



Grupa Pracuj S.A. Group

Consolidated quarterly report for the three month
period ended 31 March 2024

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Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

1. SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected separate financial data for the three months ended 31 March 2024 and 2023 as of 31 March 2024 and 31 December 2023.

Financial results

	PLN thousand		EUR thousand	
	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Revenue from contracts with customers	196,008	185,370	45,361	39,437
Operating profit	75,200	73,219	17,403	15,577
Profit before tax	75,781	63,851	17,537	13,584
Net profit attributable to:	59,687	50,520	13,813	10,748
Owners of the Parent	58,085	49,490	13,442	10,529
Non-controlling interests	1,602	1,030	371	219
Total comprehensive income attributable to:	53,946	48,817	12,484	10,386
Owners of the Parent	52,344	47,787	12,114	10,166
Non-controlling interests	1,602	1,030	371	219

Cash flows

	PLN thousand		EUR thousand	
	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Net cash flows from operating activities	93,109	110,204	21,548	23,445
Net cash flows from investing activities	(20,573)	(6,269)	(4,761)	(1,334)
Net cash flows from financing activities	(9,259)	(26,541)	(2,143)	(5,646)
Total net cash flows	63,277	77,394	14,644	16,465

Financial position

	PLN thousand		EUR thousand	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Non-current assets	770,149	754,564	179,067	173,543
Current assets	345,038	274,145	80,225	63,051
Total assets	1 115,187	1 028,709	259,292	236,594
Equity attributable to owners of the Parent	419,073	363,145	97,438	83,520
Non-controlling interests	39	38	9	9
Non-current liabilities	270,701	285,530	62,941	65,669
Current liabilities	425,374	379,996	98,903	87,396
Total equity and liabilities	1 115,187	1 028,709	259,292	236,594

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Grupa Pracuj S.A.

Selected separate financial data for the three months ended 31 March 2024 and 2023 as of 31 March 2024 and 31 December 2023.

Financial results

	PLN thousand		EUR thousand	
	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Revenue from contracts with customers	127,782	120,751	29,572	25,689
Operating profit	63,678	67,344	14,737	14,327
Profit before tax	63,446	56,928	14,683	12,111
Net profit	49,217	44,668	11,390	9,503
Total comprehensive income	49,217	44,668	11,390	9,503

Cash flows

	PLN thousand		EUR thousand	
	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Net cash flows from operating activities	63,884	83,593	14,784	17,784
Net cash flows from investing activities	(11,035)	(3,606)	(2,554)	(767)
Net cash flows from financing activities	(7,233)	(25,428)	(1,674)	(5,410)
Total net cash flows	45,616	54,559	10,557	11,607

Financial position

	PLN thousand		EUR thousand	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Non-current assets	812,129	798,316	188,828	183,605
Current assets	160,768	116,592	37,380	26,815
Total assets	972,897	914,908	226,208	210,420
Total equity	461,057	408,894	107,200	94,042
Non-current liabilities	246,143	260,969	57,230	60,020
Current liabilities	265,697	245,045	61,777	56,358
Total equity and liabilities	972,897	914,908	226,208	210,420

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Selected financial data from the consolidated quarterly report for the three months ended 31 March 2024 was translated into the EUR as follows:

- assets, equity and liabilities of the condensed consolidated interim statement of financial position and quarterly financial information of Grupa Pracuj S.A. for the three months ended 31 March 2024 were translated at the exchange rate effective for the last day of the reporting period:
 - exchange rate for 31 March 2024: EUR 1 = PLN 4.3009;
 - exchange rate for 31 December 2023: EUR 1 = PLN 4.3480.
- items of the condensed consolidated interim statement of comprehensive income and condensed consolidated statement of cash flows, as well as the statement of comprehensive income and statement of cash flows contained in the quarterly financial information for the three months ended 31 March 2024 were translated at the exchange rates representing the arithmetic mean of the EUR exchange rates quoted by the National Bank of Poland as effective for the last day of each month in the reporting period:
 - average exchange rate in the period 1 January – 31 March 2024: EUR 1 = PLN 4.3211;
 - average exchange rate in the period 1 January – 31 March 2023: EUR 1 = PLN 4.7005.

2. BASIC INFORMATION ABOUT THE GROUP

2.1 About Grupa Pracuj

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

The Group stands as a European frontrunner in HR technology. It supports businesses in recruitment, retention and development of their workforce, supports job seekers in securing positions that match their skills and potential, and pioneers advanced technologies that are set to define the future landscape of the HR industry.

Grupa Pracuj has been active for 24 years in Poland, 15 years in Ukraine, and, as of 2022, has expanded its operations to the DACH region (Germany, Austria and Switzerland), with a total workforce of approximately 1,100 employees. Its brands form an advanced digital ecosystem for the HR industry.

The Group comprises, among others, the largest Polish recruitment portal Pracuj.pl, Ukraine's top recruitment service Robota.ua, as well as the recruitment management systems eRecruiter from Poland and softgarden from Germany, both of which operate under a SaaS (Software as a Service) model.

The Company is dedicated to implementing a comprehensive strategic agenda with the goal of reinforcing its market leadership in established regions, pushing the boundaries of HR technological advancement, and stimulating revenue expansion through strategic investments in SaaS capabilities and services. Additionally, it plans to explore synergistic acquisition opportunities that could enhance or broaden Grupa Pracuj's extensive HR solutions ecosystem.

Pracuj.pl is the largest Polish online job board, with a leading market share by revenue. It is the undisputed leader on the market of job postings for specialists and managers (white-collar segment), strengthening its position on the market of job postings for manual workers (blue-collar segment). The

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average number of job vacancies posted each month on the website is about 66.6 thousand, while close to 60.0 thousand employers, including major Polish and international companies, use paid services of the platform. Since 2021, Pracuj.pl has been supported by **the:protocol**, a job board for IT professionals.

Robota.ua is a leading online job board on the Ukrainian market, with a universal profile, posting job adverts for both common jobs and specialist professions. It has been part of Grupa Pracuj since 2006. The average number of job postings for candidates accessible daily on the website in the three months to 31 March 2024 was about 72.8 thousand, with about 54.5 thousand customers actively using the website.

eRecruiter is a leading Polish recruitment support system operating under the SaaS model. The system is regularly used by over 2,000 companies across various industries. eRecruiter offers a comprehensive tool for managing the entire recruitment process, including job postings publication, competency verification, candidate database management compliant with the data protection regulations 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 in the HR technology industry in Germany and present in other European markets, which has been part of the Grupa Pracuj S.A. Group since 2022. The company develops comprehensive Talent Acquisition Suite solutions to support innovative recruitment, including tools for planning and managing recruitment processes, building career sites, generating employer reviews, and facilitating employee referrals. Additionally, softgarden provides employers with multiposting technologies for automated job listing publication across multiple recruitment sites. Softgarden services are used by over 1,670 employers.

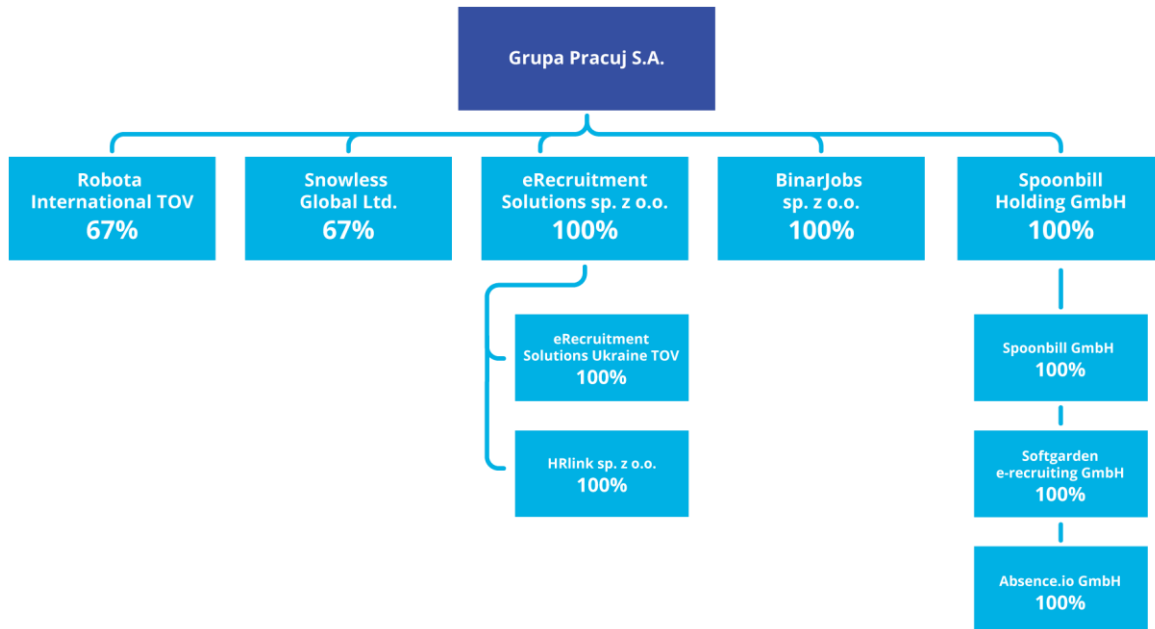
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All amounts in PLN thousands, unless otherwise stated

2.2 Structure of the Group

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



As at 31 March 2024, 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 HRlink sp. z o.o. (through eRecruitment Solutions sp. z o.o.) as well as 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.

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Structure of the Grupa Pracuj S.A. Group

Company	Registered office	Principal business	Ownership interest	
			31 March 2024	31 December 2023
Parent:				
Grupa Pracuj S.A.	Poland	web portals		
Direct and indirect subsidiaries:				
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
eRecruitment Solutions Ukraina TOV	Ukraine	activities related to databases	100%	100%
BinarJobs sp. z o.o.	Poland	web portals	100%	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
softgarden e-recruiting GmbH	Germany	IT services	100%	100%
absence.io GmbH	Germany	IT services	100%	100%
HRlink sp. z o.o.	Poland	IT services	100%	-
Robota International TOV	Ukraine	web portals	67%	67%
Snowless Global Ltd	Cyprus	licensing activities	67%	67%

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.

2.3 Operating segments of the Group

The Group identified the following operating segments as at 31 March 2024:

Segment Poland – the segment comprises entities that earn revenues in the Polish market ('Polish companies' or 'Poland'). This segment includes the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HRlink sp. z o.o. (through eRecruitment Solutions sp. z o.o.), BinarJobs sp. z o.o. The entities comprising this segment offer comprehensive recruitment and employer branding projects, as well as systems for managing recruitment processes in the SaaS (Software as a Service) model;

Segment Ukraine – the segment comprises entities that earn revenues from contracts with customers on the Ukrainian market. This segment includes the following entities: Robota International TOV ('Robota'), eRecruitment Solutions Ukraina TOV and Snowless Global Ltd (an entity registered in Cyprus, providing licensing services for Robota International TOV). The companies active in the Ukrainian market, much like their counterparts in Poland, provide end-to-end recruitment projects;

Segment Germany – the segment comprises entities that earn revenue mainly in the German market. This segment includes the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH ('softgarden group', 'softgarden'). Companies active in the German market primarily provide systems designed to manage and facilitate recruitment processes.

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Additionally, they offer services to support the management of working hours and absences, as well as services for the publication of recruitment ads on online portals (multiposting), predominantly within the DACH region.

2.4 Business model

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

Online job boards (Poland and Ukraine)

The core activity of Grupa Pracuj, which involves operating online recruitment services, is founded on a two-sided business model. In this model, an increase in the number of job listings posted on the websites by customers – mainly employers and recruitment agencies – attracts more users, i.e. potential job candidates. This, in turn, positively impacts the number of published job offers, creating a so-called snowball effect that benefits employers by connecting them with potential candidates. Grupa Pracuj's online job boards offer:

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

Sales channels

Grupa Pracuj predominantly offers its services through channels, tailored to meet the diverse requirements of its expanding customer base: the direct sales channel and inside sales channel. Additionally in Polish job board Pracuj.pl serves its customers via e-commerce channel (which allows self-publishing of individual jobs) and personnel consulting agency services (dedicated to recruitment agencies).

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

Customer characteristics

Grupa Pracuj segments its customers primarily by the size of the workforce within the organisation. The current number of active customers – those who have engaged with Grupa Pracuj's products and services over the past 12 months – has exceeded ca. 159 thousand, encompassing a diverse array of customer categories. Importantly, these customers span all sectors, from finance and marketing to

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sales, administration, HR, IT, manufacturing, logistics, and construction. This broad-based collaboration makes the Group resilient to fluctuations in individual industries.

Transactions and payments

Customers pay for the opportunity to publish a recruitment project, which can include not just a job offer but also one or several add-ons selected from a wide range of options – from extending the posting duration and featuring the listing prominently to simultaneous publication across various locations. In Poland the biggest customers often purchase larger bundles of recruitment projects to be used within a specified timeframe (typically one year), paying in advance (contract liabilities). After this period, any unused credit expires. Revenue from the publication of a recruitment project or its expiration is recognised at the moment of job posting on the Pracuj.pl site or the expiration. For details of relevant settlements with customers, see Note 2.2 'Revenue from contracts with customers' in the condensed consolidated interim financial statements for the three months ended 31 March 2024. In addition, Ukraine has a freemium model, under which each client can publish one free job ad per month.

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

Talent Acquisition Systems (TAS) are recruitment management platforms. The toolkits they provide support HR department personnel throughout the entire recruitment journey, from the swift and automated posting of job advertisements across multiple platforms (referred to as multiposting), through the sourcing and screening of applications, assessment of candidates' skills, engagement with candidates, collaboration with individuals outside the HR department involved in the recruitment process, to hiring the perfect candidate and outcomes reporting (referred to as the pre-hire phase, spanning from the decision to recruit to the extension of a job offer).

Customer characteristics

Corporate customers and employers make use of systems referred to as Talent Acquisition Systems or Talent Acquisition Suites, depending on the breadth of services offered. Grupa Pracuj segments its SaaS customers primarily based on two criteria: the number of employees at the given company and the average number of recruitment processes conducted over a specific period (usually a month or a year).

Payments

Customers subscribe to use the systems, paying either a monthly or annual fee upfront to Grupa Pracuj brands, depending on the market. The subscription fee is primarily determined by the number of system users on the customer's side as well as the selected services and any additional modules.

Churn rate

Customer churn rate, reflecting the number of customers who stop using recruitment management services, remains at a single-digit level, not subject to any cyclical fluctuations.

Potential and development opportunities

By offering high-quality products and services all in one location and continually enhancing them with new features, TAS-type platforms, particularly within the HR Tech SaaS sector, secure a steady customer base. Their strategy focuses on fostering long-term relationships, creating a sense of reliance among their users. The potential for growth is found in two key areas:

- gradually expanding the customer base through market education;

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- increasing the average monthly recurring revenue (MRR) by adding new, complementary services and extending the scope of the business, for instance, from pre-hire to post-hire activities.

