geopolitical situation in the country and the region;
- expectations regarding the development of macroeconomic factors, which significantly influence sentiment and decision-making for both businesses (Group customers) and users (candidates);
- legislative changes, including revisions to the Labour Code or an increase in the national minimum wage, may lead to changes in the employment policies and working conditions offered by employers, consequently leading to higher staff turnover;
- staff shortages and continued challenge for businesses in finding highly qualified staff.

Strategic directions:

- steady rise in the average prices of recruitment projects and services across the Group;
- added value offered to customers and users through consistent expansion of the service and product portfolio to include AI-based solutions;
- increased market share in the segment of SMEs and micro-enterprises driven by the well-received Flexible Price List in the e-commerce channel;
- expansion into new markets.

Operating activities:

- acquisition of softgarden boosting revenue, while negatively affecting EBITDA margin;
- continued cost discipline, e.g. by optimising processes within the Group and flexibly adjusting marketing budgets to prevailing market conditions;
- prolonged armed conflict in Ukraine, bringing high uncertainty regarding the course of military actions and their geopolitical consequences. As at issue date of this report, the Group's operations in the Ukrainian market were not at risk, and the Ukrainian subsidiary continued as a going concern.

Other information

Litigation

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

Borrowings

On 14 June 2022, the Management Board reported that the Company, as the borrower, entered into a credit facility agreement with BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. (the 'Banks') as the lenders. Under the agreement, the banks agreed to provide the Company with a term facility of up to PLN 400,000,000.00 to finance general corporate purposes, including planned future investments and further growth of the Company.

On 27 June 2022, the Management Board announced completion, on 24 June 2022, of the acquisition of 25,000 shares, representing 100% of the share capital of Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH, and absence.io GmbH, from Eden Investment S.à r.l. (controlled by the alternative asset manager Investcorp) and Stefan Schöffler Beteiligungs UG (haftungsbeschränkt) (see Current Report No. 17/2022 of 27 June 2022). The closing of the transaction, including the payment of the final total price of PLN 552.5 million (EUR 117.6 million) and the transfer of title to the acquired shares to the Company, was confirmed by the parties with the signing of a relevant protocol on 27 June 2022. The sale price was partly financed with proceeds from a term facility of PLN 400.0 million, while the remaining amount of PLN 152.5 million was financed with the Company's own funds.

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

For details of the credit facility, see Note 4.3 'Debt liabilities' in the interim condensed consolidated financial statements, included in this quarterly report for the three months ended 31 March 2023.

Sureties and guarantees

As at 31 March 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 interim condensed consolidated financial statements for the three months ended 31 March 2023.

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

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

Related-party transactions

In the three months ended 31 March 2023, the Company and its subsidiaries did not conclude any related-party transactions on non-arm's length terms. Related-party transactions are made on terms equivalent to those applied in transactions with third parties concluded at an arm's length. All transactions with related parties are described in the interim condensed consolidated financial statements for the three months ended 31 March 2023 in Note 7.2 'Related-party transactions'.

SUPERVISORY BODIES OF GRUPA PRACUJ S.A.

Supervisory Board

Composition

As at 31 March 2023, the composition of the Supervisory Board was as follows:

Table 12.

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

Pursuant to a resolution of the Extraordinary General Meeting of 30 November 2022 to appoint a member of the Supervisory Board, Ms Martina van Hettinga was appointed to the Supervisory Board for a joint three-year term of office, as member of the Supervisory Board, with effect from 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 31 March 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***

Shares and shareholding structure

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

As at 31 March 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 31 March 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 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 31 March 2023:

Shareholder	Number of shares / voting rights	31 March 2023	
		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.	8,638,861	43,194,305	12.65%
Maciej Noga	5,755,449	28,777,245	8.43%
Others	18,012,803	90,064,015	26.39%
Total	68,265,026	341,325,130	100%

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

Shares held by management and supervisory personnel

As at 31 March 2023, holdings of Company shares by its management and supervisory personnel were as follows:

Management members	Board	Number of shares / voting rights	31 March 2023	
			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 inclusive of the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

Supervisory members	Board	Number of shares / voting rights	31 March 2023	
			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%

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 details of the scheme, see Note 6.9 'Employee benefit obligations' in these interim condensed consolidated financial statements for the period ended 31 March 2023.

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 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 in 2023

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 annual report for 2022
25 May 2023	Consolidated report for the first quarter of 2023
31 August 2023	Consolidated report for the first half of 2023
23 November 2023	Consolidated report for the third quarter of 2023

Dividends

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

Distribution of profit earned in 2022

On 12 May 2023, the Company's Management Board passed a resolution to recommend that the Annual General Meeting allocate the Company's net profit for the year ended 31 December 2022, totalling PLN 164.8 million, as follows:

- the amount of PLN 102.4 million for payment of dividend to the Company's shareholders, i.e. PLN 1,50 per share;
- the amount of PLN 62.4 million to the Company's reserve capital,

The Management Board also proposed that the dividend record date be set for 30 June 2023, and the dividend payment date for 14 July 2023.

The proposal was endorsed by the Company's Supervisory Board. Final decision on the allocation of net profit earned in the year ended 31 December 2022, including payment of dividend and its amount, will rest with the Annual General Meeting.



**Interim condensed consolidated
financial statements
of Grupa Pracuj S.A. Group
for the three month period
ended on March 31, 2023**



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Revenue from contracts with customers	2.2	185,370	142,096
Depreciation and amortisation		(5,489)	(3,089)
Cost of job offers sold		(13,746)	-
Marketing expenses		(14,206)	(14,680)
Software as service		(3,106)	(1,460)
Other services		(7,998)	(5,265)
Employee benefits expense	7.4	(62,766)	(46,158)
Other costs		(2,098)	(1,035)
Other income	2.3	828	388
Other expenses	2.3	(472)	(1,760)
Expected credit losses		104	(331)
Operating profit		76,421	68,706
Finance income	2.4	2,447	1,305
Finance costs	2.4	(12,721)	(722)
Net finance income / (costs)		(10,274)	583
Share of profit / (loss) of equity-accounted investees	6.5	906	1,134
Profit before tax		67,053	70,423
Income tax	3.1	(14,299)	(15,388)
Net profit from continuing operations		52,754	55,035
Net profit		52,754	55,035

OTHER COMPREHENSIVE INCOME	Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Items that may be reclassified to profit or loss		(1,728)	816
Exchange differences on translating foreign operations		(1,728)	816
Total other comprehensive income		(1,728)	816
TOTAL COMPREHENSIVE INCOME		51,026	55,851

	Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Net profit attributable to:			
Owners of the Parent		51,724	55,146
Non-controlling interests		1,030	(111)
		52,754	55,035
Total comprehensive income attributable to:			
Owners of the Parent		49,996	55,962
Non-controlling interests		1,030	(111)
		51,026	55,851
Basic earnings per share (PLN) - continuing operations	7.1	0.76	0.81
Diluted earnings per share (PLN) - continuing operations	7.1	0.75	0.81

