

Europe's leading HR technology platform

Presentation of results for 1–3Q 2023

pracuj.pl

● ● eRecruiter

Ⓡ robota.ua

(softgarden)

Grupa Pracuj today

First three quarters of 2023 in numbers

Operating and financial results

Summary of accomplishments and prospects

Grupa Pracuj today

Job classifieds

pracuj.pl

Largest online recruitment platform in Poland

 **robota.ua**

Leading online recruitment platform in Ukraine

the:protocol

Recruitment platform dedicated to IT specialists

HR technology
SaaS

 **eRecruiter**

Leading Polish recruitment support system, operating in SaaS model

 (softgarden)

Leading HR technology player in Germany offering TAS (Talent Acquisition Suite) solutions

absence.

SaaS system for administering absences and monitoring working time

3rd quarter of 2023 in numbers



PLN 181m
revenue from customer
contracts
+5% y/y



PLN 88m
adjusted EBITDA
+3% y/y



48%
adjusted EBITDA margin



PLN 50m
net profit

Sustain growth of Grupa Pracuj

- Maintaining revenue in the Poland segment at a similar level to the previous year, mainly due to higher prices of recruitment projects
- Dynamic growth in revenue in the Ukraine segment
- Growth in revenue on the German market
- Higher EBITDA and maintaining the level of net profit

(1) Grupa Pracuj has consolidated softgarden's results since 3Q 2022.