Another factor contributing to growth, which positively impacts the expansion rate of the HR Tech SaaS segment within the Group, is the digitalisation and automation of HR processes and systems. These advancements significantly improve the efficiency of recruitment processes and simplify the everyday work of HR departments.

2.5 Key developments, agreements and initiatives for the Company and the Group in the three months to 31 March 2024

Recruitment services

- As part of phase two of the Pracuj 3.0 project, in the three months ended 31 March 2024 a new subpage was launched on the website specifically for blue-collar workers. This followed the initial implementation dedicated to IT candidates. These changes are aimed primarily to personalise Pracuj.pl and cater to the specific needs of key user segments.
- Increase in the average price of a recruitment project on the Robota.ua (price list revised in February 2024), while maintaining market leadership as the largest recruitment platform by the number of job advertisements posted.
- Job fairs and face-to-face meetings with customers and users organised both in Poland (*Jobicon*) and Ukraine (*HR365*). Notably, the Jobicon Job Fair was honoured with the Global Eventex Awards 2024, recognising its exceptional creativity, efficacy and innovation.

HR Technology SaaS

- In January 2024, eRecruitment Solutions sp. z o.o. purchased 100% of shares in HRlink sp. z o.o., offering an Applicant Tracking System to facilitate recruitment processes. The acquisition represents a stepping stone in expanding the SaaS product portfolio on the Polish market. Currently, today eRecruiter is one of the most popular platform for managing the recruitment process in Poland, although it is also used by customers from other European countries.
- Launch of *AI Assistant*, a tool designed to recommend ways to streamline recruitment processes using partner services available on the eRecruiter Marketplace.
- Launch of onboarding module sales in the softgarden system (February 2024) – first customers have already subscribed to use this module, which facilitates management of the onboarding process for new hires.

2.6 Key strategic objectives

The Group's aim is to secure dynamic and sustained growth, while adhering to the values that steer its companies in daily activities, and cultivating trusted and long-lasting relationships with all stakeholders.

Technological and product development: Pracuj Group is centred on technological advancement, particularly within the HR Tech sphere. Over a third of the Group's team consists of specialists engaged in product innovation and the adoption of new technologies. The Group emphasises innovation in HR process digitalisation, providing a comprehensive suite of tools designed to aid customers in recruitment, retaining talent and fostering employee growth.

International expansion: Grupa Pracuj's growth extends beyond Poland, reaching international markets as well. The Group is methodically expanding its HR Technology ecosystem with strategic acquisitions. A notable instance is the acquisition of softgarden, a leading provider of recruitment support systems in Germany. The acquisition has strengthened the Group's standing in the European HR Tech SaaS market, while opening up opportunities for progressively enlarging its range of products and services.

Creating a cohesive ecosystem: Through the development and integration of diverse products and services, the Group aims to create a cohesive technological ecosystem. The objective is to provide back-to-back HR Tech solutions that assist organisations in employee recruitment, retention and development. This strategy entails offering products suitable for both large corporations and small to medium-sized enterprises. Additionally, it facilitates the exchange of knowledge and the benefit of shared experiences, exemplified by the offering of career page creation services, developed by the German team, in Poland.

Emphasis on values and mission: The Company is dedicated to universal values that unite and lend meaning to working in a friendly environment across all Group companies, drawing strength from their diversity. Grupa Pracuj's mission is to assist organisations in staff recruitment, retention and development processes by employing the most efficient, cutting-edge technologies.

GP Way: A culture, honed through years of experience, that forms the backbone of the Group's operations, encompassing everything from day-to-day activities and fostering relationships with customers and users, to the added value that comes with being part of the Group, for both the companies and the talent within. Grounded in operational efficiency, the Group's distinctive mode of operation encompasses elements such as proficiency in sales and HR customer service within a high-touch model, a culture dedicated to employee engagement and attaining outcomes, along with the identification, development, and monetisation of products suited to diverse customer groups and needs, coupled with an entrepreneurial approach across the entire product development and value creation chain.

Grupa Pracuj is focused on HR technology innovation, international expansion, bolt-on acquisitions and creating a cohesive ecosystem of HR solutions, all while fulfilling its mission and values.

The strategic goal of the Group is to become a leading European HR Technology platform, comprising complementary brands that are leaders in the respective markets covered by the Group's operations.

Facing dynamically changing market conditions in Europe and worldwide, the Management Board's intention in the coming years is to diversify revenue and progressively enhance the Group's competitive edge in its existing markets by developing into an organisation based on two strong business areas:

- high-margin recruitment services

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- recruitment process management systems, offered in the SaaS (Software as a Service) model, showing greater resilience to economic cycles and macroeconomic factors .

The Group's Management Board aims to increase the revenue contribution from HR Tech SaaS to 30% of the Group's total revenue by 2025. Ensuring a stable balance and comparable growth rate involves, among other strategies, organic growth of the Group's principal business, primarily recruitment services, with an additional focus on acquisitions, particularly in the HR Technology SaaS segment, and further international expansion.

As a result, the Company has announced it will achieve total consolidated revenue of PLN 1 billion while maintaining a high level of adjusted EBITDA margin above 40% by 2025, assuming favourable market conditions.

3. DISCUSSION OF THE GROUP'S RESULTS

3.1 Overview of the Group's activities

In the three months ended 31 March 2024, the Grupa Pracuj S.A. Group earned revenue of PLN 196 million, representing a 5.7% increase on the same period in 2023:

- despite a 4.7% year-on-year drop in the number of recruitment projects posted on Pracuj.pl, revenue rose by 7.7% on the back of an effective pricing policy, which was carefully tailored to various customer segments and sales channels;
- despite challenging conditions caused by the ongoing armed conflict, Segment Ukraine saw 25.6% year-on-year revenue growth, driven mainly by an increase in the number of paid recruitment projects. This growth reflects steadily growing demand in the labour market;
- revenue of Segment Germany declined by 3.9% year on year due to subdued customer activity in using the multiposting service, coupled with a change in the EUR/PLN exchange rate (-8%). Revenue of Segment Germany is also affected by the recognition of revenue from the multiposting service 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 the customer's specific orders, while revenue from purchases made at the company's own risk for resale is recognised on a gross basis. On a net basis (after deduction of the cost of advertisements sold), revenue of Segment Germany increased by 8.4% year on year;
- the Group saw an increase in consolidated adjusted EBITDA to PLN 87.2 million in the three months ended 31 March 2024, from PLN 83.9 million in the previous year, representing year-on-year growth of 3.8%;
- adjusted EBITDA margin came in at 44.5%, compared with 45.3% a year earlier, driven largely by a significant increase in marketing investment relative to the same period of the previous year;
- in the three months ended 31 March 2024, the Group generated consolidated net profit of PLN 59.7 million, marking an 18.1% increase when compared with the previous year, primarily attributed to higher operating profit with lower finance costs.

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3.2 Market environment

Economic situation and macroeconomic factors

Poland

- Despite the evident economic slowdown in 2023, the Polish labour market has remained robust. The registered unemployment rate in Poland remains low. Data from Statistics Poland¹ (GUS) reveal that, at the end of March 2024, the rate was 5.3%, reflecting a slight month-on-month decrease from 5.4% at the end of February 2024, and the same percentage decrease year on year – from 5.4% at the end of March 2023. The total number of registered unemployed individuals at the end of March 2024 stood at 822.2 thousand, marking a 2.7% drop on the end of February 2024, which saw 845.3 thousand unemployed, and a 2.9% decrease year on year, with 846.9 thousand unemployed registered at the end of March 2023.
- According to Eurostat², the statistical office of the European Union, Poland's unemployment rate, as measured by EU standards, remained at 2.9% in March 2023, relative to 2.9% in February 2024 and 2.7% in March 2023, positioning it among the lowest across the European Union, with a similar jobless level recorded only in the Czech Republic. In March 2024, the average unemployment rate in the 27 EU countries was 6.0%, and in the Eurozone (20 countries) – 6.5%.
- Based on Statistics Poland's³ data for the first quarter of 2024, the average gross monthly wages and salaries in the enterprise sector (entities employing more than nine people) increased nominally to PLN 8,077.01 (by 12.5% year on year). In real terms, the increase in the average gross monthly wages and salaries in the enterprise sector was 9.2%.
- Over recent months, the consumer price index (CPI) has remained on a downward trend. Based on preliminary figures from Statistics Poland,⁴ consumer prices in March 2024 showed an average increase of 2.0% year on year, compared with the annualised inflation rate of 11.4% in 2023. The Monetary Policy Council⁵ (MPC) has indicated that the outlook for inflation in the forthcoming quarters is marked by significant uncertainty. This uncertainty stems from several factors, including the impact of fiscal and regulatory policies on price trends, the pace of Poland's economic recovery, and conditions prevailing on the labour market. The primary reference rate has remained unchanged at 5.75% since October 2023.
- Preliminary figures from Statistics Poland⁶ indicate that Poland's gross domestic product (GDP) in 2023 saw a real-terms increase of 0.2% over the previous year, a slowdown from the 5.3% growth recorded in 2022. According to survey findings released in March 2024⁷, economists surveyed by the National Bank of Poland expect Poland's real-terms GDP growth to reach 3.0% in 2024.

Germany

- In the first quarter of 2024, Germany's GDP saw a year-on-year decrease of 0.9%. ⁸The International Monetary Fund's (IMF) projections of January 2024⁹ forecast that the country's

¹ <https://stat.gov.pl/obszary-tematyczne/rynek-pracy/bezrobocie-rejestrowane/>

² <https://ec.europa.eu/eurostat>

³ <https://stat.gov.pl/wskazniki-makroekonomiczne/>

⁴ <https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-marcu-2024-roku.2.149.html>

⁵ <https://nbp.pl/wp-content/uploads/2024/03/Komunikat-RPP-marzec-2024.pdf>

⁶ <https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2023-roku-szacunek-wstepny.2.13.html>

⁷ <https://nbp.pl/statystyka-i-sprawozdawczosc/ankieta-makroekonomiczna/>

⁸ https://www.destatis.de/EN/Press/2024/04/PE24_173_811.html

⁹ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

GDP will expand by a mere 0.5% in real terms this year and by 1.6% in 2025. These figures reflect a downward revision of 0.4 percentage points from the IMF's earlier projections of October 2023.

- Germany's unemployment rate, like Poland's, is one of the lowest in the European Union. According to Eurostat, in March 2024 it was at 3.4%, compared with 3.2% the year before¹⁰.
- Germany's year-on-year inflation reading for March 2024 was 2.2%¹¹ (marking its lowest level since May 2021), compared with the annualised inflation rate of 5.9% in 2023. The consumer price index (CPI) continues its downward trajectory – in December 2023, it was at 3.7% year on year. By January 2024, it dropped to 2.9%, and in February to 2.5%.¹²

Ukraine

- According to estimates of the National Bank of Ukraine (NBU), the country's gross domestic product grew by 3.1% year on year in the first quarter of 2024¹³. The NBU forecasts Ukraine's GDP to continue to grow by 3.0% cumulatively in 2024 and 5.3% in 2025.
- According to Ukraine's Centre for Economic Strategies¹⁴ drawing on estimates from the Info Sapiens research agency, Ukraine's unemployment rate in March 2024 stood at a record low of 13.7%, compared with 16.1% at the end of 2023 and 8.6% in the pre-war period of February 2022. Since the onset of the armed conflict, Ukraine's state statistics office has ceased the publication of data on the unemployment rate.
- The National Bank of Ukraine estimates the consumer price index (CPI) for March 2024 at 3.2%¹⁵, relative to the annualised inflation rate of 12.9% in 2023. For the entire year 2024, the NBU expects inflation at an average annual rate of 6.2%.

¹⁰ https://www.destatis.de/EN/Press/2024/04/PE24_171_132.html

¹¹ https://www.destatis.de/EN/Press/2024/04/PE24_150_611.html

¹² https://www.destatis.de/EN/Press/2024/03/PE24_094_611.html

¹³ <https://bank.gov.ua/en/news/all/inflyatsiyniy-zvit-kviten-2024-roku>

¹⁴ <https://ces.org.ua/en/tracker-economy-during-the-war/>

¹⁵ <https://bank.gov.ua/en/news/all/inflyatsiyniy-zvit-kviten-2024-roku>

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3.3 Operational performance

The operational metrics presented below have been estimated by the Company and the Group and should not be used as a basis for forecasting their financial condition and operational performance, or for making comparisons with peers.

Financial metric	3 months ended		Change (y/y)
	31 March		
	2024	2023	
Recruitment services			
Pracuj.pl			
Number of recruitment projects (thousand) ⁽¹⁾	126.7	132.9	(4.7%)
Average price of recruitment project (PLN) ⁽²⁾	959.3	872.3	10.0%
Robota.ua			
Number of recruitment projects (thousand) ⁽¹⁾	317.6	175.1	81.4%
Number of no-cost recruitment projects (thousand)	179.7	72.2	148.9%
Number of paid recruitment projects (thousand)	137.9	102.8	34.1%
Average price of paid recruitment project (UAH)	843.5	748.3	12.7%
Average price of paid recruitment project (PLN) ⁽³⁾	88.2	87.3	1.0%
HR Tech SaaS			
Number of active customers			
Number of active eRecruiter customers	2016	1848	9.1%
Number of active HRlink customers	251	N/A	N/A
Number of active softgarden customers	1671	1501	11.3%
Group MRR (PLN thousand)			
Group MRR (in the last month of the reporting period)	10,970.2	9,041.6	21.3%

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

⁽²⁾ For Pracuj.pl, defined as revenue from paid recruitment projects (excluding promotional starter packs and revenues from international partners of The Network alliance) 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.

⁽⁴⁾ The value of monthly recurring revenues in the last month of the reporting period, combined for eRecruiter, HRlink and softgarden, reported in PLN thousand at the exchange rate effective for the end of the reporting period.

Pracuj.pl:

- In the three months ended 31 March 2024, Pracuj.pl hosted 126.7 thousand recruitment projects, marking a 4.7% decrease compared with the same period of 2023. The number of job postings has been growing slowly but steadily quarter over quarter.
- Thanks to the effective monetisation tailored to different customer segments and individual sales channels, the average price of a recruitment project has increased consistently. In the three months ended 31 March 2024, it was PLN 959.3, up by 10.0%. Despite challenging market conditions, there is potential for price growth driven by high service quality and the steadily expanded range of products and services offered by Pracuj.pl, additionally supported by long-term relationships with customers.