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2023 (unaudited)	31 December 2022
Intangible assets	6.1	31,852	29,403
Property, plant and equipment	6.2	13,023	12,382
Right-of-use assets	6.3	15,462	15,093
Goodwill	6.4	530,797	532,432
Equity-accounted investees	6.5	23,942	27,407
Other financial assets	5.2	129,191	130,622
Other non-financial assets	6.7	917	944
Deferred tax assets	3.1	59,834	56,332
Non-current assets		805,018	804,615
Inventory	6.6	26,655	3,912
Trade receivables	5.4	71,124	73,121
Other financial assets	5.2	4,112	348
Other non-financial assets	6.7	38,303	31,139
Cash and cash equivalents	4.4	186,959	109,538
Current assets		327,153	218,058
Total assets		1,132,171	1,022,673

EQUITY AND LIABILITIES	Note	31 March 2023 (unaudited)	31 December 2022
Share capital	4.2	341,325	341,325
Reserve capital		238,248	238,248
Share repurchase reserve		1,080	1,080
Share-based payment arrangements	6.9	59,442	57,416
Other reserves		(13,835)	(13,633)
Translation reserve		(1,222)	506
Merger reserve		(586,707)	(586,707)
Retained earnings / (losses) carried forward		328,870	277,146
Equity attributable to owners of the Parent		367,201	315,381
Non-controlling interests		52	33
Total equity		367,253	315,414
Bank borrowings	4.3	287,080	303,168
Lease liabilities	4.3	7,230	8,762
Other financial liabilities	5.3	10,350	9,138
Employee benefit obligations	6.9	1,847	1,847
Deferred tax liabilities	3.1	17,601	18,204
Non-current liabilities		324,108	341,119
Bank borrowings	4.3	63,615	63,492
Lease liabilities	4.3	12,048	10,942
Employee benefit obligations	6.9	21,838	23,618
Trade payables	5.4	61,186	32,809
Other non-financial liabilities	6.8	14,501	16,765
Other financial liabilities	5.3	6,652	4,171
Current tax liabilities	3.1	11,069	5,923
Contract liabilities	2.2	249,901	208,420
Current liabilities		440,810	366,140
Total liabilities		764,918	707,259
Total equity and liabilities		1,132,171	1,022,673

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Cash flows from operating activities			
Profit before tax		67,053	70,423
Adjustments for:			
Share in (profit) / loss of equity-accounted investees		(906)	(1,134)
Depreciation and amortisation		5,489	3,089
Foreign exchange (gains) / losses		(1,161)	1,219
(Gain) / loss on interest		7,881	188
(Gain) / loss on investing activities		1,816	(273)
Measurement of equity-settled share-based payment arrangement		2,026	-
Settlement and measurement of derivative financial instruments		2,626	8,061
Income tax paid		(13,258)	(21,024)
Changes in working capital:			
Employee benefit obligations	6.9	(1,780)	1,056
Change in inventory	6.6	(22,743)	-
Trade receivables	5.4	1,997	(12,185)
Other non-financial assets	6.7	(7,237)	(4,692)
Trade payables	5.4	28,605	(819)
Other non-financial liabilities	6.8	(2,264)	(3,835)
Contract liabilities		41,481	31,263
Other adjustments		579	(8)
Net cash flows from operating activities		110,204	71,329
Cash flows from investing activities			
Purchase of financial assets		(37)	(35,512)
Proceeds from sale of financial assets		-	25,000
Proceeds from sale of property, plant and equipment and intangible assets		234	6
Purchase of property, plant and equipment and intangible assets		(6,466)	(2,033)
Net cash flows from investing activities		(6,269)	(12,539)
Cash flows from financing activities			
Payment of bank borrowings	4.3	(16,000)	-
Payment of lease liabilities	4.3	(2,778)	(2,105)
Interest paid	4.3	(7,846)	(188)
Settlement of derivative financial instruments	4.3	83	-
Net cash flows from financing activities		(26,541)	(2,293)
Total net cash flows		77,394	56,497
Cash and cash equivalents at beginning of period			
		109,538	184,836
Exchange differences on cash and cash equivalents		27	48
Cash and cash equivalents at end of period		186,959	241,381
Cash and cash equivalents in the statement of financial position	4.4	186,959	241,381

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023

All amounts in PLN thousand (in tables and charts), unless otherwise stated

INTERIM CONDENSED CONSOLIDATED 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
1 January 2023	341,325	238,248	1,080	57,416	(13,633)	506	(586,707)	277,146	315,381	33	315,414
Net profit / (loss) for period	-	-	-	-	-	-	-	51,724	51,724	1,030	52,754
Other comprehensive income for period	-	-	-	-	-	(1,728)	-	-	(1,728)	-	(1,728)
Total comprehensive income for period	-	-	-	-	-	(1,728)	-	51,724	49,996	1,030	51,026
Share-based payments	-	-	-	2,026	-	-	-	-	2,026	-	2,026
Valuation of put option	-	-	-	-	(202)	-	-	-	(202)	(1,011)	(1,213)
Transactions with owners of the Parent	-	-	-	2,026	(202)	-	-	-	1,825	(1,011)	813
31 March 2023 (unaudited)	341,325	238,248	1,080	59,442	(13,835)	(1,222)	(586,707)	328,870	367,201	52	367,253

	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	-	-	-	-	-	-	-	55,146	55,146	(111)	55,035
Other comprehensive income for period	-	-	-	-	-	816	-	-	816	-	816
Total comprehensive income for period	-	-	-	-	-	816	-	55,146	55,962	(111)	55,851
Share-based payments	-	-	-	8,061	-	-	-	-	8,061	-	8,061
Valuation of put option	-	-	-	-	(110)	-	-	-	(110)	110	-
Transactions with owners of the Parent	-	-	-	8,061	(110)	-	-	-	7,951	110	8,061
31 March 2022 (unaudited)	340,521	108,516	1,080	37,317	(15,902)	722	(586,707)	427,512	313,059	11	313,070

1. GENERAL INFORMATION

1.1 General information about the Parent

Name	Grupa Pracuj spółka akcyjna
Legal form	joint stock company
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 leading technology platform in the HR industry in Central and Eastern Europe offering online job offers and providing recruitment, staff retention and employee development support to a variety of organisations. 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 three months ended 31 March 2023 and as at that date, the composition of the Parent's 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 interim condensed consolidated financial statements.

As at 31 March 2023 and the date of authorisation of these interim condensed consolidated financial statements, the composition of the Company's 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 interim condensed consolidated 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 31 March 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 31 March 2023 and 31 December 2022. In the period between 31 December 2022 and 31 March 2023, there were no changes in the composition of the Group.

Grupa Pracuj S.A. Group

Consolidated quarterly report of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023

All amounts in PLN thousand (in tables and charts), unless otherwise stated

Company	Registered office	Principal business	Ownership interest	
			31 March 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	100%	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 holding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding holding 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	30%	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	35%	35%

* On 12 April 2023, Video Recruiting Solutions s.r.o., v likvidaci was deleted from the commercial companies register.

1.4 Basis of preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as endorsed by the European Union (“IAS 34”). These interim condensed consolidated 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 interim condensed consolidated 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 interim condensed consolidated 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 interim condensed consolidated 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 interim condensed consolidated 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 31 March 2023. As at the date of preparation of these interim condensed consolidated 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 the consolidated quarterly report is compliant with the requirements laid down in 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 2019, item 757), covering the reporting period from 1 January to 31 March 2023 and the comparative period from 1 January to 31 March 2022 for, respectively, the interim condensed statement of comprehensive income and the interim condensed statement of cash flows, as well as the statement of financial position as at 31 March 2023 and statement of financial position as at 31 December 2022.