First three quarters of 2023 in numbers



PLN 551m
revenue from customer
contracts
+22% y/y



PLN 261m
adjusted EBITDA
+6% y/y



47%
adjusted EBITDA margin



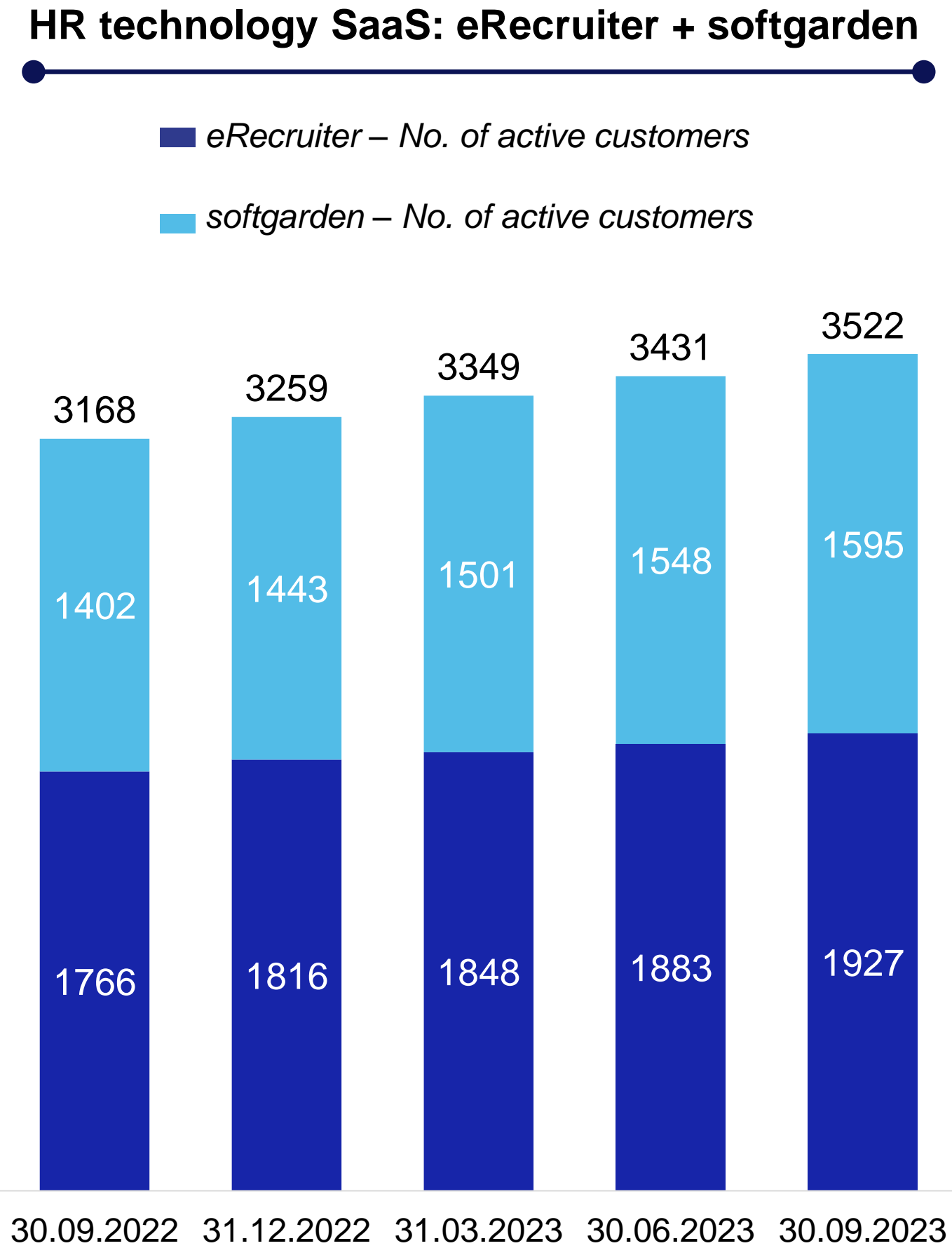
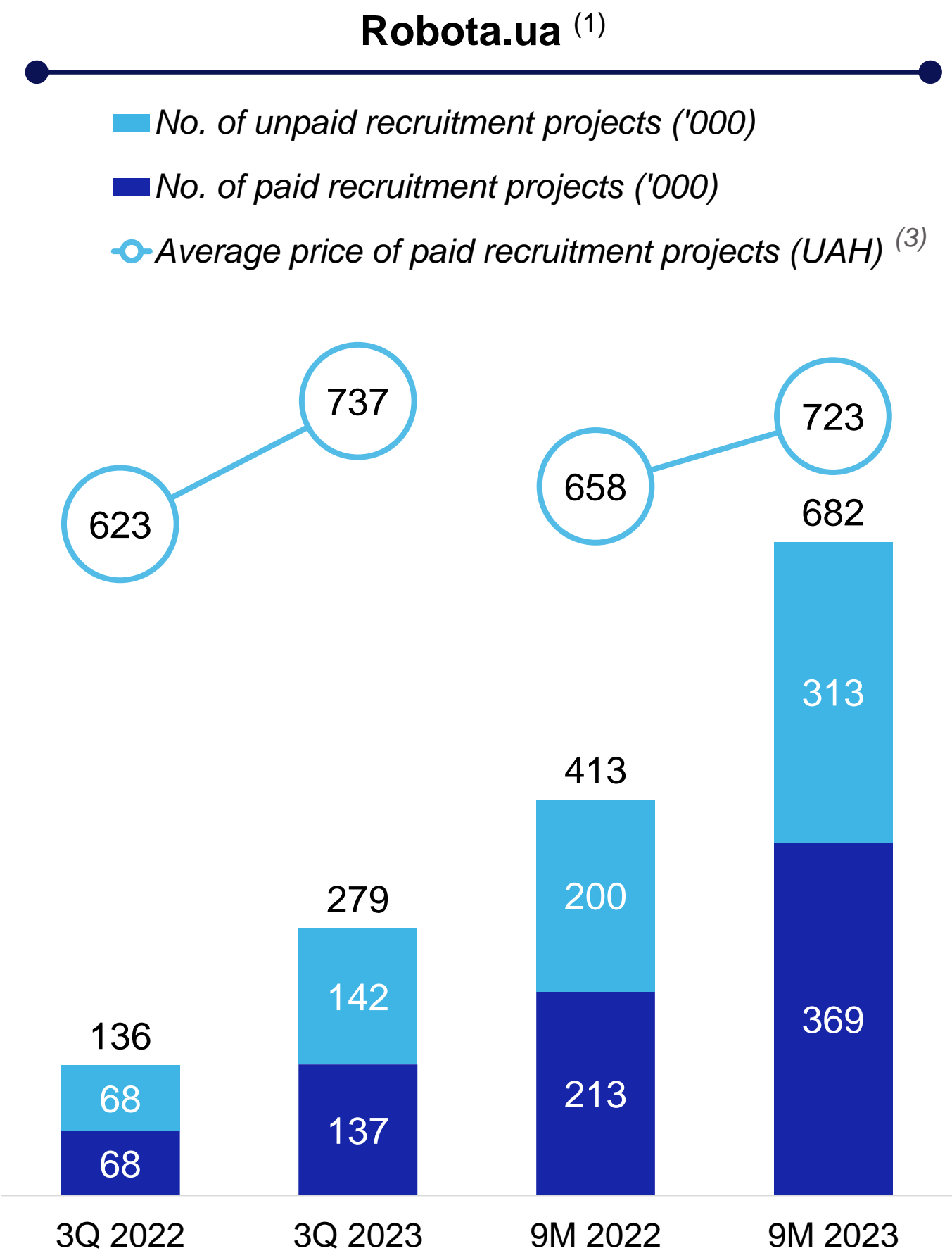
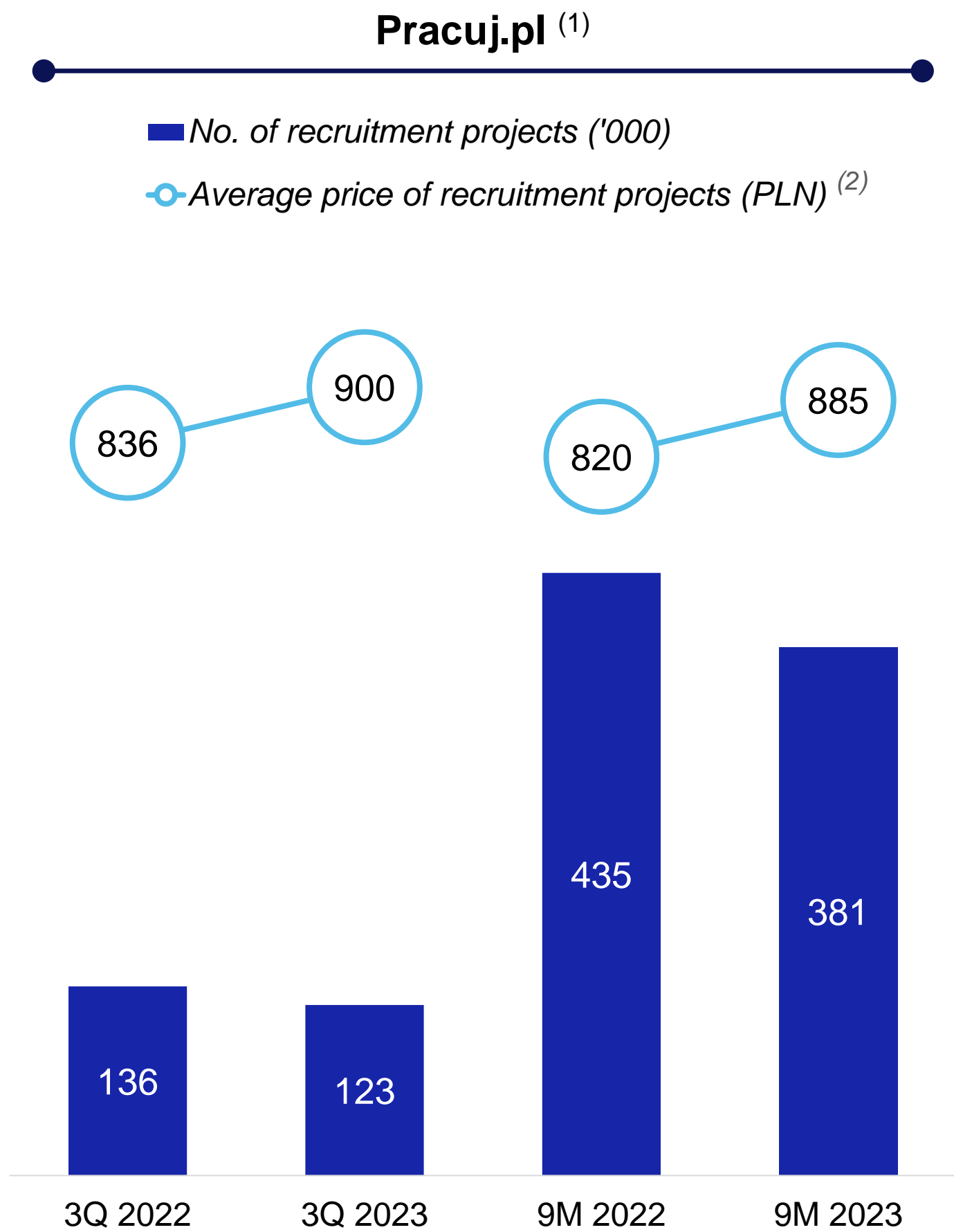
PLN 160m
net profit
+5% y/y