Robota.ua:

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- In the three months ended 31 March 2024, the total number of recruitment projects on Robota.ua increased by 81.4%, reaching 317.6 thousand. This growth was primarily driven by high employer activity in response to candidate shortages on the Ukrainian labour market.
- In the period under review, the average price of a paid recruitment project (in UAH) went up by 12.7% year on year, reflecting mainly the price list revision in March 2024.

eRecruiter:

- In the three months to 31 March 2024, the number of active customers using eRecruiter subscriptions rose to over 2,000, up by 9.1% year on year.
- As a result of the acquisition of 100% of shares in HRLink sp. z o.o., by eRecruitment Solutions sp. z o.o., already 2,267 customers have been using its recruitment management systems in Poland.

softgarden:

- The number of active customers using softgarden subscriptions is also rising at a sustained rate, to 1,671 at the end of March 2024, up by 11.3% year on year. softgarden's strengthening market presence can be credited not just to its outstanding product lineup but also to persistent endeavours aimed at enhancing awareness of tools that simplify the recruitment process. The German market demonstrates a lower level of digitalisation than its Polish counterpart, and the process of digital transformation is unfolding in a staggered manner, continuing across the recruitment industry as well as other economic sectors.

3.4 Financial metrics

Additionally, the Group consistently reviews the financial metrics outlined in the table below to evaluate its current operational performance and identify strategies for improvement. Please note that these indicators are not mandatory under IFRS and are not calculated in accordance with IFRS guidelines.

Financial metric	3 months ended		Change (y/y)
	31 March		
	2024	2023	
EBITDA	83,638	81,910	2.1%
EBITDA margin (%)	42.7%	44.2%	(1.5pp)
Adjusted EBITDA	87,157	83,936	3.8%
Adjusted EBITDA margin (%)	44.5%	45.3%	(0.8pp)

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

- EBITDA is defined as operating profit or loss adjusted for depreciation and amortisation;
- Adjusted EBITDA is defined as operating profit or loss, plus depreciation and amortisation, adjusted for the costs associated with share-based payment arrangements, acquisition-related expenses and acquiree restructuring costs, as reported in the consolidated statement of comprehensive income;
- EBITDA margin for a specified period is defined as the ratio of EBITDA during that period to the revenue from contracts with customers for the same period;
- Adjusted EBITDA margin for a specified period is defined as the ratio of Adjusted EBITDA during that period to the revenue from contracts with customers for the same period.

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3.5 Financial results

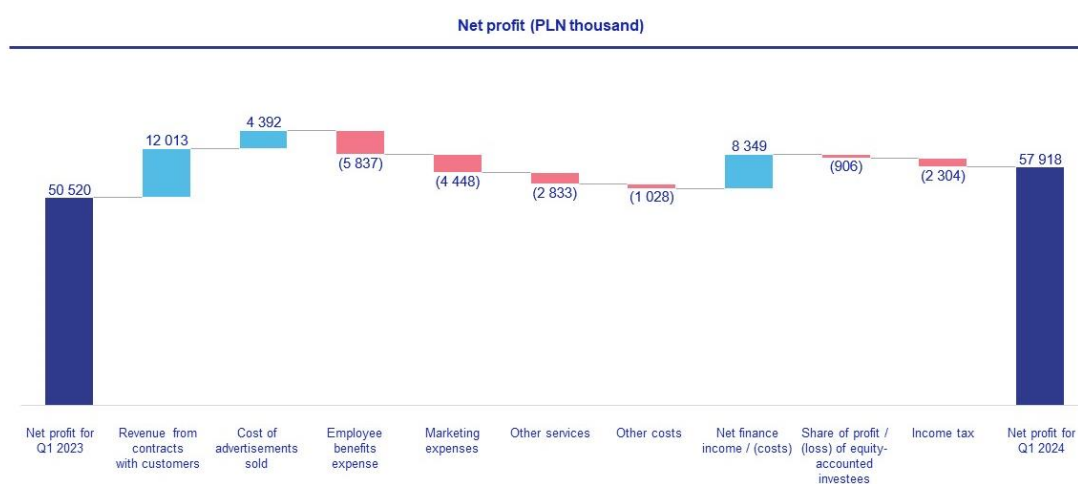
Management Board's position on delivery of profit guidance

The Management Board of Grupa Pracuj S.A. did not release 2024 profit guidance for the Group.

Grupa Pracuj S.A. Group

In the three months ended 31 March 2024, the Grupa Pracuj S.A. Group generated consolidated net profit of PLN 59.7 million, up by 18.1% year on year. Contributing to this improvement were higher operating profit figures delivered by Segment Ukraine and Segment Germany, with lower finance costs.

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



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Financial results of the Group

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Revenue from contracts with customers, including:	196,008	185,370	5.7%
<i>Segment Poland</i>	139,515	129,576	7.7%
<i>Segment Ukraine</i>	12,156	9,677	25.6%
<i>Segment Germany</i>	44,337	46,117	(3.9%)
Amortisation and depreciation	(8,438)	(8,691)	(2.9%)
Cost of ads sold	(9,354)	(13,746)	(32.0%)
Employee benefits expense	(68,881)	(62,766)	9.7%
Marketing expenses	(18,654)	(14,206)	31.3%
Software as service	(3,585)	(3,106)	15.4%
Other services	(9,456)	(7,998)	18.2%
Other costs	(2,123)	(2,098)	1.2%
Other income	587	828	(29.1%)
Other expenses	(85)	(472)	(82.0%)
Expected credit losses	(819)	104	(887.5%)
Operating profit, including:	75,200	73,219	2.7%
<i>Segment Poland</i>	67,159	70,620	(4.9%)
<i>Segment Ukraine</i>	4,011	2,311	73.5%
<i>Segment Germany</i>	4,030	288	1,298.9%
Finance income	4,662	2,447	90.5%
Finance costs	(6,478)	(12,721)	(49.1%)
Net finance income / (costs)	(1,816)	(10,274)	(82.3%)
Share of profit of equity-accounted investees	2,397	906	164.6%
Profit before tax	75,781	63,851	18.7%
Income tax	(16,094)	(13,331)	20.7%
Net profit	59,687	50,520	18.1%

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

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Revenue from contracts with customers (PLN thousand)	100.0%	100.0%	-
Amortisation and depreciation	4.3%	4.7%	(0.4pp)
Cost of ads sold	4.8%	7.4%	(2.6pp)
Employee benefits expense	35.1%	33.9%	1.3pp
Marketing expenses	9.5%	7.7%	1.9pp
Software as service	1.8%	1.7%	0.2pp
Other services	4.8%	4.3%	0.5pp
Other costs	1.1%	1.1%	(0.0pp)
Other income	(0.3%)	(0.4%)	0.1pp
Other expenses	0.0%	0.3%	(0.2pp)
Expected credit losses	0.4%	(0.1%)	0.5pp
Operating profit margin	38.4%	39.5%	(1.1pp)

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Revenue from contracts with customers:

- the Group saw year-on-year revenue growth of 5.7%, reflecting primarily an increase in the average price of recruitment projects on Pracuj.pl, steadily growing number of subscriptions to the eRecruiter and softgarden systems operating under the SaaS model;
- the rise in the average price of recruitment projects on Pracuj.pl (+10.0% year on year) offset a lower number of recruitment projects (126.7 thousand in the reporting period compared with 132.9 thousand in the same period of the year before, a 4.7% year-on-year decrease), which helped maintain revenue levels consistent with the previous year;
- two-digit growth in the number of paid recruitment projects on Robota.ua (137.9 thousand in the reporting period compared with 102.8 thousand in the three months ended 31 March last year, a 34.1% year-on-year increase), combined with an increase in the average price of recruitment projects, contributed to revenue growth reported by Segment Ukraine;
- the number of active customers using the eRecruiter system has been steadily rising, reaching 2,016 by the end of March 2024, which represents a 9.1% year-on-year increase. At the end of March 2024, the number of active HRlink customers was 251;
- despite an increase in the number of active softgarden customers (up by 11.3% year on year, to 1,671), revenue in the reporting period fell by 3.9% relative to the three months ended 31 March 2023. The decline was attributable to subdued customer activity in using the multiposting service, coupled with a change in the EUR/PLN exchange rate (-8%). Revenue of Segment Germany is also affected by the recognition of revenue from the multiposting service 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 the customer's specific orders, while revenue from purchases made at the company's own risk for resale is recognised on a gross basis. On a net basis (after deduction of the cost of advertisements sold), revenue of Segment Germany increased by 8.4% year on year.

Operating expenses:

- the 9.7% increase in employee benefits expense in the three months ended 31 March 2024 was mainly driven by a year-on-year workforce addition combined with steadily rising average salaries and wages in Poland;
- the 31.3% increase in marketing expenses resulted from higher investments in enhancing brand awareness on the Polish market through wide-ranging marketing campaigns and promotion of the:protocol brand;
- the 32.0% decrease in the cost of ads sold can be explained by changes in the EUR/PLN exchange rate and a lower number of ads published by customers using the multiposting service;
- the change in net finance income / costs was largely attributable to a remeasurement of derivative financial instruments arising from the agreements hedging the Company against interest rate risk and lower interests due to regular repayments of bank borrowings.

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Grupa Pracuj S.A.

Financial results of the Company

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Revenue from contracts with customers	127,782	120,751	5.8%
Amortisation and depreciation	(3,497)	(2,705)	29.3%
Employee benefits expense	(35,844)	(31,529)	13.7%
Marketing expenses	(15,349)	(11,467)	33.9%
Software as service	(1,557)	(1,650)	(5.6%)
Other services	(6,653)	(5,192)	28.1%
Other costs	(827)	(1,075)	(23.1%)
Other income	295	503	(41.4%)
Other expenses	(78)	(322)	(75.8%)
Expected credit losses	(594)	28	(2,221.4%)
Operating profit	63,678	67,342	(5.4%)
Finance income	3,770	1,302	189.6%
Finance costs	(6,399)	(12,624)	(49.3%)
Net finance income / (costs)	(2,629)	(11,322)	(76.8%)
Share of profit of equity-accounted investees	2,397	906	164.6%
Profit before tax	63,446	56,926	11.5%
Income tax	(14,229)	(12,260)	16.1%
Net profit	49,217	44,666	10.2%

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

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Revenue from contracts with customers (PLN thousand)	100.0%	100.0%	-
Amortisation and depreciation	2.7%	2.2%	0.5pp
Employee benefits expense	28.1%	26.1%	1.9pp
Marketing expenses	12.0%	9.5%	2.5pp
Software as service	1.2%	1.4%	(0.1pp)
Other services	5.2%	4.3%	0.9pp
Other costs	0.6%	0.9%	(0.2pp)
Other income	(0.2%)	(0.4%)	0.2pp
Other expenses	0.1%	0.3%	(0.2pp)
Expected credit losses	0.5%	(0.0%)	0.5pp
Operating profit margin	49.8%	55.8%	(5.9pp)

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Revenue from contracts with customers:

- revenue generated by the Company in the three months ended 31 March 2024 rose by 5.8% year on year, to PLN 127.8 million. Key reason behind this increase was the higher average price of a recruitment project (+10.0% year on year), partly offset by the lower number of recruitment projects posted (126.7 thousand in the three months ended 31 March 2024, compared with 132.9 thousand in the previous year, down by 4.7% year on year).

Operating expenses:

- the rise in employee benefits expense in the reporting period reflected mainly the workforce addition combined with steadily rising average salaries and wages at the Company;
- the 33.9% increase in marketing expenses resulted chiefly from higher investments in enhancing brand awareness on the Polish market through wide-ranging marketing campaigns and promotion of the:protocol brand;
- the change in net finance income / costs was largely attributable to revaluation of derivative financial instruments arising from the agreements hedging the Company against interest rate risk and lower interests due to regular repayments of bank borrowings.

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3.6 Financial position

Grupa Pracuj S.A. Group

Assets of the Group

Assets of the Group	31 March 2024	31 December 2023	Change (y/y)
Non-current assets, including:	770,149	754,564	2.1%
Intangible assets	89,416	88,677	0.8%
Property, plant and equipment	12,596	12,359	1.9%
Right-of-use assets	31,650	31,780	(0.4%)
Goodwill	449,159	446,128	0.7%
Equity-accounted investees	32,985	30,725	7.4%
Other financial assets	110,565	103,810	6.5%
Other non-financial assets	815	840	(3.0%)
Deferred tax assets	42,963	40,245	6.8%
Current assets, including:	345,038	274,145	25.9%
Inventory	1,464	1,891	(22.6%)
Trade receivables	67,817	68,312	(0.7%)
Other financial assets	141	191	(26.2%)
Other non-financial assets	48,595	39,995	21.5%
Cash and cash equivalents	227,021	163,756	38.6%
Total assets	1,115,187	1,028,709	8.4%

Non-current assets went up to PLN 770.1 million compared with the amount booked as at 31 December 2023. The change in goodwill relative to the comparative period was mainly attributable to provisional accounting for the purchase of shares in HRlink sp. z o.o., with an excess of the price paid over the value of the acquired net assets recognised at PLN 7.9 million. As at the reporting date of 31 March 2024, the Group had not yet completed the process of purchase price allocation. Therefore, the fair value of the acquired assets, liabilities and goodwill recognised on the acquisition of HRlink sp. z o.o. may change within 12 months of taking control over the company. The increase was partly offset by a decrease in goodwill relative to the comparative period due to a change in the EUR/PLN exchange rate. Exchange differences arising from the revaluation were taken to equity. The increase in other financial assets resulted from an additional cash contribution of PLN 7.6 million provided to Pracuj Ventures.

The 25.9% increase in current assets was mainly the result of an increase in cash and other non-financial assets. Factors behind the growth in other non-financial assets included an increase in unbilled sales of multiposting service.

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Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

Equity and liabilities of the Group

Equity and liabilities of the Group	31 March 2024	31 December 2023	Change (y/y)
Equity, including:	419,112	363,183	15.4%
Equity attributable to owners of the Parent	419,073	363,145	15.4%
Non-controlling interests	39	38	2.6%
Total liabilities, including:	696,075	665,526	4.6%
Non-current liabilities, including:	270,701	285,530	(5.2%)
Bank borrowings	223,429	239,295	(6.6%)
Lease liabilities	22,734	23,595	(3.6%)
Other financial liabilities	17,733	16,768	5.8%
Employee benefit obligations	1,838	1,838	-
Deferred tax liabilities	4,967	4,034	23.1%
Current liabilities, including:	425,374	379,996	11.9%
Bank borrowings	39,547	23,543	68.0%
Lease liabilities	11,115	10,472	6.1%
Other financial liabilities	5,872	8,076	(27.3%)
Employee benefit obligations	28,962	29,785	(2.8%)
Trade payables	36,788	35,650	3.2%
Other non-financial liabilities	18,028	15,385	17.2%
Current tax liabilities	8,177	15,432	(47.0%)
Contract liabilities	276,885	241,653	14.6%
Total equity and liabilities	1,115,187	1,028,709	8.4%

As at 31 March 2024, the Group's equity equalled PLN 419.1 million, an increase of 15.4% on 31 December 2023, attributable mainly to net profit generated in the three months ended 31 March 2024.

Non-current liabilities fell, mainly as a result of reclassification of some liabilities arising from bank borrowings to current liabilities.