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

In the three months ended 31 March 2023, there were no material changes in the method in which accounting estimates are made.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

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 these interim condensed consolidated financial statements.

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
Taxes payables/receivables	3.1
Lease liabilities	4.3
Financial assets measured at amortised cost	5.1
Trade receivables	5.1
Unlisted shares	5.1
Equity-accounted investees	6.5
Employee benefit obligations	6.9
Share-based payments	6.9

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 interim condensed consolidated financial statements.

All amounts in these interim condensed consolidated 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:

currency	Exchange rate at the reporting date	
	31 March 2023	31 December 2022
EUR	4.6755	4.6899
USD	4.2934	4.4018
UAH	0.1258	0.1258

currency	Average rate in the period	
	3 months ended 31 March 2023	3 months ended 31 March 2022
EUR	4.7005	4.6472
USD	4.3630	4.1235
UAH	0.1258	0.1415

1.7 Corrections for 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 INTERIM CONDENSED CONSOLIDATED 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 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 – this segment comprises entities that earn revenues in the Polish market and whose results are regularly reviewed by the Management Board of the Parent as the chief decision-making body. This segment includes the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji, and BinarJobs sp. z o.o. The particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – this segment comprises entities that earn revenues from contracts with customers in the Ukrainian market. Results of the segment entities are periodically reviewed by the Management Board of the Parent. 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. Results of the segment entities are periodically reviewed by the Management Board of the Parent. This segment includes the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH. The companies operating in the German market offer a wide range of services related to recruitment processes, as well as support services for time and absence management, 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.

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

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023

All amounts in PLN thousand, unless otherwise stated

3 months ended 31 March 2023 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	129,576	9,677	46,117	-	185,370
Other income	541	6	281	-	828
Intersegment revenue	11	8	-	(19)	-
Total segment revenue	130,128	9,691	46,398	(19)	186,198
Depreciation and amortisation	(2,911)	(527)	(2,051)	-	(5,489)
Operating expenses other than depreciation and amortisation	(56,597)	(6,853)	(40,857)	19	(104,288)
Operating profit	70,620	2,311	3,490	-	76,421

3 months ended 31 March 2022 (unaudited)	Segment Poland	Segment Ukraine	Intersegment eliminations	Total
Revenue from external customers	131,563	10,533	-	142,096
Other income	294	94	-	388
Intersegment revenue	12	52	(64)	-
Total segment revenue	131,869	10,679	(64)	142,484
Depreciation and amortisation	(2,315)	(774)	-	(3,089)
Operating expenses other than depreciation and amortisation	(60,219)	(10,534)	64	(70,689)
Operating profit	69,335	(629)	-	68,706

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	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Over time	109,634	93,458
At a point in time	75,736	48,638
Total	185,370	142,096

Revenue from contracts with customers by region

Revenue from contracts with customers segmented by geography	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Poland	125,481	127,161
Ukraine	9,677	10,533
DACH region	48,612	2,864
Other countries	1,600	1,538
Total	185,370	142,096

Contract liabilities

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

Contract liabilities	31 March 2023 (unaudited)	31 December 2022
Current	249,901	208,420
Total	249,901	208,420

The Group anticipates that the amounts reported as contract liabilities will be recognised as revenue at the moment the performance obligation is satisfied 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 *Revenue from Contracts with Customers*, whereby the Group need not disclose the transaction price allocated to the unsatisfied performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

2.3 Other income and expenses

Other income

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Gain on disposal of non-current non-financial assets	70	7
Income from lease modifications	-	8
Income from sublease of office space	234	8
Other income	524	365
Total	828	388

Other expenses

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Donations	19	1,733
Other expenses	453	27
Total	472	1,760

In the three months ended 31 March 2022, the Group donated PLN 1,000 thousand to organisations acting for Ukraine in Poland, including the Polish Humanitarian Action and the Ukrainian House in Warsaw. Robota International TOV donated UAH 5,000 thousand to the Ukrainian Red Cross, among other organisations, as part of their charitable contributions.

2.4 Finance income and finance costs

Finance income

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Interest income	1,776	1,027
Remeasurement of financial instrument at fair value and settlement of deferred gain on first-day measurement of options	227	278
Exchange differences	444	-
Total	2,447	1,305

Finance costs

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Interest expense on bank borrowings	7,723	-
Interest expense on lease contracts	158	190
Impairment of equity-accounted investees	-	62
Remeasurement of investments measured at fair value through profit or loss	1,180	-
Remeasurement of dividends receivable	895	-
Measurement of derivative financial instruments	2,626	-
Exchange differences	-	466
Other	139	4
Total	12,721	722

As at 31 March 2023, the Group measured at fair value the investment in Pracuj Ventures spółka z ograniczoną odpowiedzialnością ASI sp.k. ('Pracuj Ventures'), recognising the amount of PLN 1,180 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 as at 31 March 2023 for a part of the dividend receivable from Work Ukraine TOV of PLN 895 thousand (see Note 5.2 and Note 7.7).

In the three months ended 31 March 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

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Current tax	18,404	21,192
Deferred tax	(4,105)	(5,804)
Total tax expense in the statement of comprehensive income	14,299	15,388

The effective tax rate in the period of three months ended 31 March 2023 was 21.32%, relative to 21.85% in the comparative period.

Tax rates

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

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.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

	31 March 2023 (unaudited)	31 December 2022
Deferred tax assets arising from other sources		
Contract liabilities	34,043	29,561
Other liabilities	1,017	802
Other non-financial assets	1,243	1,288
Trade receivables	463	484
Right-of-use assets and lease liabilities	730	881
Employee benefit obligations	2,641	2,868
Tax losses carried forward	26,943	28,216
Other deductible temporary differences	355	354
Total deferred tax assets arising from other sources	67,434	64,454

	31 March 2023 (unaudited)	31 December 2022
Deferred tax liabilities arising from other sources		
Temporary differences between the carrying amounts of property, plant, and equipment and intangible assets recognised in the accounts and their tax base	5,414	5,437
Capitalised costs of obtaining contracts	3,446	3,328
Measurement of derivative financial instruments	(1,204)	(690)
Taxable temporary differences	(56)	47
Total deferred tax liabilities arising from other sources	7,600	8,122
Deferred tax liabilities from capital gains		
Deferred tax liabilities arising from revaluation of investments measured at fair value	18,589	18,813
Tax losses carried forward, to be used against capital gains	(988)	(609)
Total deferred tax liabilities arising from capital gains	17,601	18,204
Net deferred tax assets arising from other sources	59,834	56,332
Net deferred tax liabilities arising from capital gains	17,601	18,204

Unrecognised deferred tax assets

The Group chose not to recognise deferred tax assets amounting to PLN 1,099 thousand related to tax losses of certain subsidiaries. This decision was based on the Group's projections for the future operations of these subsidiaries, which do not justify the recognition of deferred tax assets, as it is unlikely that these subsidiaries will generate sufficient taxable income in the future to utilise these losses.