Growth in EBITDA y/y on a challenging market

- Over 20% growth in revenue of the group, mainly due to consolidation of softgarden,⁽¹⁾ the steadily growing average price of recruitment projects, and the steady increases in customers using SaaS services in Poland and Germany
- Stable level of EBITDA in Poland on a slight decline in revenue
- Strong growth in revenue and rebuilding operating profitability in Ukraine, despite the tough operating conditions due to the ongoing war
- Growth in net profit by 5% y/y

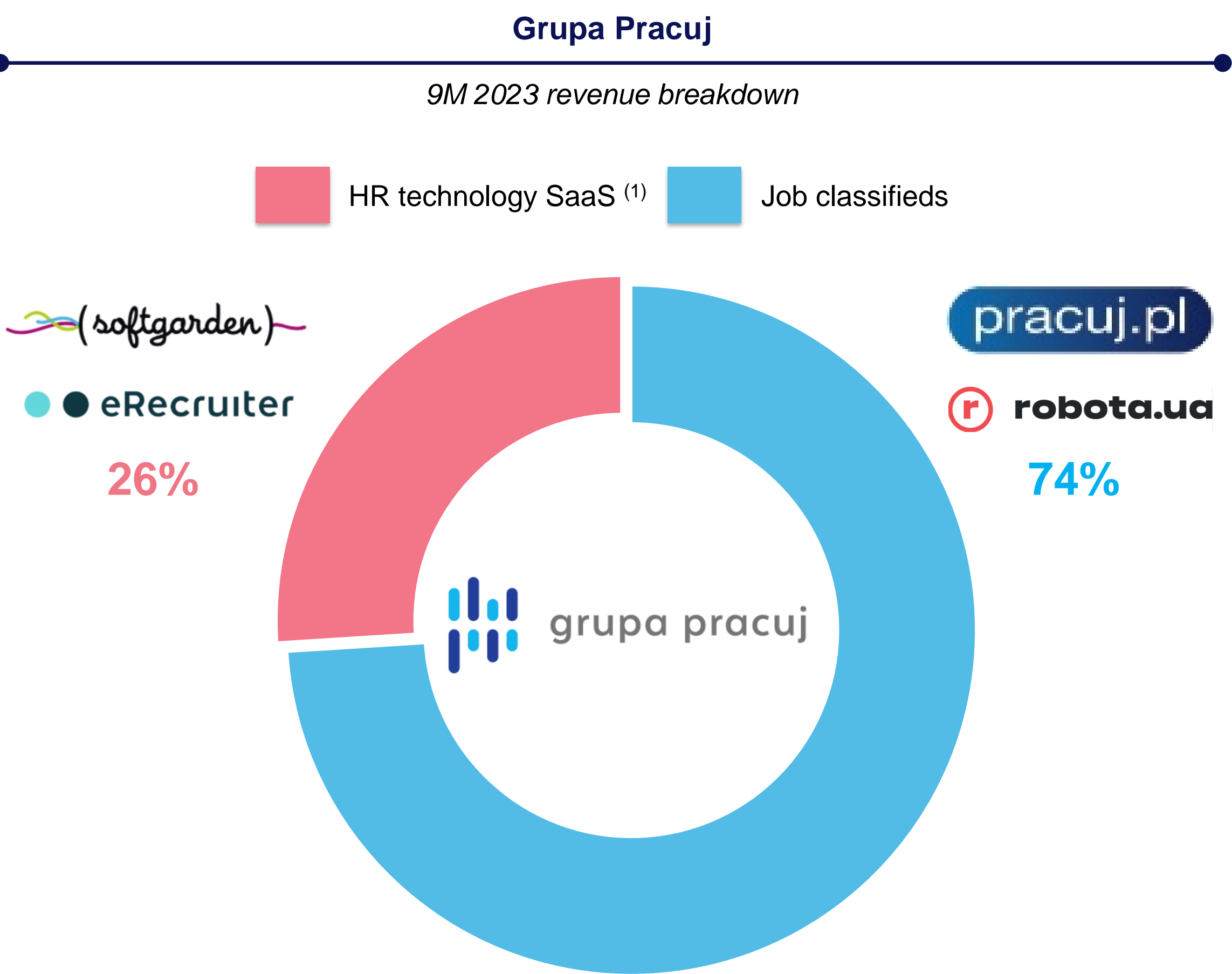
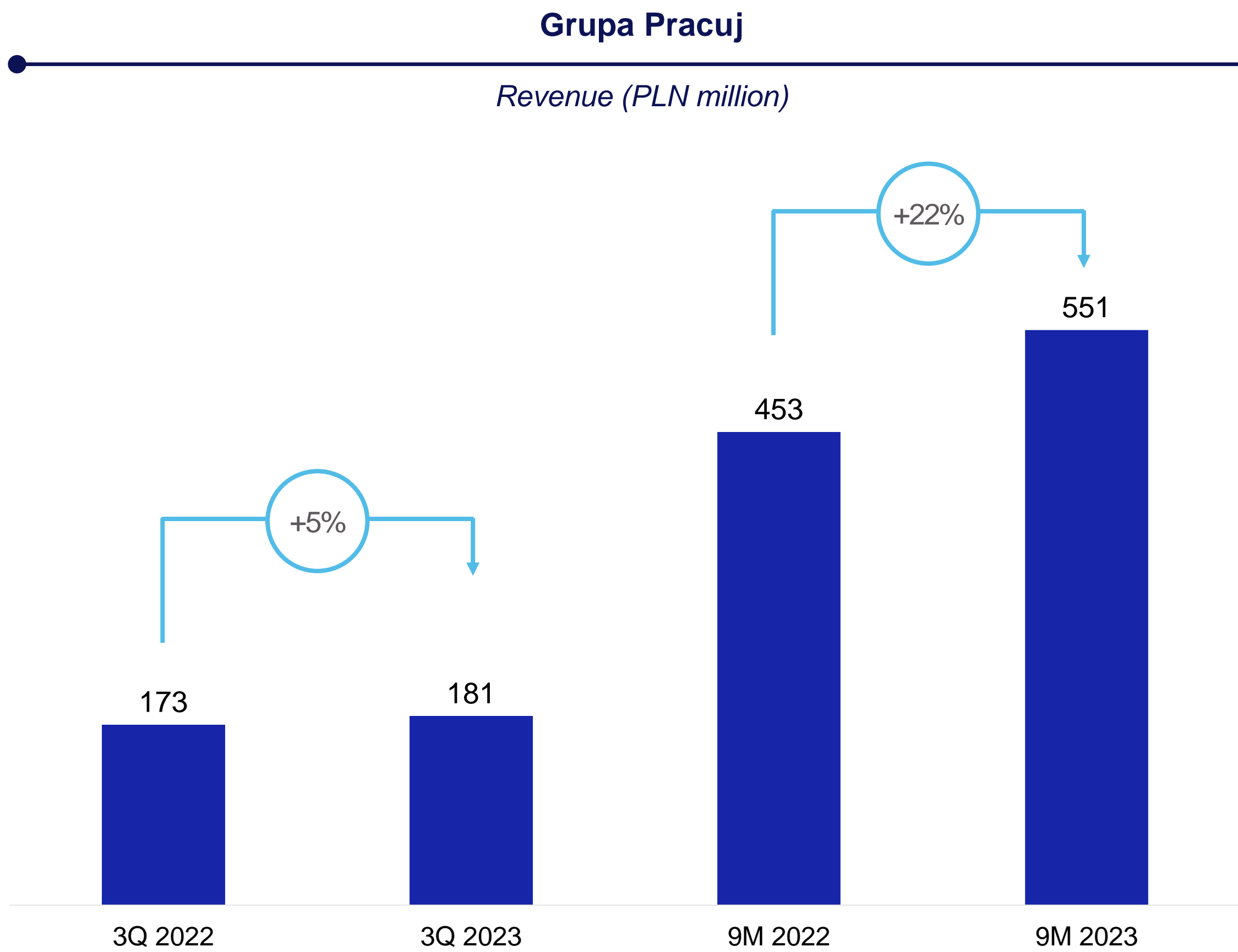
(1) Grupa Pracuj has consolidated softgarden's results since 3Q 2022.