The increase in current liabilities during the three months to 31 March 2024 was due, among other things, to higher liabilities under service contracts to be performed in subsequent months. The increase was offset by a remeasurement of derivative financial instruments arising from the agreements hedging the Company against interest rate risk. Current tax liabilities went down relative to the end of the previous year reflecting the settlement and payment of income tax for 2023.

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Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

Grupa Pracuj S.A.

Assets of the Company

	31 March 2024	31 December 2023	Change (y/y)
Non-current assets, including:	812,129	798,316	1.7%
Intangible assets	19,517	17,636	10.7%
Property, plant and equipment	7,824	7,965	(1.8%)
Right-of-use assets	22,130	21,547	2.7%
Investments in subsidiaries	580,730	580,698	0.0%
Equity-accounted investees	32,985	30,725	7.4%
Other financial assets	109,744	102,991	6.6%
Other non-financial assets	626	646	(3.1%)
Deferred tax assets	38,573	36,108	6.8%
Current assets, including:	160,768	116,592	37.9%
Trade receivables	42,650	45,261	(5.8%)
Other financial assets	68	117	(41.9%)
Other non-financial assets	6,344	5,113	24.1%
Cash and cash equivalents	111,706	66,101	68.9%
Total assets	972,897	914,908	6.3%

Non-current assets increased to PLN 812.1 million. The increase in intangible assets was attributable to higher development expenditure on projects extending the service functionalities. The increase in other financial assets resulted from the additional cash contribution of PLN 7.6 million provided to Pracuj Ventures.

Current assets went up by 37.9% compared with 31 December 2023, mainly as a result of an increase in cash.

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

Equity and liabilities of the Company

	31 March 2024	31 December 2023	Change (y/y)
Total equity:	461,057	408,894	12.8%
Total liabilities, including:	511,840	506,014	1.2%
Non-current liabilities, including:	246,143	260,969	(5.7%)
Bank borrowings	223,429	239,295	(6.6%)
Lease liabilities	16,084	15,978	0.7%
Employee benefit obligations	1,662	1,662	0.0%
Deferred tax liabilities	4,967	4,034	23.1%
Current liabilities, including:	265,697	245,045	8.4%
Bank borrowings	39,547	23,543	68.0%
Lease liabilities	6,893	6,635	3.9%
Employee benefit obligations	13,717	13,735	(0.1%)
Trade payables	13,865	12,715	9.0%
Other non-financial liabilities	10,533	11,382	(7.5%)
Other financial liabilities	5,055	8,076	(37.4%)
Current tax liabilities	4,942	11,030	(55.2%)
Contract liabilities	171,145	157,929	8.4%
Total equity and liabilities	972,897	914,908	6.3%

As at 31 March 2024, the Company's equity increased to PLN 461 million, largely on account of net profit generated in the three months ended 31 March 2024.

Non-current liabilities fell, mainly as a result of reclassification of some liabilities arising from bank borrowings to current liabilities.

Current liabilities rose to PLN 265.7 million at the end of March 2024, due primarily to higher liabilities under service contracts to be performed in subsequent months. The increase was offset by a downward remeasurement of derivative financial instruments arising from the agreements hedging the Company against interest rate risk. Current tax liabilities went down relative to the end of the previous year reflecting the settlement and payment of income tax for 2023.

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

3.7 Cash flows

Grupa Pracuj S.A. Group

Cash flows of the Group

The Group	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Net cash flows from operating activities	93,109	110,204	(15.5%)
Net cash flows from investing activities	(20,573)	(6,269)	228.2%
Net cash flows from financing activities	(9,259)	(26,541)	(65.1%)
Total net cash flows	63,277	77,394	(18.2%)

Net cash flows from operating activities

Net cash flows from operating activities fell by 15.5% year on year, mainly as a result of higher income tax payments due to a change in the method of settling income tax advances. During 2023 income tax was paid as monthly flat-rate advances, its settlement for the year and payment of the amount still owed made in the first quarter of 2024.

Net cash flows from investing activities

In the three months ended 31 March 2024, net cash flows from investing activities were mainly attributable to the purchase of shares in HRLink sp. z o.o. the additional cash contribution provided to Pracuj Ventures, as well as spending on the acquisition of property, plant and equipment and on in-house software development.

Net cash flows from financing activities

In the three months ended 31 March 2024, the Group reported a negative net balance of cash flows from financing activities, including primarily payment of interest on a bank borrowing of PLN 5.1 million, and ongoing payments of liabilities under lease contracts.

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

Grupa Pracuj S.A.

Cash flows of the Company

Company	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)	Change (y/y)
Net cash flows from operating activities	63,884	83,593	(23.6%)
Net cash flows from investing activities	(11,035)	(3,606)	206.0%
Net cash flows from financing activities	(7,233)	(25,428)	(71.6%)
Total net cash flows	45,616	54,559	(16.4%)

Net cash flows from operating activities

In the three months ended 31 March 2024, net cash flows from operating activities fell year on year, mainly as a result of higher income tax payments mainly due to an increase in income tax payments, which was related to a change in the method of settling income tax advances. During 2023 income tax was paid as monthly flat-rate advances, its settlement for the year and payment of the amount still owed made in the first quarter of 2024.

Net cash flows from investing activities

In the three months ended 31 March 2024, net cash flows from investing activities were mainly attributable to the additional cash contribution of PLN 7.6 million provided to Pracuj, as well as spending on in-house software development.

Net cash flows from financing activities

In the three months ended 31 March 2024, the Company reported a negative net balance of cash flows from financing activities, including primarily payment of interest on a bank borrowing of PLN 4.9 million, and ongoing payments of liabilities under lease contracts.

3.8 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 a number of factors that affect their development plans and the rate of their growth. Some of the most important factors include:

- **Macroeconomic environment.** Macroeconomic factors play a crucial role affecting companies' investment decisions and their willingness to create new jobs and invest in human resources.
- **Workforce shortages.** Persistent difficulties in finding qualified staff, especially for certain positions and industries, both within the white-collar and blue-collar workforce segments, shape the labour market and influence unemployment rates.
- **Changes in the labour market.** Globalisation of the labour market and growing employee expectations, including salary and wage pressures, emerging benefits and opportunities for remote work, strongly influence employers' behaviour. Organisations may need time to adapt to these changing conditions, which can affect their recruitment activities.
- **Strengthening the Group's market position.** As at the issue date of this report, the Company's Management Board expects a gradual, incremental market recovery. Grupa Pracuj aims to strengthen its market position by expanding its customer base and implementing an effective pricing strategy tailored to individual customer segments in both recruitment services and the HR Tech SaaS business.
- **Potential M&A activity.** While the Group is actively pursuing organic growth, it remains open to acquisitions, including larger transactions like softgarden and smaller ones, to strengthen the competitive positions of individual Group companies. The Management Board keeps exploring opportunities to invest in entities providing services similar or complementary to those offered by the Group.

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

4. GOVERNANCE BODIES of Grupa Pracuj S.A.

4.1 Supervisory Board

Composition

As at the issue date of this report, the composition of the Company's Supervisory Board was as follows:

First name and surname of Supervisory Board member	Position	Date of appointment to the Supervisory Board for the current term
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 Chairwoman of the Audit Committee	11 August 2021
Mirosław Stachowicz	Member of the Supervisory Board	29 October 2021
Martina van Hettinga	Independent Member of the Supervisory Board	1 February 2023

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4.3 Management Board

Composition

As at the issue date of this report, the composition of the Company's Management Board was as follows:



Przemysław Gacek, President of the Management Board

Originator and founder of Grupa Pracuj. Responsible for the development strategy and selected new initiatives of the organisation. Oversees the work of the Investment Development Department.

His professional career began in 1997. He has served as CEO of Pracuj.pl since 2000, and today heads Grupa Pracuj. From 2012 to 2015, he served as CEO of eRecruitment Solutions sp. z o.o., and from 2013 to 2019, he was a Management Board member at Emplo sp. z o.o. Member of the Supervisory Board of Job Cloud S.A. Graduate of the Faculty of Economic Sciences at the University of Warsaw and the London Business School.

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



Gracjan Fiedorowicz, Member of the Management Board

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

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

Has more than 21 years of experience in the Internet and telecommunications industry, finance and auditing. He worked at PricewaterhouseCoopers (2002-2007), and since 2007 has been Finance Director at Grupa Pracuj S.A. Graduate of the Warsaw School of Economics, ACCA member since 2010. Completed courses at the London Business School, INSEAD and the Leadership Academy for Poland.

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



Rafał Nachyna, Member of the Management Board

Joined Grupa Pracuj in 2005, served as Sales Director at Pracuj.pl for five years. Currently responsible for the development of most of the Group's business areas. Oversees the operations of Pracuj.pl, eRecruiter and Robota.ua, among others, as well as the HR Department.

Master's degree from the Warsaw University of Technology. Completed courses at the London Business School and the Leadership Academy for Poland.

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

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

5. GRUPA PRACUJ S.A. ON THE WARSAW STOCK EXCHANGE

5.1 Share price performance

Grupa Pracuj S.A. shares have been listed on the Warsaw Stock Exchange since 9 December 2021. The Company's shares are listed on the WSE main market in the continuous trading system under the ticker symbol 'GPP'. The Company's 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	31.95%
Segment	Large company (capitalisation over EUR 250 million)
Sector	Internet
Indices	WIG, mWIG-40, WIG140, WIG-ESG, WIG-Poland, WIG-MEDIA, WIG, InvestorMS

5.2 Issue dates of periodic reports

The Company has announced the schedule for its periodic reports in 2024 as follows:

4 April 2024	Consolidated and separate full-year report for 2023
23 May 2024	Consolidated report for the first quarter of 2024
29 August 2024	Consolidated report for the first half of 2024
21 November 2024	Consolidated report for the third quarter of 2024

5.3 Dividends

In recommending profit distributions, the Management Board takes into account 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 2023

On 15 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 2023, totalling PLN 172.9 million, as follows:

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Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

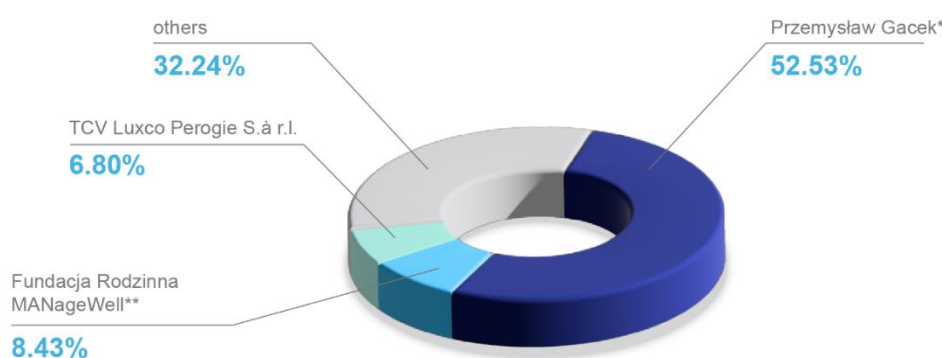
- the amount of PLN 136.5 million for payment of dividend to the Company's shareholders, i.e. PLN 2.0 per share;
- the amount of PLN 36.3 million to the Company's reserve capital,

The Management Board also proposed that the dividend record date be set for 24 June 2023, and the dividend payment date for 5 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 2023, including payment of dividend and its amount, will rest with the Annual General Meeting.

5.4 Shares and shareholding structure

Shareholding structure of Grupa Pracuj S.A. as at 31 March 2024.



* 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, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

** Controlled by Maciej Noga.

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

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

As at 31 March 2024, 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.

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Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

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 2024:

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

* Directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and 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, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

** Controlled by Maciej Noga.

Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as at the issue date of this quarterly report, the list of shareholders holding at least 5% of shares has remained unchanged relative to 31 March 2024.

Grupa Pracuj S.A. Group

Management's Discussion and Analysis of the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousands, unless otherwise stated

Shares held by management and supervisory personnel

As at 31 March 2024, holdings of Company shares by its management and supervisory personnel were as follows:

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

* Directly and indirectly through Frascati Investments sp. z o.o., and 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, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

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

** Through Fundacja Rodzinna MANageWell.

Changes in holdings of shares by management and supervisory personnel after the reporting date

To the best of the Management Board's knowledge, as at the issue date of this report there were no changes in the holdings of shares by the management and supervisory personnel relative to the issue date of the previous periodic report, i.e. 4 April 2024.

Information on agreements relating to changes in the shareholder structure

In the three months ended 31 March 2024, the Company operated the following employee stock programme:

Incentive Scheme 1

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

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

For details of the scheme, see Note 6.10 'Employee benefit obligations' in the condensed consolidated interim financial statements for the three months ended 31 March 2024.

6. OTHER INFORMATION

6.1 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.

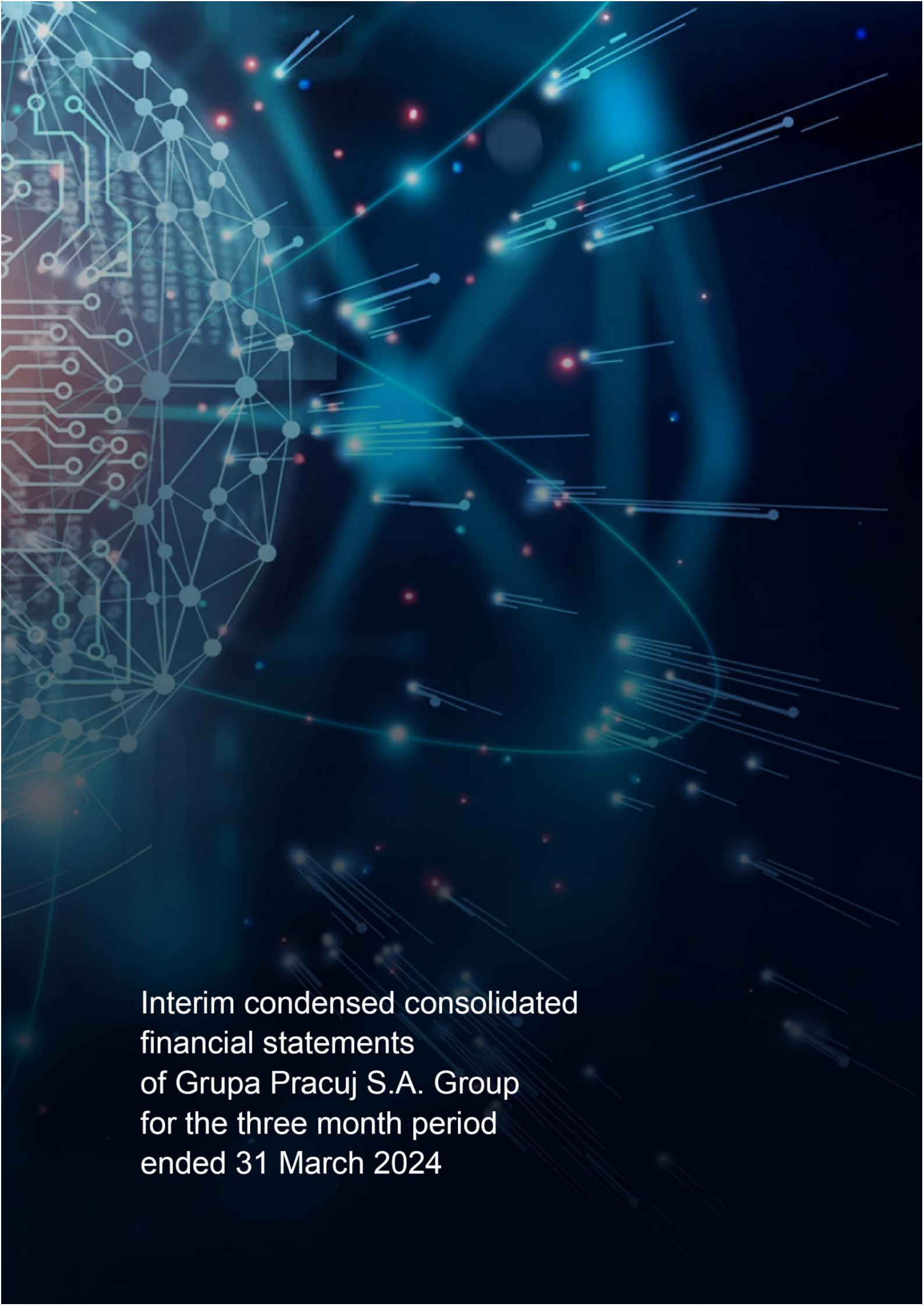
6.2 Related-party transactions

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

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

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

In the three months ended 31 March 2024, there were no material transactions with related parties, as defined in the aforementioned Procedure. For a description of all transactions with related parties, see Note 7.2 'Related-party transactions' in the condensed consolidated interim financial statements for the three months ended 31 March 2024.