	31 March 2023 (unaudited)		31 December 2022	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	5,783	1,099	6,530	1,241
Total	5,783	1,099	6,530	1,241

Unused tax losses for which no deferred tax assets have been recognised, and expiration dates of those losses

	31 March 2023 (unaudited)		31 December 2022	
	Gross amount	Year of expiry	Gross amount	Year of expiry
BinarJobs sp. z o.o.	2,201	until 2029	2,208	until 2028
HumanWay sp. z o.o. w likwidacji	44	until 2028	44	until 2028
Robota International TOV	3,538	-	4,278	-
Total	5,783	-	6,530	-

4. NOTES TO THE INTERIM CONDENSED CONSOLIDATED 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 31 March 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. Equity comprises equity attributable to owners of the Parent.

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

	31 March 2023 (unaudited)	31 December 2022
Bank borrowings	350,695	366,660
Lease liabilities	19,278	19,704
Other financial liabilities	17,002	13,309
Less: cash and cash equivalents	(186,959)	(109,538)
Net debt	200,016	290,135
Equity	367,253	315,414
Leverage (net debt to equity)	0.54	0.92

4.2 Equity

Share capital

As at 31 March 2023, the share capital consisted of 68,265,026 shares with a par value of PLN 5.00 per share. All shares and outstanding as at 31 March 2023 have a par value of PLN 341,325,130.00 and have been fully paid for.

Changes in equity in the three months ended 31 March 2023

In the three months to 31 March 2023, there were no changes in the Parent's share capital.

4.3 Debt liabilities

Debt liabilities

	31 March 2023 (unaudited)	31 December 2022
Bank borrowings	350,695	366,660
- long-term	287,080	303,168
- short-term	63,615	63,492
Lease liabilities	19,278	19,704
- long-term	7,230	8,762
- short-term	12,048	10,942
Total	369,973	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 (PLN)	Credit limit (PLN)	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

S.A. On 14 June 2022, the Company entered, as borrower, 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 400,000.00 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 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 facility agreement include the following financial ratios: 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 31 March 2023, the Company was in compliance with all 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 on finance costs of variable interest rates on financial 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 under derivative financial instruments used for hedging interest rate risk and not covered by hedge accounting was PLN 6,338 thousand as at 31 March 2023.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Measurement of derivative financial instruments		
IRS – Interest Rate Swap	(2,709)	-
Settlement of derivative financial instruments		
IRS – Interest Rate Swap	83	-
Total	(2,626)	-

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, the Parent entered into agreements with the Banks for the establishment of registered pledges on trademarks and the Internet domain, as well as an agreement for the establishment of registered pledges and financial pledges on Grupa Pracuj S.A.'s bank accounts.

As at 31 March 2023, the following assets were pledged as collateral:

- 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 mark "pracuj.pl" up to PLN 852,450 thousand,
- registered pledge on the word mark "pracuj.pl" up to PLN 852,450 thousand,
- registered pledge on the Internet domain "pracuj.pl" up to PLN 852,450 thousand,
- registered pledges and financial pledges on bank accounts 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 three months ended 31 March 2023 and as at the issue date of these interim condensed consolidated 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.

Reconciliation of movements in debt liabilities to cash flows arising from financing activities in the interim condensed 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	(16,000)	-	(16,000)
Payment of interest on bank borrowings	(7,688)	-	(7,688)
Payment of lease liabilities	-	(2,779)	(2,779)
Payment of lease interest	-	(158)	(158)
Net cash flows from financing activities	(23,688)	(2,937)	(26,625)
Other changes			
New lease contracts	-	366	366
Lease modifications	-	2,447	2,447
Accrued interest	7,723	158	7,881
Effect of changes in foreign exchange rates	-	(460)	(460)
Total other changes	7,723	2,511	10,234
31 March 2023 (unaudited)	350,695	19,278	369,973

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

	Bank borrowings	Lease liabilities	Total
1 January 2022	-	26,326	26,326
Changes in cash flows from financing activities			
Payment of lease liabilities	-	(2,105)	(2,105)
Payment of lease interest	-	(188)	(188)
Net cash flows from financing activities	-	(2,293)	(2,293)
Other changes			
New lease contracts	-	37	37
Lease modifications	-	515	515
Accrued interest	-	190	190
Effect of changes in foreign exchange rates	-	335	335
Total other changes	-	1,077	1,077
31 March 2022 (unaudited)	-	25,110	25,110

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

	31 March 2023 (unaudited)	31 December 2022
Cash in current accounts	109,258	33,127
Bank deposits	76,961	75,918
Cash in transit	740	493
Total	186,959	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 31 March 2023 was PLN 13,765 thousand. While the Group's cash holdings at Ukrainian banks are subject to restrictions imposed by the National Bank of Ukraine, the subsidiary Robota International TOV has the capacity to meet its financial obligations and manage its cash balances, as its liabilities are largely limited to the domestic market.

5. FINANCIAL INSTRUMENTS AND MANAGEMENT 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 interim condensed consolidated 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.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

In the three months ended 31 March 2023 or 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.

In the reporting period, there were no changes in the measurement processes and techniques or in the types of inputs used to measure the fair value.

	31 March 2023 (unaudited)	31 December 2022	Fair value hierarchy
Financial assets measured at fair value through profit or loss			
Unlisted shares	125,327	126,507	Level 3
Total	125,327	126,507	
Financial assets measured at amortised cost			
Trade receivables	71,124	73,121	
Cash and cash equivalents	186,959	109,538	
Cash security deposits	4,501	4,463	
Dividends receivable	3,475	-	
Total	266,059	187,122	
Other financial liabilities			
Bank borrowings	350,695	366,660	Level 2
Lease liabilities	19,278	19,704	
Trade payables	61,186	32,809	
Liabilities arising from put option	10,350	9,365	
Derivatives recognised in financial liabilities	6,338	3,630	Level 3
Other financial liabilities	314	314	Level 3
Total	448,161	432,482	

5.2 Other financial assets

Other financial assets

	31 March 2023 (unaudited)	31 December 2022
Non-current	129,191	130,622
Unlisted shares	125,327	126,507
Cash security deposits	3,864	4,115
Current	4,112	348
Cash security deposits	637	348
Dividends receivable	3,475	-
Total	133,303	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 three months ended 31 March 2023. 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 as at 31 March 2023 for a part of the dividend receivable of PLN 895 thousand (see Note 7.7).

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

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
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)	(1,180)	-
Unlisted shares measured at fair value through profit and loss at end of period	125,327	128,256
<i>including shares in:</i>		
Beamery Inc.	107,730	107,730
Pracuj Ventures sp. z o.o. ASI sp.k.	17,597	20,526

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 assumption that there is a lack of reasonably available information indicating that market participants would make different assumptions in their valuations.

Pursuant to Resolution No. 2 passed by the General Meeting of Pracuj Ventures spółka z ograniczoną odpowiedzialnością ASI sp.k. 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 31 March 2023 the fair value of unlisted shares was lower by PLN 1,180 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 subsequent 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 involvement in Pracuj Ventures sp. z o.o. ASI sp.k.

As at 31 March 2023, the Company continued to classify its contribution of 71.96% to Pracuj Ventures as an investment, despite its majority interest in the entity. The Group's involvement in Pracuj Ventures, detailed in Note 5.2 to its consolidated financial statements for the year ended 31 December 2022, did not change as at the date of these interim condensed consolidated financial statements.