Key operating results



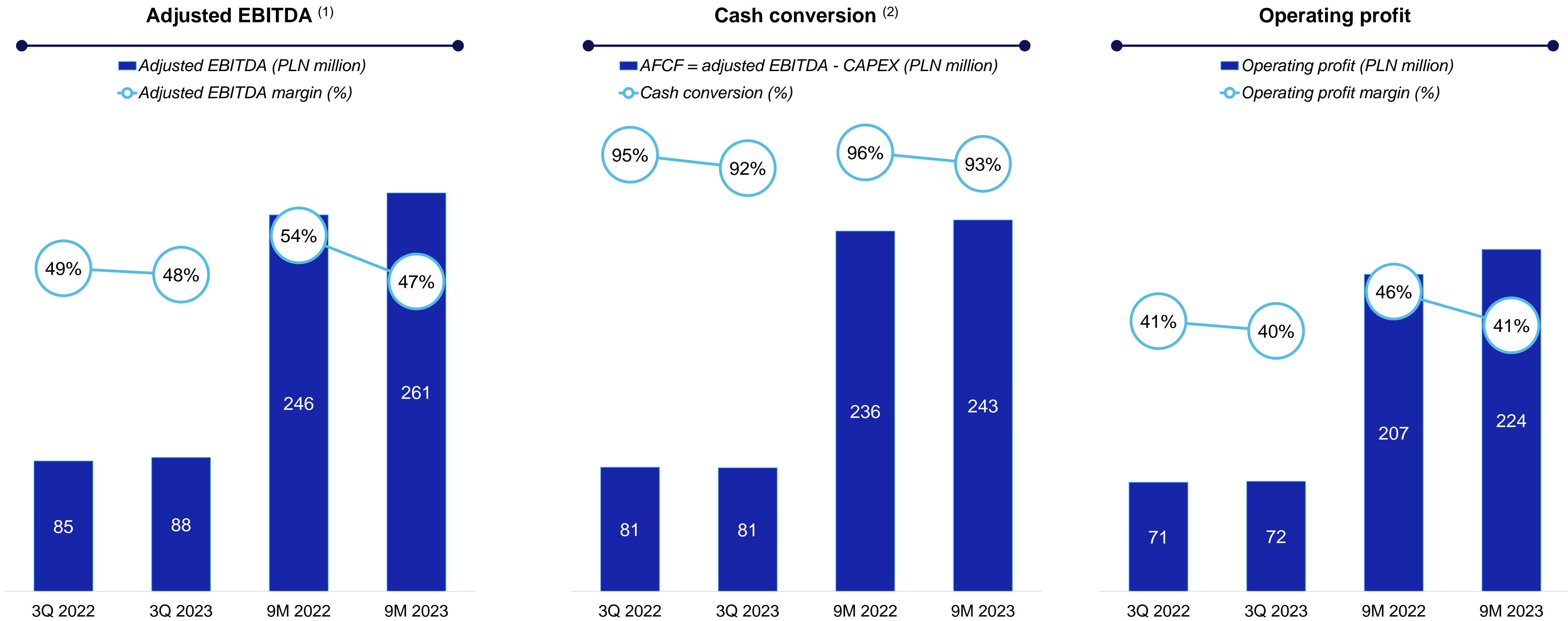
(1) The number of recruitment projects is equal to the number of credits used for placement of job offers on Pracuj.pl or Robota.ua. In the case of Pracuj.pl, one credit may be exchanged for multiple job offers (with the same title but different locations), while in the case of Robota.ua one credit can be exchanged for only one job offer for a period of one month. (2) For Pracuj.pl defined as revenue from recruitment projects (excluding promotional starter packs) divided by the number of recruitment projects. (3) For Robota.ua defined as revenue from contracts with customers in the Ukraine segment divided by the number of paid recruitment projects.

Consistent growth and diversification of revenues



(1) HR Technology SaaS includes eRecruiter and softgarden revenue from subscriptions (SaaS) and softgarden revenue from multiposting, which is recognised in full on a net basis (i.e. less the cost of job offers sold).