Interim condensed consolidated
financial statements
of Grupa Pracuj S.A. Group
for the three month period
ended 31 March 2024

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Revenue from contracts with customers	2.2	196,008	185,370
Amortisation and depreciation		(8,438)	(8,691)
Employee benefits expense	7.5	(68,881)	(62,766)
Cost of advertisements sold		(9,354)	(13,746)
Marketing expenses		(18,654)	(14,206)
Software as service		(3,585)	(3,106)
Other services		(9,456)	(7,998)
Other costs		(2,123)	(2,098)
Other income	2.3	587	828
Other expenses	2.3	(85)	(472)
Expected credit losses		(819)	104
Operating profit		75,200	73,219
Finance income	2.4	4,662	2,447
Finance costs	2.4	(6,478)	(12,721)
Net finance income / (costs)		(1,816)	(10,274)
Share of profit of equity-accounted investees	6.5	2,397	906
Profit before tax		75,781	63,851
Income tax	3.1	(16,094)	(13,331)
Net profit from continuing operations		59,687	50,520
Net profit		59,687	50,520

OTHER COMPREHENSIVE INCOME	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Items that may be reclassified to profit or loss		(5,741)	(1,703)
Exchange differences on translation of foreign operations		(5,741)	(1,703)
Total other comprehensive income		(5,741)	(1,703)
TOTAL COMPREHENSIVE INCOME		53,946	48,817

	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Net profit attributable to:		59,687	50,520
Owners of the Parent		58,085	49,490
Non-controlling interests		1,602	1,030
Total comprehensive income attributable to:		53,946	48,817
Owners of the Parent		52,344	47,787
Non-controlling interests		1,602	1,030
Basic earnings per share (PLN) – continuing operations	7.1	0.85	0.72
Diluted earnings per share (PLN) – continuing operations	7.1	0.84	0.71

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Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2024 (unaudited)	31 December 2023
Intangible assets	6.1	89,416	88,677
Property, plant and equipment	6.2	12,596	12,359
Right-of-use assets	6.3	31,650	31,780
Goodwill	6.4	449,159	446,128
Equity-accounted investees	6.5	32,985	30,725
Other financial assets	5.2	110,565	103,810
Other non-financial assets	6.7	815	840
Deferred tax assets	3.1	42,963	40,245
Non-current assets		770,149	754,564
Inventory	6.6	1,464	1,891
Trade receivables	5.2	67,817	68,312
Other financial assets	5.2	141	191
Other non-financial assets	6.7	48,595	39,995
Cash and cash equivalents	4.4	227,021	163,756
Current assets		345,038	274,145
Total assets		1,115,187	1,028,709

EQUITY AND LIABILITIES	Note	31 March 2024 (unaudited)	31 December 2023
Share capital	4.2	341,325	341,325
Reserve capital		300,617	300,617
Share repurchase reserve		1,080	1,080
Share-based payment arrangements	6.10	74,288	71,341
Other reserves		(17,625)	(18,261)
Translation reserve		(44,938)	(39,198)
Merger reserve		(586,707)	(586,707)
Retained earnings		351,033	292,948
Equity attributable to owners of the Parent		419,073	363,145
Non-controlling interests		39	38
Total equity		419,112	363,183
Bank borrowings	4.3	223,429	239,295
Lease liabilities	4.3	22,734	23,595
Other financial liabilities	5.3	17,733	16,768
Employee benefit obligations	6.9	1,838	1,838
Deferred tax liabilities	3.1	4,967	4,034
Non-current liabilities		270,701	285,530
Bank borrowings	4.3	39,547	23,543
Lease liabilities	4.3	11,115	10,472
Employee benefit obligations	6.9	28,962	29,785
Trade payables	5.3	36,788	35,650
Other financial liabilities	5.3	5,872	8,076
Other non-financial liabilities	6.8	18,028	15,385
Current tax liabilities	3.1	8,177	15,432
Contract liabilities	2.2	276,885	241,653
Current liabilities		425,374	379,996
Total liabilities		696,075	665,526
Total equity and liabilities		1,115,187	1,028,709

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Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Cash flows from operating activities			
Profit before tax		75,781	63,851
Adjustments for:			
Share of (profit) / loss of equity-accounted investees		(2,397)	(906)
Amortisation and depreciation		8,438	8,691
Foreign exchange (gains) / losses		(563)	(1,161)
(Gain) / loss on interest		5,232	7,881
(Gain) / loss on investing activities		121	(259)
Remeasurement of dividends receivable	4.4	(56)	895
Remeasurement of investments measured at fair value through profit or loss		875	1,180
Measurement of equity-settled share-based payment arrangement	6.10	2,947	2,026
Settlement and measurement of financial instruments	4.3	(2,323)	2,626
Income tax paid		(25,135)	(13,258)
Changes in working capital:			
Employee benefit obligations	4.5	(901)	(1,780)
Inventory	4.5	427	(22,743)
Trade receivables	4.5	860	1,997
Other non-financial assets	4.5	(8,458)	(7,237)
Trade payables	4.5	561	28,605
Other non-financial liabilities	4.5	2,519	(2,264)
Contract liabilities	4.5	35,182	41,481
Other adjustments		-	579
Net cash flows from operating activities		93,109	110,204
Cash flows from investing activities			
Purchase of financial assets		(15,344)	(37)
Proceeds from sale of financial assets		124	-
Proceeds from sale of property, plant and equipment and intangible assets		99	234
Purchase of property, plant and equipment and intangible assets		(5,452)	(6,466)
Net cash flows from investing activities		(20,573)	(6,269)
Cash flows from financing activities			
Repayment of borrowings	4.3	(900)	(16,000)
Payment of lease liabilities	4.3	(2,567)	(2,778)
Interest paid	4.3	(5,094)	(7,846)
Settlement of derivative financial instruments	4.3	(698)	83
Net cash flows from financing activities		(9,259)	(26,541)
Total net cash flows		63,277	77,394
Cash and cash equivalents at beginning of period		163,756	109,538
Exchange differences on cash and cash equivalents		(11)	27
Cash and cash equivalents at end of period		227,021	186,959
Cash and cash equivalents in the statement of financial position	4.4	227,021	186,959

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Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Translation reserve	Merger reserve	Retained earnings / (losses) carried forward	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Note	4.2			6.10				4.2			
1 January 2024	341,325	300,617	1,080	71,341	(18,261)	(39,198)	(586,707)	292,948	363,145	38	363,183
Net profit / (loss) for period	-	-	-	-	-	-	-	58,085	58,085	1,602	59,687
Other comprehensive income for period	-	-	-	-	-	(5,741)	-	-	(5,741)	-	(5,741)
Total comprehensive income for period	-	-	-	-	-	(5,741)	-	58,085	52,344	1,602	53,946
Share-based payments	-	-	-	2,947	-	-	-	-	2,947	-	2,947
Valuation of put option	-	-	-	-	635	-	-	-	635	(1,600)	(965)
Transactions with owners	-	-	-	2,947	635	-	-	-	3,582	(1,600)	1,982
31 March 2024 (unaudited)	341,325	300,617	1,080	74,288	(17,625)	(44,938)	(586,707)	351,033	419,073	39	419,112

	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 (restated)	341,325	238,248	1,080	57,416	(13,633)	508	(586,707)	272,686	310,923	33	310,956
Net profit / (loss) for period	-	-	-	-	-	-	-	49,490	49,490	1,030	50,520
Other comprehensive income for period	-	-	-	-	-	(1,703)	-	-	(1,703)	-	(1,703)
Total comprehensive income for period	-	-	-	-	-	(1,703)	-	49,490	47,787	1,030	48,817
Share-based payments	-	-	-	2,026	-	-	-	-	2,026	-	2,026
Valuation of put option	-	-	-	-	(202)	-	-	-	(202)	(1,011)	(1,213)
Transactions with owners	-	-	-	2,026	(202)	-	-	-	1,824	(1,011)	813
31 March 2023 (unaudited, restated)	341,325	238,248	1,080	59,442	(13,835)	(1,195)	(586,707)	322,176	360,534	52	360,586

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Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

1. GENERAL INFORMATION

1.1 General information about the Parent

Name	Grupa Pracuj spółka akcyjna
Registered office	ul. Prosta 68, 00-838 Warsaw
Registry court	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register (KRS)
KRS number	0000913770
Tax identification number (NIP)	527-27-49-631

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

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

Grupa Pracuj S.A. is a leading HR technology platform in Europe that operates online job posting sites and offers various services to assist organisations in employee recruitment, retention, and development. The Group helps its users find the right employment to fulfil their 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 2024 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 condensed consolidated interim financial statements.

As at 31 March 2024 and the date of authorisation of these condensed consolidated interim 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,

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Grupa Pracuj S.A. Group

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All amounts in PLN thousand, unless otherwise stated

- Martina van Hettinga, Member of the Supervisory Board.

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

1.3 Composition of the Group and basis for consolidation

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

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

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

As at 31 March 2024 and 31 December 2023, the Group's ownership interests in its subsidiaries were equal to the voting interests held by the Group in these entities.

Changes in the Group's structure

On 4 January 2024, eRecruitment Solutions sp. z o.o. concluded an agreement to purchase the entire shareholding in HRlink sp. z o.o. of Szczecin held by Agora S.A. of Warsaw and some private individuals. In the transaction, 100% of shares in HRlink sp. z o.o. were acquired for PLN 7,811 thousand.

The table below provides a list of the subsidiaries and associates of the Group as at 31 March 2024 and 31 December 2023.

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

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Company	Registered office	Principal business	Ownership interest	
			31 March 2024 (unaudited)	31 December 2023
Direct and indirect subsidiaries				
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
eRecruitment Solutions Ukraine TOV	Ukraine	activities related to databases	100%	100%
BinarJobs sp. z o.o.	Poland	web portals	100%	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
softgarden e-recruiting GmbH	Germany	IT services	100%	100%
absence.io GmbH	Germany	IT services	100%	100%
HRLink sp. z o.o.	Poland	IT services	100%	-
Robota International TOV	Ukraine	web portals	67%	67%
Snowless Global Ltd	Cyprus	licensing activities	67%	67%
Associates				
Fitqbe sp. o.o.	Poland	IT services	34%	34%
Work Ukraine TOV	Ukraine	web portals	33%	33%
WorkIP Ltd	Cyprus	licensing activities	33%	33%
Coders Lab sp. z o.o.	Poland	training services	22%	22%
Epicode sp. z o.o.	Poland	IT services	- ¹⁾	35%

¹⁾ On 29 February 2024, Grupa Pracuj S.A. sold its entire shareholding in Epicode sp. z o.o., representing 35% of the company's share capital.

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1.4 Basis of preparation of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as endorsed by the European Union ('IAS 34'). These condensed consolidated interim financial statements do not include all the information and disclosures required to be included in full-year financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023, which were authorised for issue on 3 April 2024.

The accounting policies applied to prepare these condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's full-year consolidated financial statements for the year ended 31 December 2023.

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

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

These condensed consolidated interim financial statements have been prepared on the going concern basis, assuming that the Group will continue in operational existence, its form and scope unchanged, for the foreseeable future. As at the date of authorisation of these condensed consolidated interim financial statements for issue, the Management Board of the Parent has not identified any facts or circumstances that would pose a threat to the Group's ability to continue as a going concern for the foreseeable future. The impact of the armed conflict in Ukraine on the Group's business is analysed and detailed in Note 7.6

The scope of these condensed consolidated interim financial statements 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 2018, item 757), covering the reporting period from 1 January to 31 March 2024 and the comparative period from 1 January to 31 March 2023 for, respectively, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows, as well as the consolidated statement of financial position as at 31 March 2024 and 31 December 2023.

1.5 Significant judgements and assumptions

The preparation of financial statements in accordance with IFRS requires the reporting entity to make significant accounting judgements and assumptions. Such judgements and assumptions are reviewed on an ongoing basis taking into account past experience and other factors, including predictions about future events that seem reasonable in a given situation. The Group makes judgements and assumptions relating to the future. The resulting accounting estimates will rarely match actual results, as they are subject to uncertainties and assumptions. Judgements and assumptions that entail a significant risk of a material adjustment to the reported carrying amounts of assets and liabilities within the next financial period are described in relevant notes to these condensed consolidated interim financial statements.

Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

In the three months ended 31 March 2024, there were no material changes in the method in which accounting estimates are made.

Judgements and assumptions that entail a significant risk of a material adjustment to the reported carrying amounts of assets and liabilities within the next financial period are described in relevant notes to the Group's consolidated financial statements for the year ended 31 December 2023, authorised for issue on 3 April 2024.

Line items in the financial statements to which significant estimates and judgments pertain	Note
Revenue from contracts with customers	2.2
Deferred tax assets	3.9
Intangible assets	6.1
Property, plant and equipment	6.2
Right-of-use assets	6.3
Taxes payable/receivable	3.9
Lease liabilities	4.3
Financial assets measured at amortised cost	5.5
Trade receivables	5.2
Unlisted shares	5.2
Equity-accounted investees	6.5
Employee benefit obligations	6.9
Share-based payments	6.10

1.6 Functional currency and foreign currency transactions

Functional currency and reporting 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 reporting currency of these condensed consolidated interim financial statements.