5.3 Other financial liabilities

Other financial liabilities

	31 March 2023 (unaudited)	31 December 2022
Non-current liabilities		
Non-current liabilities arising from put option	10,350	9,138
Current liabilities		
Current liability arising from acquisition of shares in associate	314	314
Liability arising from put option on shares in associate	-	227
Derivative liabilities	6,338	3,630
Total	17,002	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, in the amount of PLN 10,350 thousand, was recognised in correspondence with 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 on 2 August 2021, the Company acquired 44 shares, with a par value of PLN 50.00 per share. In accordance with the provisions of the agreement, the Company has a call option on further shares. On 7 October 2021, the Company entered into a preliminary share purchase agreement with Pracuj Ventures to purchase an additional 33 shares in the share capital of Fitqbe. As a result, the Group recognised a liability of PLN 2,590 thousand as at 31 December 2021. The liability is presented under other financial liabilities in correspondence with the investment measured using the equity method. In 2022, the financial liability was partially settled in the amount of PLN 2,276 thousand. The outstanding part of the liability was PLN 314 thousand as at 31 March 2023.

Derivative liabilities

The carrying amount of derivative financial instruments used for hedging interest rate risk and not covered by hedge accounting was PLN 6,338 thousand as at 31 March 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 payment delays, unexpected departures 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, short-term bonds and cash deposits.

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

	31 March 2023 (unaudited)	31 December 2022
Trade receivables	71,124	73,121
Other financial assets	7,976	4,463
Cash and cash equivalents	186,959	109,538
Total	266,059	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 conducts transactions 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
31 March 2023 (unaudited)	3.45%	73,667	2,543	71,124
31 December 2022	3.49%	75,769	2,648	73,121

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

	3 months ended 31 March 2023 (unaudited)	2022
Opening balance	2,648	1,781
Net change in allowance for expected credit loss	(104)	914
Net change arising from acquisition	-	413
Amounts written off	-	(449)
Currency translation differences	(1)	(11)
Closing balance	2,543	2,648

Credit risk related to derivative instruments

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

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 provide financing for its companies to meet 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.

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.

31 March 2023 (unaudited)	Carrying amount	Expected cash flows from financial liabilities				Total
		up to 1 year	1-3 years	3-5 years	over 5 years	
Bank borrowings	350,695	92,748	169,734	192,968	-	455,450
Lease liabilities	19,278	12,214	7,510	113	-	19,837
Trade payables	61,186	61,186	-	-	-	61,186
Financial liabilities	17,002	6,652	13,939	-	-	20,591
Total	448,161	172,800	191,183	193,081	-	557,064

31 December 2022	Carrying amount	Expected cash flows from financial liabilities				Total
		up to 1 year	1-3 years	3-5 years	over 5 years	
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 interim condensed consolidated financial statements. Changes in working capital in the periods presented were mainly attributable to changes in cash and liabilities under a credit facility obtained in 2022. 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.

	31 March 2023 (unaudited)	31 December 2022
Current assets	327,153	218,058
Current liabilities	(440,810)	(366,140)
Working capital	(113,657)	(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.

	31 March 2023 (unaudited)	31 December 2022
Interest-bearing financial instruments		
- fixed-rate instruments	(25,930)	(23,875)
Lease liabilities	(19,278)	(19,704)
Derivatives recognised in financial liabilities	(6,338)	(3,630)
Other financial liabilities	(314)	(541)
- variable-rate instruments	(159,570)	(252,995)
Bank borrowings	(350,695)	(366,660)
Cash security deposits	4,166	4,127
Cash and cash equivalents	186,959	109,538
Net exposure to interest rate risk (in relation to variable-rate instruments)	(159,570)	(252,995)

An increase in interest rates may lead to higher service costs of external financing, resulting in a decrease in the financial result 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 3 years, i.e., until 30 September 2025.

Interest rate benchmark reform

On 1 January 2018, Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and contracts ('IBOR Reform') entered into force. An amendment to the regulation was issued in February 2021. The regulation introduced a new standard for determining and applying benchmark rates used in the financial market. The National Working Group on Interest Rate Benchmark Reform (NGR) in Poland was established in connection with the planned reform, including the transition from the current interbank offered rate (WIBOR) to a new interest rate benchmark based on overnight (ON) transactions. The NGR's work is aimed at ensuring the credibility, transparency and reliability of the development and application of the new interest rate benchmark.

The Group has not identified any significant risks of contract breakage related to the WIBOR Reform that could impact its business operations. Neither has the Group identified the risk of incurring additional costs or incurring losses or lost benefits due to the lack of adequate provisions in existing commercial and financial contracts specifying the terms of continuation of these contracts in the event that the benchmark index is not published ('fallback clauses').

The current IBOR rates and the alternative benchmarks to be adopted by the Group differ significantly from each other. IBOR rates are set for a specific period (such as three months) at the beginning of that period and represent the expected rate for that period, taking into account credit spreads in the interbank market. Alternative benchmarks are usually risk-free overnight rates published at the end of the day that do not include a credit spread. The Group anticipates that these differences may create additional uncertainty regarding interest payments at variable interest rates, but does not expect them to have a significant impact on liquidity management. As at 31 March 2023, the Group's exposure to WIBOR was PLN 350,695 thousand.

6. NOTES TO THE INTERIM CONDENSED CONSOLIDATED 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 significant transactions involving acquisition or sale of intangible assets.

6.2 Property, plant and equipment

The most significant item of the Group's property, plant and equipment is hardware infrastructure (computers, servers, telephones) and 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 significant transactions involving acquisition or sale of property, plant and equipment.

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 interim condensed consolidated 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 Schüffler 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 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 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.

The Group had not completed the process of purchase price allocation as at 31 March 2023. Therefore, the fair value of the acquired assets, liabilities, and goodwill recognised on the acquisition may change within 12 months of taking control over Spoonbill Holding GmbH. As part of the provisional accounting for the acquisition, as at 31 March 2023, the Group recognised an excess of the price paid over the value of the acquired net assets in the amount of PLN 530,797 thousand. This excess was recognised as goodwill.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

The following are the provisional amounts of the acquired identifiable 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
Acquired assets		
Intangible assets	3,503	16,396
Property, plant and equipment	495	2,317
Right-of-use assets	975	4,562
Inventory	2,454	11,488
Trade receivables	4,146	19,404
Cash and cash equivalents	8,213	38,441
Other assets	5,210	24,387
Deferred tax assets	4,904	22,952
Total assets	29,899	139,947
Acquired liabilities		
Employee benefit obligations	5,882	27,532
Trade payables	6,272	29,358
Contract liabilities	10,235	47,908
Lease liabilities	982	4,598
Other liabilities and provisions	2,452	11,476
Total liabilities	25,824	120,872
Net assets	4,075	19,075
Acquired percentage of share capital	100%	100%
Purchase price	117,603	552,488
Provisional goodwill recognised as at 30 June 2022	113,527	531,376
Translation differences on goodwill		(579)
Provisional goodwill recognised as at 31 March 2023 (unaudited)	113,527	530,797

6.5 Equity-accounted investees

A summary of associates, along with the Group's shares in the equity of these companies in all the periods covered by these interim condensed consolidated financial statements, is presented in Note 1.3.