Group profitability impacted by softgarden consolidation



(1) Adjusted EBITDA defined as operating profit plus depreciation and amortization, adjusted by recognized, but also previously recognized and reversed impairment losses on assets, as well as costs of share-based payment programmes, costs of the public offering, and costs related to acquisitions, disclosed in the consolidated statement of comprehensive income. (2) Cash conversion for a given period defined as the ratio of the difference between adjusted EBITDA and capex (cash flows from acquisition of tangible fixed assets and acquisition of intangibles) to adjusted EBITDA.

Consolidated financial results

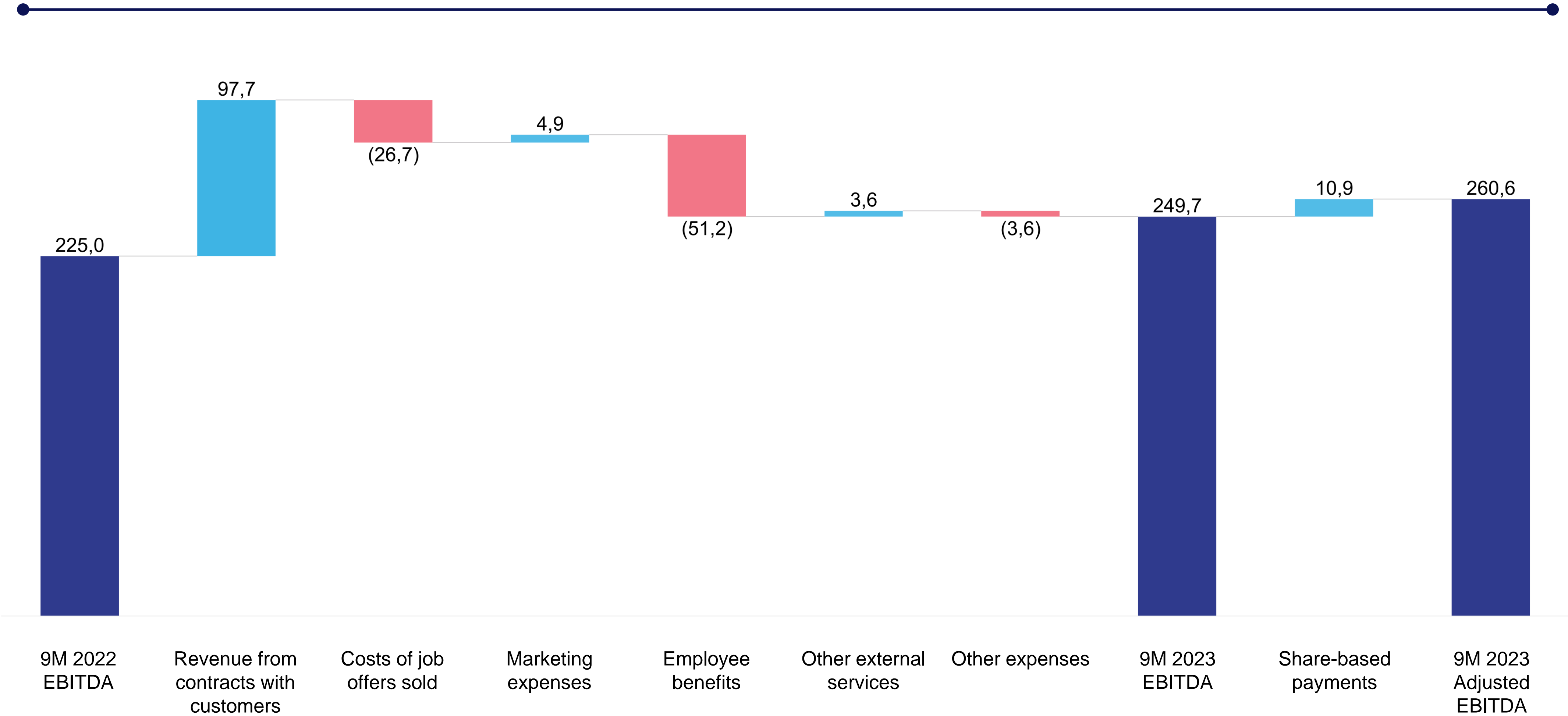
Selected financial results (PLN '000)	3Q 2023	3Q 2022	Change y/y	9M 2023	9M 2022	Change y/y	FY 2022
Revenue from contracts with customers	181 155	172 927	4,8%	550 873	453 218	21,5%	608 549
Poland	125 489	126 545	(0,8%)	382 672	392 705	(2,6%)	508 633
Ukraine	11 354	5 286	114,8%	31 253	19 417	61,0%	25 919
Germany	44 312	41 096	7,8%	136 948	41 096	233,2%	73 997
Operating expenses, incl.:	(109 168)	(101 596)	7,5%	(327 158)	(245 825)	33,1%	(355 995)
Depreciation and amortization	(8 688)	(11 340)	(23,4%)	(25 946)	(17 572)	47,7%	(15 812)
Cost of job offers sold ⁽¹⁾	(10 550)	(10 327)	2,2%	(37 052)	(10 327)	258,8%	(10 830)
Employee benefits	(65 406)	(50 810)	28,7%	(188 877)	(137 722)	37,1%	(212 077)
Marketing expenses	(11 127)	(14 480)	(23,2%)	(33 478)	(38 422)	(12,9%)	(59 449)
Software as services	(3 211)	(2 198)	46,1%	(9 722)	(5 995)	62,2%	(8 890)
Other external services	(7 552)	(9 735)	(22,4%)	(24 741)	(28 366)	(12,8%)	(39 171)
Operating profit	71 018	71 331	0,0%	223 715	207 393	7,9%	252 554
Poland	68 050	71 449	(4,8%)	211 964	214 284	(1,1%)	250 654
Ukraine	2 303	(752)	-	7 708	(7 525)	-	(6 993)
Germany	1 664	634	162,7%	4 043	634	538,1%	8 893
Finance income	1 754	4 381	(60,0%)	5 773	7 330	(21,2%)	6 407
Finance costs	(12 275)	(10 603)	15,8%	(34 622)	(16 694)	107,4%	(30 868)
Net finance income / (costs)	(10 521)	(6 222)	69,1%	(28 849)	(9 364)	208,1%	(24 461)
Share of profit of equity-accounted investees	1 920	(405)	-	4 290	(546)	-	(848)
Profit before tax	63 416	64 704	(2,0%)	199 156	197 483	0,8%	227 245
Income tax	(13 075)	(14 313)	(8,7%)	(38 985)	(44 881)	(13,1%)	(58 532)
Net profit	50 341	50 391	(0,1%)	160 171	152 602	5,0%	169 013