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

The Group's foreign operations having functional currencies other than PLN are: Robota International TOV, eRecruitment Solutions Ukraine TOV, and Work Ukraine TOV, whose functional currency is the Ukrainian hryvnia (UAH), and Snowless Global Ltd, WorkIP Ltd, Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH, and absence.io GmbH, whose functional currency is the euro (EUR).

Rules applied to translate financial data:

For consolidation purposes, foreign operations are translated into PLN:

- in the case of assets and liabilities – at the exchange rate effective for the last day of the reporting period,

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Grupa Pracuj S.A. Group

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All amounts in PLN thousand, unless otherwise stated

- in the case of items of the statement of profit or loss and other comprehensive income and the statement of cash flows – at the average exchange rate for the reporting period (arithmetic mean of the average daily rates quoted by the National Bank of Poland ('NBP') in the period). Exchange differences arising on such translation are recognised as a component of equity under 'Translation reserve'.

The following exchange rates were applied to translate foreign operations into PLN:

	Exchange rate at the reporting date		
	31 March 2024	31 December 2023	31 March 2023
EUR	4.3009	4.3480	4.6755
USD	3.9886	3.9350	4.2934
UAH	0.1023	0.1037	0.1258

	Average rate in the period	
	3 months ended 31 March 2024	3 months ended 31 March 2023
EUR	4.3338	4.7005
USD	3.9922	4.3630
UAH	0.1045	0.1258

1.7 Corrections of errors and changes in accounting policies

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

1.8 Restatement of comparative data

The Group restated the comparative figures in connection with the completion of the purchase price allocation process related to the acquisition of Spoonbill Holding GmbH. For details, see Note 6.4.

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

2.7 Operating segments

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

The Group has identified the following operating segments:

- Segment Poland – the segment comprises entities that earn revenues in the Polish market, This segment includes the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., BinarJobs sp. z o.o. and HRlink sp. z o.o. (through eRecruitment Solutions sp. z o.o.) The entities comprising this segment offer comprehensive recruitment and employer branding projects, as well as systems for managing recruitment processes in a SaaS (Software as a Service) model;
- Segment Ukraine – the segment comprises entities that earn revenues in the Ukrainian market, This segment includes the following entities: Robota International TOV, eRecruitment Solutions Ukraine TOV and Snowless Global Ltd (an entity registered in Cyprus, providing licensing services for Robota International TOV). The companies operating on the Ukrainian market offer, similarly to the companies operating in Poland, end-to-end recruitment projects.
- Segment Germany – the segment comprises entities that earn revenue mainly in the German market. This segment includes the following entities: Spoonbill Holding GmbH, Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH. The companies active in the German market provide a broad spectrum of recruitment-related services, complemented by support in time and absence management, and recruitment advertising on digital platforms, predominantly within the DACH region.

The Group has elected to present selected profit or loss data for individual reporting periods by operating segments. The Group has chosen not to disclose the allocation of assets and liabilities by operating segments, availing itself of the exemption permitted under IFRS 8, as the Management Board of Grupa Pracuj S.A., acting as 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 the operating segments are presented in the tables below.

3 months ended 31 March 2024 (unaudited)	Segment Poland	Segment Ukraine	Segment Germany	Intersegment eliminations	Total
Revenue from external customers	139,515	12,156	44,337	-	196,008
Other income	362	7	218	-	587
Intersegment revenue	11	1	-	(12)	-
Total segment revenue	139,888	12,164	44,555	(12)	196,595
Amortisation and depreciation	(4,067)	(291)	(4,080)	-	(8,438)
Operating expenses other than depreciation and amortisation	(68,661)	(7,863)	(36,445)	12	(112,958)
Operating profit	67,159	4,011	4,030	-	75,200

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Grupa Pracuj S.A. Group

Condensed consolidated interim financial statements of the Grupa Pracuj S.A. Group for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

3 months ended 31 March 2023 (unaudited, restated)	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
Amortisation and depreciation	(2,911)	(527)	(5,253)	-	(8,691)
Operating expenses other than depreciation and amortisation	(56,597)	(6,853)	(40,857)	19	(104,288)
Operating profit	70,620	2,311	288	-	73,219

2.8 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 2023.

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

Revenue from contracts with customers by the timing of revenue recognition	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Over time	127,203	109,634
At a point in time	68,805	75,736
Total	196,008	185,370

Revenue from contracts with customers by region

Revenue from contracts with customers by geography	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Poland	136,486	125,481
Ukraine	12,167	9,677
DACH region	45,862	48,612
Other countries	1,493	1,600
Total	196,008	185,370

Contract liabilities

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

Contract liabilities	31 March 2024 (unaudited)	31 December 2023
Current	276,885	241,653
Total	276,885	241,653

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

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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.

2.9 Other income and expenses

Other income

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Gain on disposal of non-current non-financial assets	59	70
Income from sublease of office space	201	234
Other income	327	524
Total	587	828

Other expenses

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Donations	52	19
Other expenses	33	453
Total	85	472

2.10 Finance income and costs

Finance income

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Interest income	2,002	1,776
Measurement of derivative financial instruments	2,323	-
Remeasurement of financial instruments to fair value	-	227
Remeasurement of financial instrument to fair value and settlement of deferred gain on first-day measurement of options	135	-
Gain on disposal of investments	75	-
Remeasurement of dividends receivable	56	-
Exchange differences	71	444
Total	4,662	2,447

Finance costs

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Interest expense on bank borrowings	4,804	7,723
Interest expense on lease contracts	433	158
Remeasurement of investments measured at fair value through profit or loss	875	1,180
Remeasurement of dividends receivable	-	895
Measurement of derivative financial instruments	-	2,626
Exchange differences and other gains/(losses)	366	139
Total	6,478	12,721

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Given the restrictions on dividend payments outside of Ukraine in connection with the ongoing armed conflict, the Management Board expects the dividend to be received by 31 December 2025. On this basis, the Management Board decided to discount the dividends receivable in 2023, of which PLN 895 thousand was recognised under finance costs in the three months ended 31 March 2023, while PLN 56 thousand was recognised under finance income in the three months ended 31 March 2024 (see Note 5.2 and Note 7.7).

Finance income and costs associated with the measurement of derivative financial instruments (instruments not designated for hedge accounting) pertained to hedging the variable interest rate on a credit facility (Note 4.3).

3. NOTES ON TAXATION

3.9 Income tax

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Current tax	17,879	18,404
Deferred tax	(2,718)	(4,470)
Change in net deferred tax liabilities arising from capital gains	933	(603)
Total tax expense in the statement of comprehensive income	16,094	13,331

The effective tax rate for the year ended 31 March 2024 was 21.24%, compared with 20.88% in the comparative period.

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.

	31 March 2024 (unaudited)	31 December 2023
Deferred tax assets arising from other sources		
Contract liabilities	37,184	34,043
Other liabilities	549	309
Other non-financial assets	1,075	1,317
Trade receivables	(39)	(258)
Right-of-use assets and lease liabilities	652	443
Employee benefit obligations	2,973	3,042
Trade payables	881	527
Tax losses carried forward	21,722	22,990
Measurement of derivative financial instruments	960	1,534
Other deductible temporary differences	1,378	1,301
Total deferred tax assets arising from other sources	67,335	65,248

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	31 March 2024 (unaudited)	31 December 2023
Deferred tax liabilities arising from other sources		
Temporary differences between carrying amounts of property, plant, and equipment and intangible assets recognised in the accounts and their tax base	19,585	20,480
Capitalised costs of obtaining contracts with customers	4,713	4,503
Taxable temporary differences	74	21
Total deferred tax liabilities arising from other sources	24,372	25,003
Deferred tax liabilities from capital gains		
Deferred tax liabilities arising from remeasurement of investments measured at fair value	15,698	13,894
Tax losses from capital gains carried forward	(10,731)	(9,860)
Total net deferred tax liabilities arising from capital gains	4,967	4,034
Net deferred tax assets arising from other sources	42,963	40,245
Net deferred tax liabilities arising from capital gains	4,967	4,034

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

4.4 Capital management policy and net debt

The Group's capital management policy aims to support continuous operations of the Group and increase value for its 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 March 2024 and 31 December 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 as well as equity attributable to non-controlling interests.

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

	Note	31 March 2024 (unaudited)	31 December 2023
Bank borrowings	4.3	262,976	262,838
Lease liabilities	4.3	33,849	34,067
Other financial liabilities	5.3	23,605	24,844
Less: cash and cash equivalents	4.4	(227,021)	(163,756)
Net debt		93,409	157,993
Equity		419,112	363,183
Leverage (net debt to equity)		0.22	0.44

4.5 Equity

Share capital

As at 31 March 2024, the share capital consisted of 68,265,026 shares with a par value of PLN 5.00 per share. All shares issued and outstanding as at 31 March 2024 have a par value of PLN 341,325,130 and have been fully paid for.

Changes in equity in the three months ended 31 March 2024

In the three months to 31 March 2024, there were no changes in the Parent's share capital.

Changes in equity in 2023

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

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

The dividend of PLN 102,397,539.00 was paid in July 2023. The dividend per share was PLN 1.50.

4.6 Debt liabilities

Debt liabilities

	31 March 2024 (unaudited)	31 December 2023
Bank borrowings	262,976	262,838
- long-term	223,429	239,295
- short-term	39,547	23,543
Lease liabilities	33,849	34,067
- long-term	22,734	23,595
- short-term	11,115	10,472
Total	296,825	296,905

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Bank borrowings – terms, payment schedules

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

On 14 June 2022, the Company entered, as the 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 thousand to finance general corporate purposes, including planned future investments and further development of the Company. The facility repayment date is 14 June 2027. The facility bears interest at a variable rate plus the Banks' margin.

Debt covenants

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

As at 31 March 2024 and 31 December 2023, the Group was in compliance with all the covenants.

Execution of interest rate risk hedging transactions

Grupa Pracuj S.A. entered into framework agreements with Banks on 11 July 2022 to govern the execution and settlement of forward financial transactions, as provided for in Article 85.2 of the Bankruptcy Law. These agreements aim to mitigate the risk of negative impact of variable interest rates on finance costs related to debt. Under the agreements, the Company hedged the variable interest rate on the 3M WIBOR credit facility with an interest rate swap (IRS) that guarantees a fixed interest rate of 6.94% for a period of three years, i.e. until 30 September 2025. The carrying amount of the liability under derivative financial instruments used to hedge the interest rate risk and not covered by hedge accounting was PLN 5,055 thousand as at 31 March 2024 and PLN 8,076 thousand as at 31 December 2023.

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Measurement of derivative financial instruments		
IRS – Interest Rate Swap	3,021	(2,709)
Settlement of derivative financial instruments		
IRS – Interest Rate Swap	(698)	83
Total	2,323	(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, on the same day the Parent entered into agreements with the Banks for the establishment of registered pledges over trademarks and an Internet domain name, as well as an agreement for the establishment of registered pledges and financial pledges over Grupa Pracuj S.A.'s bank accounts.

As at 31 March 2024, the following assets were pledged as collateral:

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

The Group remained in compliance with all repayment and other terms of its credit facility agreements during the period covered by these condensed consolidated interim financial statements, and there were no events of default in repayment of principal or interest by the Group.

Reconciliation of movements in debt liabilities to cash flows arising from financing activities in the condensed consolidated interim statement of cash flows

	Borrowings	Lease liabilities	Total
1 January 2024	262,838	34,067	296,905
Changes in cash flows from financing activities			
Acquisition-related loan agreement	900	-	900
Repayment of borrowings	(900)	-	(900)
Payment of interest on borrowings	(4,660)	-	(4,660)
Payment of lease liabilities	-	(2,568)	(2,568)
Payment of lease interest	-	(434)	(434)
Net cash flows from financing activities	(4,660)	(3,002)	(7,662)
Other changes			
Acquisition-related leases	-	221	221
New lease contracts	-	692	692
Lease modifications	-	1,728	1,728
Accrued interest	4,798	434	5,233
Effect of changes in foreign exchange rates	-	(291)	(291)
Total other changes	4,798	2,784	7,583
31 March 2024 (unaudited)	262,976	33,849	296,825

	Bank borrowings	Lease liabilities	Total
1 January 2023	366,660	19,704	386,364
Changes in cash flows from financing activities			
Repayment 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

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For information on the Group's exposure to interest rate risk, currency risk, and liquidity risk see Note 5.8. For information on fair value, see Note 5.5.

4.7 Cash and cash equivalents

	31 March 2024 (unaudited)	31 December 2023
Cash in current accounts	54,908	45,300
Bank deposits	171,838	118,188
Cash in transit	275	268
Total	227,021	163,756
<i>including restricted cash</i>	225	292

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 2024 was PLN 27,302 thousand (PLN 24,080 thousand as at 31 December 2023). The Ukrainian subsidiary Robota International TOV ('Robota') has full ability 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 OF FINANCIAL RISK

5.5 Financial instruments and fair value

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

The Group assessed that, given the variable interest rates, the fair value of the interest-bearing credit facilities not measured at fair value approximates their carrying amount.

In the three months ended 31 March 2024 or in the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, and no instruments were transferred from or to Level 3 of the fair value hierarchy.

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The following table presents the carrying amounts of each financial instrument and its allocation to the levels of the fair value hierarchy.

	Note	31 March 2024 (unaudited)	31 December 2023	Fair value hierarchy
Financial assets measured at fair value through profit or loss				
Unlisted shares	5.2	103,720	97,013	Level 3
Total		103,720	97,013	
Financial assets measured at amortised cost				
Trade receivables	5.2	67,817	68,312	
Cash and cash equivalents	4.4	227,021	163,756	
Cash security deposits	5.2	4,537	4,549	
Dividends receivable	5.2	2,449	2,439	
Total		301,824	239,056	
Other financial liabilities				
Bank borrowings	4.3	262,976	262,838	
Lease liabilities	4.3	33,849	34,067	
Trade payables	5.3	36,788	35,650	
Liabilities arising from put option	5.3	17,733	16,768	Level 3
Derivatives recognised in financial liabilities	4.3	5,055	8,076	Level 3
Total		357,218	357,399	

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5.6 Other financial assets

Other financial assets

	31 March 2024 (unaudited)	31 December 2023
Non-current	110,565	103,810
Unlisted shares	103,720	97,013
Cash security deposits	4,396	4,358
Dividends receivable	2,449	2,439
Current	141	191
Cash security deposits	141	191
Total	110,706	104,001

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 year ended 31 December 2023. Given the restrictions on dividend payments outside of Ukraine in connection with the ongoing armed conflict, the Management Board expects the dividend to be received by 31 December 2025. On this basis, the Management Board decided to discount the dividends receivable in 2023. As a result, PLN 984 thousand was recognised under finance costs in the period ended 31 December 2023, while PLN 56 thousand was recognised under finance income in the period ended 31 March 2024 (see Note 7.7).