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

	31 March 2023 (unaudited)	31 December 2022
Carrying amount of equity-accounted associates		
WorkIP Ltd and Work Ukraine TOV	11,969	15,313
Fitqbe sp. z o.o.	11,810	11,960
Other associates	163	134
Total	23,942	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 domains, 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 interim condensed consolidated financial statements

	3 months ended 31 March 2023 (unaudited)	2022
Equity-accounted investees at beginning of period	27,407	32,484
Share of profit of equity-accounted investees	906	(848)
Dividends	(4,371)	-
Impairment loss	-	(4,230)
Equity-accounted investees at end of period	23,942	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 three months ended 31 March 2023, the Company did not identify any impairment indicators for equity-accounted financial assets.

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

6.6 Inventory

	31 March 2023 (unaudited)	31 December 2022
Inventory		
Job offers	26,655	3,912
Total	26,655	3,912

The Group includes in its inventory the value of job offers purchased for resale from websites that mainly operate in the DACH region. As at 31 March 2023, inventory rose significantly following the purchase of job offers, in the amount specified in the budget, to be gradually resold in the following months of 2023.

In the three months ended 31 March 2023 and as at that date, the Group did not recognise any inventory write-downs.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023

All amounts in PLN thousand, unless otherwise stated

6.7 Other non-financial assets

	31 March 2023 (unaudited)	31 December 2022
Non-current	917	944
Other	917	944
Current	38,303	31,139
Prepaid services		
Internet domains	157	155
Prepaid marketing expenses	1,393	1,081
Prepaid hardware and software maintenance services	6,326	3,393
Prepaid other services	1,438	1,259
Uninvoiced job offers ordered	14,919	11,650
Other	870	252
Other assets		
Prepayments for intangible assets and property, plant and equipment	355	259
Taxes and public charges receivable	1,267	1,903
Incremental costs of obtaining a contract	11,458	11,067
Other	120	120
Total	39,220	32,083

6.8 Other non-financial liabilities

	31 March 2023 (unaudited)	31 December 2022
Tax liabilities (other than CIT) and social security liabilities	11,609	13,180
Other non-financial liabilities	2,892	3,585
Total	14,501	16,765

6.9 Employee benefit obligations

	31 March 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	21,838	23,618
Provisions	57	57
Death gratuities	28	28
Retirement benefits	14	14
Disability benefits	15	15
Other obligations to employees	21,781	23,561
Accrued holiday entitlements	8,572	6,098
Sales-related bonuses and commission fees payable to employees	12,537	17,009
Other	672	454
Total	23,685	25,465

Incentive Scheme 1

On 29 October 2021, the Extraordinary General Meeting of the Parent passed 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 civil-law fee basis contract, 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 authorised share capital limit 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 not more than 1,021,563 Bonus Shares 1, representing not more than 1.5% of the share capital, and to disapply shareholders' pre-emptive with respect to the shares, subject to approval from the Supervisory Board. 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. A participant's entitlement to receive Bonus Shares 1 will be conditionally vested at the end of each calendar year during the term of the 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 2,026 thousand was recognised in employee benefits expense in the three months ended 31 March 2023.

The scheme has an estimated maximum total cost of PLN 23,278 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 at the grant date, i.e. 1 June 2022	
Fair value of a single option at the grant date (PLN)	32.48 (tranche 1) 19.22 (tranches 2 and 3)
Number of priced options	1,021,563
Total fair value of the scheme (PLN thousand)	23,278
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	4.52%
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 2 and 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 personnel who play a key role in developing and executing the Company's strategy. Incentive Schemes 2 and 3 will be founded on shares issued under the authorisation granted to the Management Board to increase the share capital within the authorised share capital limit 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 civil-law fee basis contract (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 will be 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 participant in schemes took up 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 allocation 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 8,061 thousand was recognised in the three months ended 31 March 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 authorised share capital. The Management Board is also authorised 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. This extension enables the share capital increase and the issuance of Bonus 1 Shares 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 Świerczynska, 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 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 interim condensed consolidated 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 6.9.

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Net profit attributable to owners of the Parent		
CONTINUING OPERATIONS	51,724	55,146
Net profit attributable to owners of the Parent	51,724	55,146
Weighted average number of ordinary shares – for the purpose of calculation of basic earnings per share	68,265,026	68,104,250
Effect of dilution (share-based payment arrangement)	1,089,080	156,747
Weighted average number of ordinary shares – for the purpose of calculation of diluted earnings per share	69,354,106	68,260,997
Basic earnings per share (PLN) – continuing operations	0.76	0.81
Diluted earnings per share (PLN) – continuing operations	0.75	0.81

7.2 Related-party transactions

During the period covered by these interim condensed consolidated 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 significant impact on the profit or loss of 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.

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Short-term employee benefits	786	766
Share-based payments	315	47
Total	1,101	813

Short-term employee benefits refer to 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.

7.4 Employee benefits expense

	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Salaries and wages	46,187	28,227
Bonuses	5,242	3,516
Share-based payments	2,026	8,061
Social security contributions	8,286	5,089
Other employee benefits	1,025	1,265
Total	62,766	46,158

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

Other than the information disclosed in these interim condensed consolidated 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.

The Group's business is not seasonal.

7.6 Contingent liabilities

Guarantee provider	Currency	31 March 2023 (unaudited)	31 December 2022
PKO Bank Polski S.A.	EUR	402	498
Total	EUR	402	498

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

7.7 Impact of the armed conflict in Ukraine on the Group'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 significant 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 for 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. In addition, Ukrainian Companies have sufficient cash resources to continue operations in the coming months. The risk of losing the use of Internet domains that Ukrainian Companies use for their operations under license agreements is either low or non-existent. These domains are registered by entities domiciled in Cyprus in which the Company holds shares.

In the first half of 2022, due to the possibility of further escalation of the armed conflict, the constantly changing financial flow conditions, and the scope of applicable sanctions, the Management Board elected to recognise an impairment charge 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 three months ended 31 March 2023. In connection with the ongoing armed conflict in Ukraine, the Management Board decided to recognise an impairment loss as at 31 March 2023 for a part of the dividend receivable of PLN 895 thousand, 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 revenue from customer contracts for these companies since 24 February 2022, they have managed to maintain business continuity.

The table below summarises Robota's assets, which are at risk of impairment, and the corresponding assets of the Group as reported in the consolidated statement of financial position as at 31 March 2023.

	Robota's assets as at 31 March 2023 (unaudited)	Group's assets as at 31 March 2023 (unaudited)
Intangible assets	11	31,852
Property, plant and equipment	1,618	13,023
Right-of-use assets	2,552	15,462
Deferred tax assets	3,773	59,834
Trade receivables	4,255	71,124
Other non-financial assets	1,411	39,220
Cash and cash equivalents	13,765	186,959

The Group's assets include equity-accounted investees (WorkIP Ltd and Work Ukraine TOV) which have operations in Ukraine, measured at PLN 11,969 thousand as at 31 March 2023. As at 31 December 2022, the investees were measured at PLN 15,313 thousand.

Grupa Pracuj S.A. Group

Interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2023
All amounts in PLN thousand, unless otherwise stated

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 consolidated statement of financial position as at 31 March 2023.