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

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Unlisted shares measured at fair value through profit and loss at beginning of period	97,013	126,507
Purchase of unlisted shares measured at fair value	7,583	-
Changes in fair value recognised in net finance income / (costs)	(875)	(1,180)
Unlisted shares measured at fair value through profit and loss at end of period	103,720	125,327
<i>including shares in:</i>		
Beamery Inc.	78,275	107,730
Pracuj Ventures sp. z o.o. ASI sp.k.	25,445	17,597

Valuation of shares not listed on active markets

The Group measures its interests in entities not listed on active markets based on Level 3 of the fair value hierarchy. The Group uses its own estimates for this valuation, based on the belief that no reasonably available information suggests that market participants would adopt different assumptions in their valuations.

Pracuj Ventures sp. z o.o. ASI sp.k. ('Pracuj Ventures')

Pursuant to Resolution No. 2 passed by the General Meeting of Pracuj Ventures on 12 January 2024, Grupa Pracuj S.A. provided an additional cash contribution of PLN 7,583 thousand to Pracuj Ventures as part of a capital increase. The payment was made on 17 January 2024.

Beamery Inc. ('Beamery')

As at 31 December 2023, the fair value of shares in Beamery was remeasured using the multiplier method. The valuation was prepared by an independent advisor and required the management to adopt certain assumptions regarding the data used in the valuation. Following the remeasurement, the fair

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value of shares in Beamery was reduced by PLN 29.5 million. There was no change to the valuation of the asset as at 31 March 2024, which remained the same as that disclosed in the consolidated financial statements for the year ended 31 December 2023 (PLN 78,275 thousand), because there had been no significant changes to multipliers used in the valuation.

The Management Board continuously analyses factors that may affect the fair value of shares in entities not listed on active markets. In the opinion of the Group's Management Board, as at 31 March 2024 the fair value of unlisted shares was lower by PLN 875 thousand compared with the fair value as at 31 December 2023.

Assessment of the Group's interest in Pracuj Ventures

As at 31 March 2024, the Company continued to classify its 71.96% interest in Pracuj Ventures as an investment despite its majority interest in the entity (as at 31 December 2023, the Company also held a 71.96% interest). The Company determined that its interest in Pracuj Ventures is subject to the variable financial performance of the entity, but the Company's Management Board does not have the ability to influence the direction and decision-making of the entity's investment activities. As a result, the Management Board has no control over Pracuj Ventures, and therefore, it does not have any influence over the investment returns achieved by Pracuj Ventures.

The key factor, based on the analysis conducted, that influenced the Company's judgement regarding the absence of significant influence over Pracuj Ventures is the decision-making process and the composition of Pracuj Ventures' key management personnel. The Company does not have a representative on the key management personnel of Pracuj Ventures, nor does it have any influence on its composition. Investment decisions are made by an investment committee, consisting of a number of shareholders identified in the Pracuj Ventures Articles of Association. The investment committee does not include Grupa Pracuj S.A. Ownership rights, i.e. voting rights arising from shares held, are not taken into account in the decision-making processes. For resolutions that concern matters beyond ordinary management, including key operational activities, Pracuj Ventures' Articles of Association dictate that unanimity is necessary among Przemysław Gacek, Maciej Noga, Ataraxy Ventures Man sp. z o.o., and Paweł Leks. This implies that significant control over the investment activities, which includes the major operational activities of Pracuj Ventures, resides with Przemysław Gacek in his capacity as an individual investor, rather than in his role as the President of the Management Board of Grupa Pracuj S.A. Furthermore, the ongoing oversight of Pracuj Ventures' activities is exercised by the management board of its general partner, Pracuj Ventures sp. z o.o., with which the Company has no capital ties.

5.7 Other financial liabilities

Other financial liabilities

	31 March 2024 (unaudited)	31 December 2023
Non-current liabilities	17,733	16,768
Non-current liability arising from put option	17,733	16,768
Current liabilities	5,872	8,076
Derivative liabilities	5,055	8,076
Other	817	-
Total	23,605	24,844

Liabilities arising from put option

The non-current liabilities arising from a put option are related to the estimated value of potential future payments to non-controlling shareholders of Robota International TOV. The liability was recognised in

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the amount of PLN 17,733 thousand, with a corresponding entry in equity (other reserves). For detailed information see Note 5.3 to the consolidated financial statements for the year ended 31 December 2023.

Derivative liabilities

The carrying amount of derivative financial instruments used for hedging interest rate risk and not covered by hedge accounting was PLN 5,055 thousand as at 31 March 2024 and PLN 8,076 thousand as at 31 December 2023 (see Note 4.3).

5.8 Financial risk management

5.4.1 Principles of financial risk management

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

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

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

5.4.2 Credit risk

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

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

	Note	31 March 2024 (unaudited)	31 December 2023
Trade receivables	5.2	67,817	68,312
Other financial assets	5.2	4,537	4,549
Dividends receivable	5.2	2,449	2,439
Cash and cash equivalents	4.4	227,021	163,756
Total		301,824	239,056

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.

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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 2024 (unaudited)	5.31%	71,619	3,802	67,817
31 December 2023	4.15%	71,267	2,955	68,312

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

	3 months ended 31 March 2024 (unaudited)	2023
Opening balance	2,955	2,648
Net change in allowance for expected credit loss	819	668
Net change arising from acquisition	82	-
Amounts written off	(44)	(303)
Exchange differences on translation of foreign operations	(10)	(58)
Closing balance	3,802	2,955

5.4.3 Liquidity risk

The Group faces liquidity risk, which refers to its ability to meet financial obligations in a timely manner. The Group manages its liquidity risk by closely monitoring the maturity profiles of its assets and liabilities, cash requirements for short-term obligations and long-term cash needs for investment projects and distributions to shareholders. Cash requirements are compared against projected inflows from operating activities and the readily available cash resources. In addition, the Group has a policy of diversifying its funding sources.

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

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

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

31 March 2024 (unaudited)	Carrying amount	Expected cash flows from financial liabilities						Total
		up to 1 month	1-3 months	3-12 months	1-3 years	3-5 years	over 5 years	
Bank borrowings	262,976	-	4,640	53,514	135,697	113,894	-	303,106
Lease liabilities	33,849	987	2,668	7,666	24,016	1,410	74	36,820
Trade payables	36,788	34,585	1,885	317	-	-	-	36,788
Other financial liabilities	23,605	-	-	5,872	21,393	-	-	27,265
Total		35,573	9,194	67,369	181,106	115,304	74	408,619

31 December 2023	Carrying amount	Expected cash flows from financial liabilities						Total
		up to 1 month	1-3 months	3-12 months	1-3 years	3-5 years	over 5 years	
Bank borrowings	262,838	-	4,660	38,042	154,033	115,849	-	307,924
Lease liabilities	34,067	961	1,880	7,988	18,582	7,715	74	37,200
Trade payables	35,650	29,740	5,597	312	-	-	-	35,650
Other financial liabilities	24,844	-	-	8,076	19,830	-	-	27,906
Total		30,700	12,137	54,418	192,445	123,564	74	413,340

The table below presents working capital, which is the difference between current assets and current liabilities, at the end of the reporting periods covered in these condensed consolidated interim financial statements. The movements in working capital during the periods presented were principally due to fluctuations in cash balances. Contract liabilities are a significant component of current liabilities, representing the Group's obligation to provide services to customers in exchange for which the Group has already received consideration (or the consideration is due) from the customer.

	31 March 2024 (unaudited)	31 December 2023
Current assets	345,038	274,145
Current liabilities	(425,374)	(379,996)
Working capital	(80,336)	(105,851)

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 have different functional currencies. The Group recognises currency risk arising from transactions conducted by its subsidiaries in currencies different from each subsidiary's functional currency. 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,

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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 2024 (unaudited)	31 December 2023
Interest-bearing financial instruments		
- fixed-rate instruments	(39,721)	(42,143)
Lease liabilities	(33,849)	(34,067)
Derivatives recognised in financial liabilities	(5,055)	(8,076)
Other	(817)	-
- variable-rate instruments	(31,711)	(94,875)
Bank borrowings	(262,976)	(262,838)
Cash security deposits	4,244	4,207
Cash and cash equivalents	227,021	163,756
Net exposure to interest rate risk (in relation to variable-rate instruments)	(31,711)	(94,875)

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

Credit risk related to derivative instruments

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

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

6.3 Intangible assets

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

As at 31 March 2024, expenditures on internally developed software that has not yet been completed amounted to PLN 6,208 thousand, whereas on 31 December 2023, the amount was PLN 2,957 thousand, and the Group assessed the risk of their impairment as insignificant.

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

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6.4 Property, plant and equipment

The most significant item of the Group's property, plant and equipment is technology 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 current reporting period, the Group did not conclude any individually significant transactions involving purchase or sale of property, plant and equipment.

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

6.5 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.

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

6.6 Goodwill

Purchase of shares in HRlink sp. z o.o.

On 4 January 2024, eRecruitment Solutions sp. z o.o. concluded an agreement to purchase the entire shareholding in HRlink sp. z o.o. of Szczecin held by Agora S.A. of Warsaw and some private individuals. In the transaction, 100% of shares in HRlink sp. z o.o. were acquired for PLN 7,811 thousand.

The purchase price of PLN 7,811 thousand was financed entirely with the buyer's own funds. The total amount of consideration transferred may change as a result of the contractual earn-out mechanism.

HRlink.pl is a comprehensive recruitment system providing support at every stage of recruitment: from attracting and communicating with candidates, integration with other systems, HR collaboration with business partners, to onboarding of new hires.

The Group had not completed the process of purchase price allocation as at 31 March 2024. Therefore, the fair value of the acquired assets, liabilities, and goodwill recognised on the acquisition may change within 12 months of taking control over HRlink sp. z o.o. As part of the provisional accounting for the acquisition, as at 31 March 2024, the Group recognised an excess of the price paid over the value of the acquired net assets in the amount of PLN 7,864 thousand. This excess was recognised as goodwill.

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The provisionally recognised amounts of the Company's identifiable assets and liabilities as at 4 January 2024 are presented below.

	Provisional amounts as at the acquisition date (PLN thousand)
Acquired assets	
Intangible assets	1,818
Property, plant and equipment	19
Right-of-use assets	197
Trade receivables	363
Cash and cash equivalents	107
Other assets	107
Deferred tax assets	51
Total assets	2,662
Acquired liabilities	
Liabilities under non-bank borrowings	902
Employee benefit obligations	78
Trade payables	523
Contract liabilities	50
Lease liabilities	221
Other liabilities and provisions	124
Total liabilities	1,897
Net assets	764
Acquired percentage of share capital	100%
Purchase price	7,811
Deferred payment liabilities (price adjustments)	817
Goodwill recognised as at 4 January 2024	7,864

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 purchase price was partly financed through a term loan of PLN 400,000 thousand, while the remaining amount of PLN 152,488 thousand 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, was a significant development for Grupa Pracuj S.A. Group in its pursuit of international expansion. This acquisition is expected to strengthen Grupa Pracuj S.A. Group's position as a leading force in HR Tech across 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.

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

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

Upon accounting for the acquisition, specific intangible assets were identified and recognised, such as brands, software and customer databases, including customer orders, along with the associated deferred tax liabilities. The following are the fair values of the acquired assets and liabilities as at the acquisition date:

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

As at 31 March 2024, goodwill stood at PLN 441,295 thousand. Exchange differences of PLN -4,833 thousand were recorded as 'Exchange differences on translation of foreign operations'.

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6.7 Equity-accounted investees

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

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

	31 March 2024 (unaudited)	31 December 2023
Carrying amount of equity-accounted investments in associates		
WorkIP Ltd and Work Ukraine TOV	20,795	18,565
Fitqbe sp. z o.o.	12,190	12,023
Other associates	-	137
Total	32,985	30,725

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

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

	3 months ended 31 March 2024 (unaudited)	2023
Equity-accounted investees at beginning of period	30,725	27,407
Share of profit / (loss) of equity-accounted investees	2,397	8,003
Sale of associate	(137)	-
Dividends	-	(4,371)
Waiver of the right to shares	-	(314)
Equity-accounted investees at end of period	32,985	30,725

In 2023, the Company sold its entire shareholding, representing 35% of the investee's share capital.

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 year ended 31 December 2023.

No reversals of impairment losses were recorded on equity-accounted investees during the periods covered by these condensed consolidated interim financial statements. Despite the better-than-expected results in Segment Ukraine, the Management Board of the Group is adopting a prudent approach and does not find any indications that would prompt the reversal of impairment losses on equity-accounted investments.

6.8 Inventory

	31 March 2024 (unaudited)	31 December 2023
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Inventory		
Advertisements	1,464	1,891
Total	1,464	1,891

The Group recognises in its inventory the cost of advertisements acquired for resale from websites predominantly active in the DACH region. Advertisements are typically acquired at the start of the financial year and are then consistently resold over the subsequent months of the year.

In the three months ended 31 March 2023 the Group did not recognise any inventory write-downs, while in the year ended 31 December 2023 it recognised an inventory write-down of PLN 2,019 thousand.

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6.9 Other non-financial assets

	31 March 2024 (unaudited)	31 December 2023
Non-current	815	840
Other	815	840
Current	48,595	39,995
Prepaid services		
Prepaid marketing expenses	1,952	2,043
Prepaid hardware and software maintenance services	5,825	3,598
Prepaid other services	1,522	1,128
Advertisements purchased based on customer orders	18,313	13,446
Other	1,382	710
Other assets		
Incremental costs of obtaining a contract	15,669	14,972
Prepayments for intangible assets and property, plant and equipment	488	484
Taxes and public charges receivable	952	1,221
Uninvoiced bonuses on advertisements sold	2,259	2,283
Assets of Company Social Benefits Fund	-	3
Other	232	107
Total	49,410	40,835

6.10 Other non-financial liabilities

	31 March 2024 (unaudited)	31 December 2023
Tax liabilities (other than CIT) and social security liabilities	14,040	13,462
Other non-financial liabilities	3,988	1,923
Total	18,028	15,385

6.11 Employee benefit obligations

	31 March 2024 (unaudited)	31 December 2023
Non-current	1,838	1,838
Provisions	1,838	1,838
Death gratuities	970	970
Retirement benefits	750	750
Disability benefits	118	118
Current	28,962	29,785
Provisions	72	72
Death gratuities	38	38
Retirement benefits	17	17
Disability benefits	17	17
Other obligations to employees	28,610	29,713
Accrued holiday entitlements	8,097	6,796
Sales-related bonuses and commission fees payable to employees	17,723	20,315
Other	3,068	2,602
Total	30,800	31,623

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6.12 Share-based Payment

Incentive Scheme 1

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

- delivery of a specific financial result in a given performance period (proportion 80%),
- delivery of a specific business objective in a given performance period (proportion 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 recorded in the Company's employee benefits expense in 2023 amounted to PLN 13,925 thousand, whereas PLN 2,947 thousand was recorded in employee benefits expense in the three months ended 31 March 2024.