	Group's liabilities related to operations in Ukraine as at 31 March 2023 (unaudited)	Group's liabilities as at 31 March 2023 (unaudited)
Non-current lease liabilities	1,649	7,230
Current lease liabilities	1,710	12,048
Employee benefit obligations	1,874	23,685
Trade payables	504	61,186
Other non-financial liabilities	649	14,501
Contract liabilities	23,611	249,901

In addition, the Group has a put option liability to non-controlling shareholders in Robota. The carrying amount of the liability as at 31 March 2023 was PLN 10,350 thousand.

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

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

7.8 Events after the reporting date

The Management Board's proposal concerning allocation of profit for the year ended

31 December 2022 and assessment of the proposal by the Supervisory Board

On 12 May 2023, the Management Board of the Parent passed a resolution to recommend that the Annual General Meeting allocate the Company's net profit for the year ended 31 December 2022, totalling PLN 164,766,117.07, as follows:

- the amount of PLN 102,397,539.00 for payment of dividend to the Company's shareholders, i.e. PLN 1,50 per share;
- the amount of PLN 62,368,578.07 to the Company's reserve capital.

The Management Board also proposed that the dividend record date be set for 30 June 2023, and the dividend payment date for 14 July 2023.

At its meeting on 12 May 2023, the Supervisory Board decided to recommend that the Annual General Meeting approves the proposed manner of allocating the net profit earned in the year ended 31 December 2022.



**Quarterly financial information
of Grupa Pracuj S.A.
for the three month period
ended on March 31, 2023**



Grupa Pracuj S.A. Group

Quarterly financial information of Grupa Pracuj S.A. for the three months ended 31 March 2023

All amounts in PLN thousand, unless otherwise stated

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Revenue from contracts with customers	1.2	120,751	124,324
Depreciation and amortisation		(2,705)	(2,191)
Marketing expenses		(11,467)	(13,843)
Software as service		(1,650)	(1,139)
Other services		(5,192)	(4,587)
Employee benefits expense	1.3	(31,529)	(33,584)
Other costs		(1,075)	(634)
Other income		505	276
Other expenses		(322)	(1,029)
Expected credit losses		28	(313)
Operating profit		67,344	67,280
Finance income		1,302	947
Finance costs		(12,624)	(366)
Net finance income / (costs)		(11,322)	581
Share of profit / (loss) of equity-accounted investees		906	1,134
Profit before tax		56,928	68,995
Income tax		(12,260)	(14,168)
Net profit from continuing operations		44,668	54,827
Net profit		44,668	54,827
OTHER COMPREHENSIVE INCOME		3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
TOTAL COMPREHENSIVE INCOME		44,668	54,827
		3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Basic earnings per share (PLN) - continuing operations		0.65	0.81
Diluted earnings per share (PLN) - continuing operations		0.64	0.80

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2023 (unaudited)	31 December 2022
Intangible assets		11,928	10,098
Property, plant and equipment		8,073	7,734
Right-of-use assets		9,822	10,053
Investments in subsidiaries	1.4	578,731	578,325
Equity-accounted investees		23,942	27,407
Other financial assets		128,735	129,916
Other non-financial assets		711	733
Deferred tax assets		36,709	31,795
Non-current assets		798,651	796,061
Trade receivables		46,408	48,724
Other financial assets		3,558	83
Other non-financial assets		6,153	4,241
Cash and cash equivalents		113,852	59,266
Current assets		169,971	112,314
Total assets		968,622	908,375

EQUITY AND LIABILITIES	Note	31 March 2023 (unaudited)	31 December 2022
Share capital		341,325	341,325
Reserve capital		238,248	238,248
Share repurchase reserve		1,080	1,080
Share-based payment arrangements		59,442	57,416
Other reserves		(102)	(102)
Merger reserve		(585,375)	(585,375)
Retained earnings / (losses) carried forward		316,281	271,613
Total equity		370,899	324,205
Bank borrowings		287,080	303,168
Lease liabilities		5,394	6,535
Employee benefit obligations		1,696	1,696
Deferred tax liabilities		17,601	18,204
Non-current liabilities		311,771	329,603
Bank borrowings		63,615	63,492
Lease liabilities		7,391	6,935
Employee benefit obligations		12,336	12,995
Trade payables		14,088	13,393
Other non-financial liabilities		10,458	10,523
Other financial liabilities		6,652	4,171
Current tax liabilities		10,700	5,681
Contract liabilities		160,712	137,377
Current liabilities		285,952	254,567
Total liabilities		597,723	584,170
Total equity and liabilities		968,622	908,375

INTERIM CONDENSED STATEMENT OF CASH FLOWS

Note	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Cash flows from operating activities		
Profit before tax	56,928	68,995
Adjustments for:		
Share in (profit) / loss of equity-accounted investees	(906)	(1,134)
Depreciation and amortisation	2,705	2,191
Foreign exchange (gains) / losses	(57)	257
(Gain) / loss on interest	7,797	87
(Gain) / loss on investing activities	620	(273)
Remeasurement of investments measured at fair value through profit or loss	1,180	-
Measurement of equity-settled share-based payment arrangement	1,620	7,150
Settlement and measurement of derivative financial instruments	2,626	-
Income tax paid	(12,757)	(19,698)
Changes in working capital:		
Employee benefit obligations	(660)	705
Trade receivables	2,316	(14,905)
Other non-financial assets	(1,911)	(1,482)
Trade payables	696	(525)
Other non-financial liabilities	62	(1,323)
Contract liabilities	23,335	35,342
Other adjustments	(1)	(8)
Net cash flows from operating activities	83,593	75,379
Cash flows from investing activities		
Purchase of financial assets	-	(35,511)
Proceeds from sale of financial assets	-	25,000
Proceeds from sale of property, plant and equipment and intangible assets	200	5
Purchase of property, plant and equipment and intangible assets	(3,806)	(1,691)
Net cash flows from investing activities	(3,606)	(12,197)
Cash flows from financing activities		
Payment of borrowings	(16,000)	-
Payment of lease liabilities	(1,747)	(1,515)
Interest paid	(7,764)	(86)
Settlement of derivative financial instruments	83	-
Net cash flows from financing activities	(25,428)	(1,601)
Total net cash flows	54,559	61,581
Cash and cash equivalents at beginning of period	59,266	141,815
Exchange differences on cash and cash equivalents	27	22
Cash and cash equivalents at end of period	113,852	203,418
Cash and cash equivalents in the statement of financial position	113,852	203,418

Grupa Pracuj S.A. Group

Quarterly financial information of Grupa Pracuj S.A. for the three months ended 31 March 2023

All amounts in PLN thousand, unless otherwise stated

INTERIM CONDENSED 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 2022	341,325	238,248	1,080	57,416	(102)	(585,375)	271,613	324,205
Net profit / (loss) for period	-	-	-	-	-	-	44,668	44,668
Total comprehensive income for period	-	-	-	-	-	-	44,668	44,668
Share-based payments	-	-	-	2,026	-	-	-	2,026
	-	-	-	2,026	-	-	-	2,026
31 March 2023 (unaudited)	341,325	238,248	1,080	59,442	(102)	(585,375)	316,281	370,899

	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	267,139
Net profit / (loss) for period	-	-	-	-	-	-	54,827	54,827
Total comprehensive income for period	-	-	-	-	-	-	54,827	54,827
Share-based payments	-	-	-	8,061	-	-	-	8,061
	-	-	-	8,061	-	-	-	8,061
31 March 2022 (unaudited)	340,521	108,516	1,080	37,317	32	(585,375)	427,935	330,026

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 31 March 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	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Over time	73,877	74,420
At a point in time	46,874	49,904
Total	120,751	124,324

Revenue from contracts with customers by region

Revenue from contracts with customers segmented by geography	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2022 (unaudited)
Poland	116,489	119,921
Other countries	4,262	4,403
Total	120,751	124,324

Grupa Pracuj S.A.