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

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

Fair value measurement of the scheme as at the grant date of Tranche 2 under Incentive Scheme 1, i.e. 10 July 2023	
Fair value of a single option at the grant date (PLN)	32.48 (Tranche 1) 32.89 (Tranches 2 and 3)
Number of priced options	1.021.563
Total fair value of the scheme (PLN thousand)	33.498
Key inputs used in the fair value measurement	
Option exercise price (PLN)	24.42 or 5.00
Expected option exercise date	31 March 2025
Expected dividend yield	2.03%
Model used	Black-Scholes-Merton

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

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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 e.g. for the purposes of Incentive Scheme 1, as discussed above. 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 Shares 1 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 Shares 1 in 2025.

7. OTHER NOTES

7.1 Earnings per share

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

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

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited, restated)
Net profit attributable to owners of the Parent	58,085	49,490
CONTINUING OPERATIONS	58,085	49,490
Net profit attributable to owners of the Parent	58,085	49,490
Number of ordinary shares – for the purpose of calculation of basic earnings per share	68,265,026	68,265,026
Effect of dilution (share-based payment arrangement)	945,779	1,046,123
Weighted average number of ordinary shares – for the purpose of calculation of diluted earnings per share	69,210,805	69,311,149
Basic earnings per share (PLN) – continuing operations	0.85	0.72
Diluted earnings per share (PLN) – continuing operations	0.84	0.71

7.2 Related-party transactions

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

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

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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 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Short-term employee benefits	851	786
Share-based payments	476	315
Total	1,327	1,101

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 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Salaries and wages	45,476	46,187
Bonuses	9,885	5,242
Share-based payments	2,947	2,026
Social security contributions	9,052	8,286
Other employee benefits	1,520	1,025
Total	68,881	62,766

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

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

The Group's business is not seasonal.

7.6 Contingent liabilities

Guarantee provider	Currency	31 March 2024 (unaudited)	31 December 2023
PKO Bank Polski S.A.	EUR	549	551
	PLN	43	-
Total	EUR	549	551
	PLN	43	-

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

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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 generate significant revenue from contracts with customers in Ukraine, Russia, and Belarus; however, it holds shares in entities operating 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 domain names that Ukrainian Companies use for their operations under licence agreements is either low or non-existent. These domain names are registered by entities domiciled in Cyprus in which the Company holds shares.

In the first half of 2022, due to the further escalation of the armed conflict, the constantly changing financial flow conditions, and the scope of applicable sanctions, the Management Board decided to recognise an impairment loss of PLN 3,900 thousand on the value of equity-accounted investees (WorkIP Ltd and Work Ukraine TOV). As at 31 March 2024, the Management Board – adopting a prudent approach – decided to keep the impairment loss unchanged.

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 financial year ended 31 December 2023. Given the ongoing armed conflict and considering the restrictions on dividend payments to recipients outside Ukraine, the Management Board expects the dividend to be received by 31 December 2025. On this basis, the Management Board decided to discount the dividends receivable in 2023. As a result, PLN 984 thousand was recognised under finance costs in the period ended 31 December 2023, while PLN 56 thousand was recognised under finance income in the three months ended 31 March 2024.

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. Against the challenging and unstable background, the financial results delivered by Ukrainian Companies in the three months ended 31 March 2024 were positive.

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The table below summarises Robota's assets, which are at risk of impairment, and the corresponding assets of the Group as reported in the condensed consolidated interim statement of financial position as at 31 March 2024.

	Robota's assets as at 31 March 2024 (unaudited)	Assets of the Group as at 31 March 2024 (unaudited)
Intangible assets	-	89,416
Property, plant and equipment	980	12,596
Right-of-use assets	1,457	31,650
Deferred tax assets	4,654	42,963
Trade receivables	3,611	67,817
Other non-financial assets	1,635	49,410
Cash and cash equivalents	27,302	227,021

The Group's assets include equity-accounted investees (WorkIP Ltd and Work Ukraine TOV) which have operations in Ukraine, measured at PLN 20,795 thousand as at 31 March 2024.

The following table summarises the Group's liabilities related to its operations in Ukraine and the corresponding liabilities of the Group as reported in the condensed consolidated interim statement of financial position as at 31 March 2024.

	Group's liabilities related to operations in Ukraine as at 31 March 2024 (unaudited)	Group's liabilities as at 31 March 2024 (unaudited)
Non-current lease liabilities	1,364	22,734
Current lease liabilities	1,321	11,115
Employee benefit obligations	1,776	30,800
Trade payables	796	36,788
Other non-financial liabilities	1223	18,028
Contract liabilities	25,777	276,885

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 2024 was PLN 17,733 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 2023 and assessment of the proposal by the Supervisory Board

On 15 May 2024, 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 2023, totalling PLN 172,869,056.02, as follows:

- the amount of PLN 136,530,052.00 for payment of dividend to the Company's shareholders, i.e. PLN 2.0 per share;

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- the amount of PLN 36,339,004.02 to the Company's reserve capital.

The Management Board also proposed that the dividend record date be set for 24 June 2024, and the dividend payment date – for 5 July 2024.

At its meeting on 15 May 2024, the Supervisory Board decided to recommend that the Annual General Meeting approve the proposed manner of allocating the net profit earned in the year ended 31 December 2023.

Work Ukraine TOV dividend

On 26 April 2024, shareholders of Work Ukraine TOV passed a resolution to distribute net profits earned in previous years, including the year ended 31 December 2023. The value of the dividend due to Grupa Pracuj S.A. based on this resolution amounts to PLN 81,559 thousand UAH.



Quarterly financial information
of Grupa Pracuj S.A.
for the three month period
ended 31 March 2024

Grupa Pracuj S.A.

Quarterly financial information of Grupa Pracuj S.A. for the three months ended 31 March 2024

All amounts in PLN thousand, unless otherwise stated

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Revenue from contracts with customers	1.2	127,782	120,751
Amortisation and depreciation		(3,497)	(2,705)
Employee benefits expense	1.3	(35,844)	(31,529)
Marketing expenses		(15,349)	(11,467)
Software as service		(1,557)	(1,650)
Other services		(6,653)	(5,192)
Other costs		(827)	(1,075)
Other income		295	505
Other expenses		(78)	(322)
Expected credit losses		(594)	28
Operating profit		63,678	67,344
Finance income		3,770	1,302
Finance costs		(6,399)	(12,624)
Net finance income / (costs)		(2,629)	(11,322)
Share of profit / (loss) of equity-accounted investees		2,397	906
Profit before tax		63,446	56,928
Income tax		(14,229)	(12,260)
Net profit from continuing operations		49,217	44,668
Net profit		49,217	44,668

OTHER COMPREHENSIVE INCOME	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
TOTAL COMPREHENSIVE INCOME	49,217	44,668

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Basic earnings per share (PLN) – continuing operations	0.72	0.65
Diluted earnings per share (PLN) – continuing operations	0.71	0.64

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Grupa Pracuj S.A.

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2024 (unaudited)	31 December 2023
Intangible assets		19,517	17,636
Property, plant and equipment		7,824	7,965
Right-of-use assets		22,130	21,547
Investments in subsidiaries	1.4	580,730	580,698
Equity-accounted investees		32,985	30,725
Other financial assets		109,744	102,991
Other non-financial assets		626	646
Deferred tax assets		38,573	36,108
Non-current assets		812,129	798,316
Trade receivables		42,650	45,261
Other financial assets		68	117
Other non-financial assets		6,344	5,113
Cash and cash equivalents		111,706	66,101
Current assets		160,768	116,592
Total assets		972,897	914,908

EQUITY AND LIABILITIES	Note	31 March 2024 (unaudited)	31 December 2023
Share capital		341,325	341,325
Reserve capital		300,617	300,617
Share repurchase reserve		1,080	1,080
Share-based payment arrangements		74,288	71,341
Other reserves		190	190
Merger reserve		(585,375)	(585,375)
Retained earnings / (losses) carried forward		328,933	279,716
Total equity		461,057	408,894
Bank borrowings		223,429	239,295
Lease liabilities		16,084	15,978
Employee benefit obligations		1,662	1,662
Deferred tax liabilities		4,967	4,034
Non-current liabilities		246,143	260,969
Bank borrowings		39,547	23,543
Lease liabilities		6,893	6,635
Employee benefit obligations		13,717	13,735
Trade payables		13,865	12,715
Other financial liabilities		5,055	8,076
Other non-financial liabilities		10,533	11,382
Current tax liabilities		4,942	11,030
Contract liabilities		171,145	157,929
Current liabilities		265,697	245,045
Total liabilities		511,840	506,014
Total equity and liabilities		972,897	914,908

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CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Cash flows from operating activities			
Profit before tax		63,446	56,928
Adjustments for:			
Share of (profit) / loss of equity-accounted investees		(2,397)	(906)
Amortisation and depreciation		3,497	2,705
Foreign exchange gains/(losses)		(174)	(57)
(Gains)/losses on interest		5,071	7,797
(Gain) / loss on investing activities		36	(275)
Remeasurement of dividends receivable		(56)	895
Remeasurement of investments measured at fair value through profit or loss		875	1,180
Measurement of equity-settled share-based payment arrangements		2,914	1,620
Settlement and measurement of derivative financial instruments		(2,323)	2,626
Income tax paid		(21,851)	(12,757)
Changes in working capital:			
Employee benefit obligations		(18)	(660)
Trade receivables		2,611	2,316
Other non-financial assets		(1,209)	(1,911)
Trade payables		1,150	696
Other non-financial liabilities		(905)	62
Contract liabilities		13,217	23,335
Other adjustments		-	(1)
Net cash flows from operating activities		63,884	83,593
Cash flows from investing activities			
Purchase of financial assets		(7,618)	-
Proceeds from sale of financial assets		124	-
Proceeds from sale of property, plant and equipment and intangible assets		33	200
Purchase of property, plant and equipment and intangible assets		(3,574)	(3,806)
Net cash flows from investing activities		(11,035)	(3,606)
Cash flows from financing activities			
Repayment of bank borrowings		-	(16,000)
Payment of lease liabilities		(1,601)	(1,747)
Interest paid		(4,934)	(7,764)
Settlement of derivative financial instruments		(698)	83
Net cash flows from financing activities		(7,233)	(25,428)
Total net cash flows		45,616	54,559
Cash and cash equivalents at beginning of period			
		66,101	59,266
Exchange differences on cash and cash equivalents		(11)	27
Cash and cash equivalents at end of period		111,706	113,852
Cash and cash equivalents in the statement of financial position		111,706	113,852

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All amounts in PLN thousands, unless otherwise stated

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Merger reserve	Retained earnings / (losses) carried forward	Total equity
1 January 2024	341,325	300,617	1,080	71,341	190	(585,375)	279,716	408,893
Net profit / (loss) for period	-	-	-	-	-	-	49,217	49,217
Total comprehensive income for period	-	-	-	-	-	-	49,217	49,217
Share-based payments	-	-	-	2,947	-	-	-	2,947
Transactions with owners	-	-	-	2,947	-	-	-	2,947
31 March 2024 (unaudited)	341,325	300,617	1,080	74,288	190	(585,375)	328,933	461,057

	Share capital	Reserve capital	Share repurchase reserve	Share-based payment arrangements	Other reserves	Merger reserve	Retained earnings / (losses) carried forward	Total equity
1 January 2023	341,325	238,248	1,080	57,416	(102)	(585,375)	271,613	324,205
Net profit / (loss) for period	-	-	-	-	-	-	44,668	44,668
Total comprehensive income for period	-	-	-	-	-	-	44,668	44,668
Share-based payments	-	-	-	2,026	-	-	-	2,026
Transactions with owners	-	-	-	2,026	-	-	-	2,026
31 March 2023 (unaudited)	341,325	238,248	1,080	59,442	(102)	(585,375)	316,281	370,899

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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 2023 with the related notes, prepared in accordance with the International Financial Reporting Standards, approved for issue on 3 April 2024.

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 2024. 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 2023.

The functional currency of the Company as well as the reporting 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 2023.

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

Revenue from contracts with customers by the timing of revenue recognition	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Over time	83,445	73,877
At a point in time	44,337	46,874
Total	127,782	120,751

Revenue from contracts with customers by region

Revenue from contracts with customers by geography	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Poland	124,873	116,489
Other countries	2,909	4,262
Total	127,782	120,751

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Contract liabilities

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

Contract liabilities	31 March 2024 (unaudited)	31 December 2023
Current	171,145	157,929
Total	171,145	157,929

1.3 Employee benefits expense

	3 months ended 31 March 2024 (unaudited)	3 months ended 31 March 2023 (unaudited)
Salaries and wages	23,878	21,990
Bonuses	3,667	2,917
Share-based payments	2,914	1,620
Social security contributions	4,677	4,184
Other employee benefits	708	818
Total	35,844	31,529

1.4 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 condensed consolidated interim financial statements of the Group for the three months ended 31 March 2024.

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

	31 March 2024 (unaudited)	31 December 2023
Gross shares in subsidiaries	583,090	583,058
Foreign companies	567,732	567,942
Polish companies	15,359	15,116
Impairment loss on shares in subsidiaries	2,360	2,360
Polish companies	2,360	2,360
Total	580,730	580,698

	31 March 2024 (unaudited)	31 December 2023
Impairment loss on shares in subsidiaries		
At beginning of period	2,360	2,360
At end of period	2,360	2,360

1.5 Items affecting assets, liabilities, equity, net profit/(loss) or cash flows that are unusual because of their nature, size or incidence**Impact of the armed conflict in Ukraine on the Company's business**

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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.

In 2022, due to the further escalation of the armed conflict, the constantly changing financial flow conditions, and the scope of applicable sanctions, the Management Board decided to recognise an impairment loss of PLN 3,900 thousand on 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 financial year ended 31 December 2023. Given the ongoing armed conflict and considering the restrictions on dividend payments to recipients outside Ukraine, the Management Board expects the dividend to be received by 31 December 2025. On this basis, the Management Board decided to discount the dividends receivable in 2023. As a result, PLN 984 thousand was recognised under finance costs in the period ended 31 December 2023, while PLN 56 thousand was recognised under finance income in the three months ended 31 March 2024.

The Company's assets at risk of impairment related to its operations in Ukraine as at 31 March 2024 were as follows:

	Asset value
Investments in subsidiaries	15,241
Equity-accounted investees	20,795
Total	36,036

1.6 Fair value of financial instruments

Due to the short-term nature of trade receivables, cash and short-term bank deposits, cash security deposits, 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.

1.7 Related-party transactions

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

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

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Authorisation of the consolidated quarterly report for the three months ended 31 March 2024

This consolidated quarterly report, including condensed consolidated interim financial statements. for the three months ended 31 March 2024 was authorised for issue by the Management Board of Grupa Pracuj S.A. on 22 May 2024.

.....
Przemysław Gacek
President of the Management Board

.....
Gracjan Fiedorowicz
Member of the Management Board

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



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