Quarterly financial information of Grupa Pracuj S.A. for the three months ended 31 March 2023
All amounts in PLN thousands, unless otherwise stated

Contract liabilities

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

Contract liabilities	31 March 2023 (unaudited)	31 December 2022
Current	160,712	137,377
Total	160,712	137,377

1.3 Employee benefits expense

	2 3	months ended 31 March 2023 (unaudited)	4 5	months ended 31 March 2022 (unaudited)
Salaries and wages		21,990		19,948
Bonuses		2,917		2,058
Share-based payments		1,620		7,150
Social security contributions		4,184		3,735
Other employee benefits		818		693
Total		31,529		33,584

5.1 Investments in subsidiaries

A summary of subsidiaries and associates, together with the Company's interest in the share capital of these entities, during the periods covered by this quarterly financial information, is presented in Note 1.3 to the interim condensed consolidated financial statements of the Group for the three months ended 31 March 2023.

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

	31 March 2023 (unaudited)	31 December 2022
Gross shares in subsidiaries	581,091	580,685
Foreign companies	567,175	566,993
Polish companies	13,916	13,692
Impairment loss on shares in subsidiaries	2,360	2,360
Polish companies	2,360	2,360
Total	578,731	578,325

	31 March 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

5.2 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's Management Board reviewed the value of assets related to its operations in Ukraine in terms of their potential impairment. Due to the potential impact of the armed conflict in Ukraine, the timing and amount of cash inflows from those assets, as well as the discount rate used in calculating their value in use, changed relative to previous expectations.

Due to the escalating armed conflict, rapidly changing financial conditions, and the extent of imposed sanctions, in 2022 the Management Board decided to recognise a PLN 3,900 thousand impairment loss on equity-accounted investees (i.e. WorkIP Ltd and Work Ukraine TOV), and to write-down the dividend receivable from Robota International TOV by PLN 6,650 thousand.

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 connection with the ongoing armed conflict in Ukraine, the Management Board decided to recognise an impairment loss as at 31 March 2023 for a part of the dividend receivable of PLN 895 thousand, charged to finance costs.

The Company's assets at risk of impairment related to its operations in Ukraine as at 31 March 2023 were as follows:

	Asset value
Investments in subsidiaries	14,684
Equity-accounted investees	11,969
Total	26,653

5.3 Fair value of financial instruments

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, 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.

5.4 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 significant 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 THREE MONTHS ENDED 31 MARCH 2023

This consolidated quarterly report for the three months ended 31 March 2023, including the interim condensed consolidated financial statements of the Grupa Pracuj S.A. Group was authorised for issue by the Management Board of Grupa Pracuj S.A. on 24 May 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

GLOSSARY OF TERMS AND ABBREVIATIONS

In this document, unless the context requires otherwise, the following terms have the meanings set forth below.

Shares	Issued and existing shares of the Company.
Euro, EUR or €	Euro, the common currency of the member states participating in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended.
E&Y	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.
ESG	Corporate social responsibility, including Environmental, Social and Governance factors.
Frascati Investments	Frascati Investments sp. z o.o. with its registered office in Warsaw at ul. Grzybowska 43, 00-855 Warsaw, entered in the business register, kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Department of the National Court Register under number KRS 0000905362 (REGON: 389166213, NIP: 5272960722).
FTE	Full-time-equivalent employees, i.e. persons employed under employment contracts, excluding those on long-term leave (such as maternity/parental leave, unpaid leave, and sickness absence of more than 30 days), as well as persons working for the Group under temporary employment contracts (<i>umowa zlecenia</i>) and independent contractors providing services under B2B contracts.
Fund, Pracuj Ventures	Pracuj Ventures spółka z ograniczoną odpowiedzialnością Alternatywna Spółka Inwestycyjna spółka komandytowa.
WSE, Exchange, Stock Exchange	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna, with its registered office at ul. Książęca street 4, 00-498 Warsaw and, unless the context suggests otherwise, the regulated market operated by the company.
GRI	Global Reporting Initiative (GRI Standards).
Group, Grupa Pracuj, Grupa Pracuj S.A. Group	The Company and its subsidiaries, i.e. eRecruitment Solutions sp. z o.o., eRecruitment Solutions Ukraine TOV and HumanWay sp. z o.o. in liquidation, Robotia International TOV and Snowless Global Ltd. and Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH (through Spoonbill Holding GmbH).
GUS	Statistics Poland.
Company, Parent	Grupa Pracuj S.A.
PFSA	Polish Financial Supervision Authority.
IFRS	Standards and interpretations adopted by the International Accounting Standards Board (IASB), as announced by the European Commission. These include: International Financial Reporting Standards, International Accounting Standards (IAS), and

	Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee.
NBP	National Bank of Poland.
NPS	Net Promoter Score, a metric used to measure customer loyalty.
multiposting	Service consisting in publishing a job offer simultaneously on several selected recruitment sites in a given country. Currently offered by softgarden.
GDP	Gross domestic product.
PLN	Polish złoty, the official currency in the Republic of Poland.
Russia	Russian Federation.
Y/y; YtY;	Year-to-year change.
Q/q; QtQ	Quarter-to-quarter change.
Non-financial report	Non-financial statement.
Robota	Robota International TOV.
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
S.A.	Joint-stock company (<i>spółka akcyjna</i>).
SaaS	Software-as-a-Service; a cloud based service model in which users access cloud applications delivered by the provider via a variety of client devices e.g. through a browser or application client and in which the user does not manage or control the cloud infrastructure, including the networks, servers, operating system, mass storage or even the application's configuration parameters except for limited user-specific configuration settings.
Operating segment	Segment Poland, Segment Ukraine, and Segment Germany.
Sp. z o.o.	Limited liability company (<i>spółka z ograniczoną odpowiedzialnością</i>).
softgarden	Unless the context requires otherwise, the softgarden Group, including Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH.
Directors' Report, Management Board's Report	Management Board's Report on the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the year ended 31 December 2022.
Articles of Association	Articles of Association of Grupa Pracuj Spółka Akcyjna.
Taxonomy	A set of criteria which, if satisfied, mean that an economic activity is environmentally sustainable; a framework to facilitate sustainable investment under Regulation (EU) 2020/852 of the European

	Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020).
TCV Luxco	TCV Luxco Perogie S.à.r.l. with its registered office in Luxembourg, Grand Duchy of Luxembourg.
UAH, hryvnia	The hryvnia, the official currency in the territory of Ukraine
Accounting Act	Polish Accounting Act
Public Offering Act	The Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.
General Meeting	General Meeting of Shareholders of the Company who hold voting rights.



grupa pracuj