- Consistent growth in group revenues, mainly due to consolidation (since 3Q 2022) of softgarden, offering services in the SaaS model and *multiposting* services
- Growth in revenue and rebuilding operating profitability of the Ukraine segment despite tough business conditions
- New costs category – costs of acquisition of job postings by softgarden for resale in *multiposting* service
- Increase in costs of employee benefits mainly due to softgarden consolidation
- Growth in financial costs due to servicing of credit

(1) Costs of acquisition of job postings by softgarden with the aim of reselling them via multiposting service

Consolidated EBITDA

EBITDA (PLN million)

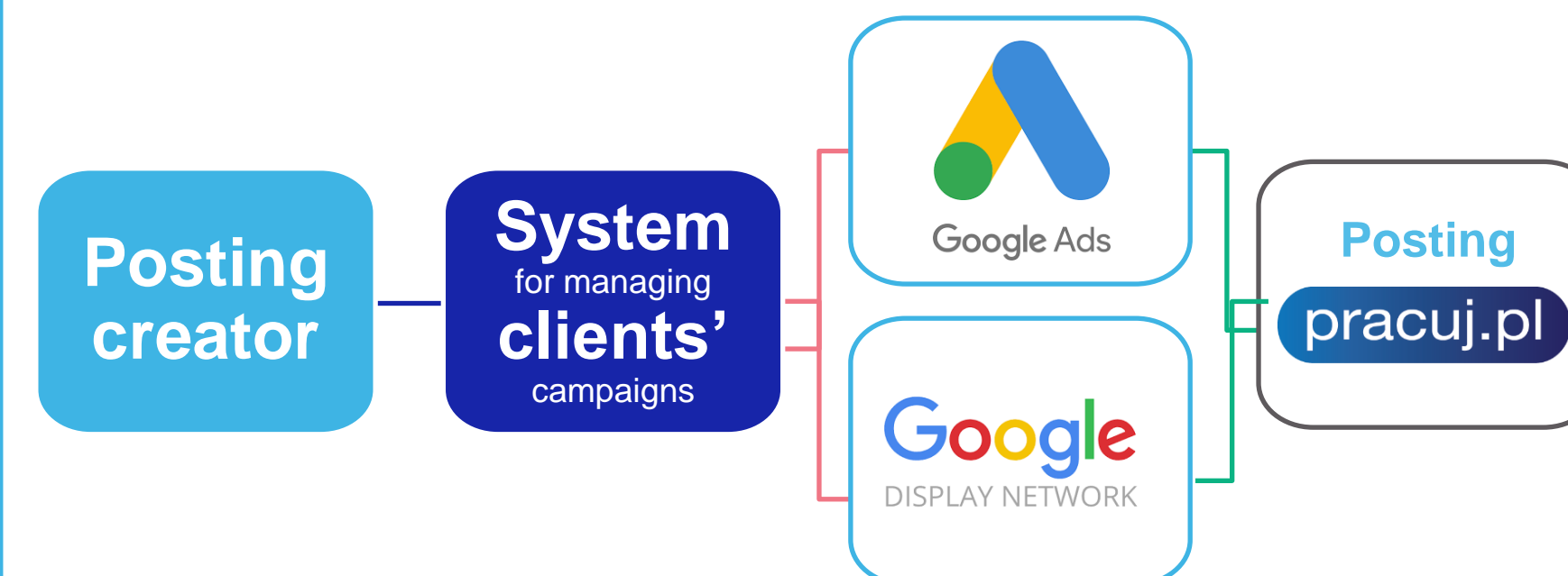


Summary of achievements and a look to the future

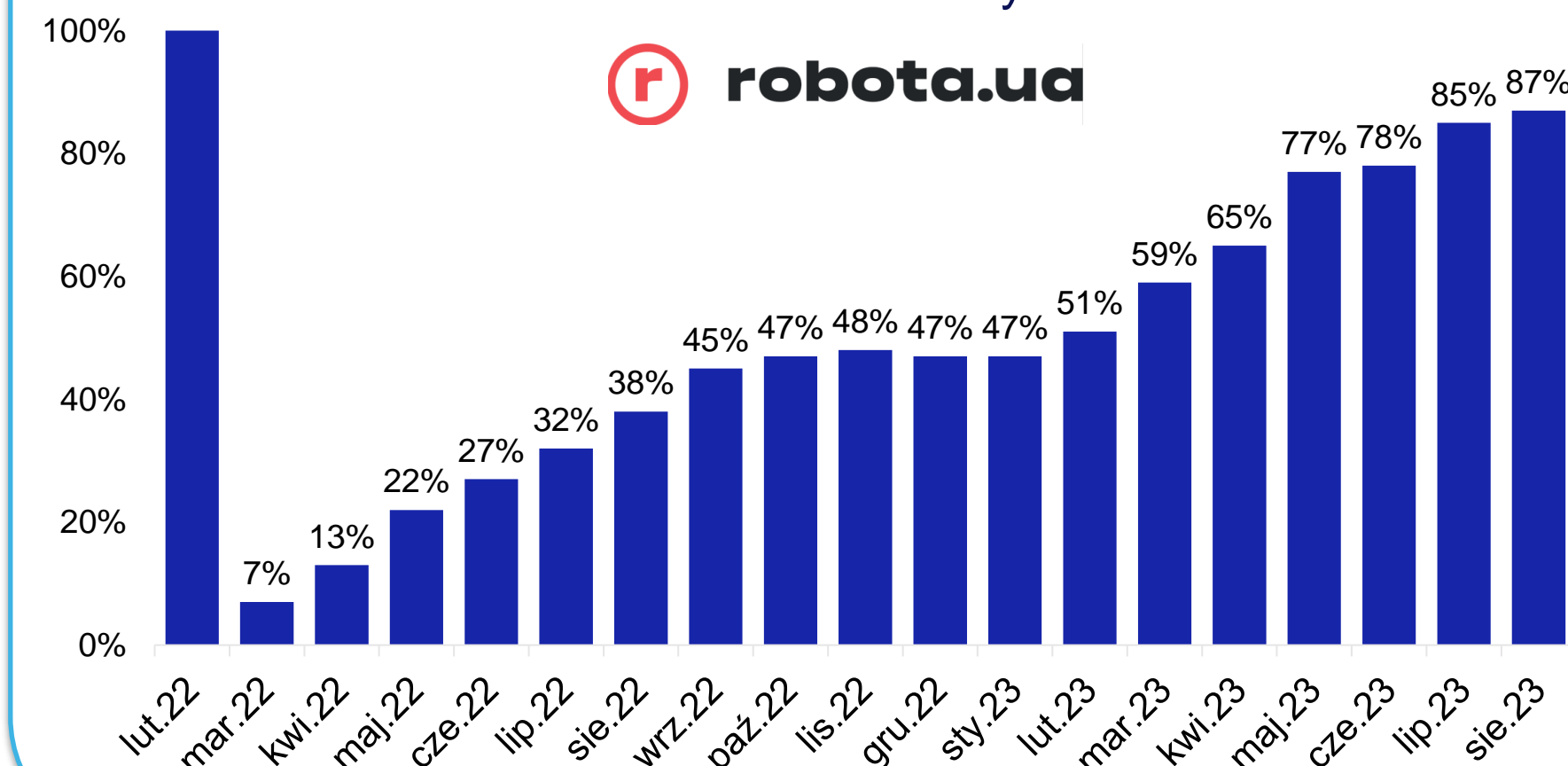
3rd quarter in job classifieds

- Continued dynamic growth in the product line. Introduction of the add-in **Reach+** to the offer of Pracuj.pl, enabling promotion of job postings using external solutions, e.g. Google platforms
- Return to the growth path in Ukraine**, to levels from before outbreak of the war in 2022. Strong demand for workers (about 6.2m people have left Ukraine).
- Ukraine—the first HR Camp conference for customers of **Robota.ua** since the outbreak of the armed conflict, held in Lviv—over 600 participants
- Launch of the **second phase of Pracuj.pl 3.0**—personalization of the Pracuj.pl site for key user groups—first implementation for IT candidates

Reach+



Number of job postings in Ukraine
100% = February 2022



GROWING ENGAGEMENT OF CUSTOMERS AND USERS

59,900 (Poland)
53,900 (Ukraine)



+4,5% yoy in Poland
+60% yoy in Ukraine
more customers

+ 5,0m

candidates in Robota.ua CVs base



**Streamlined candidate account setup and
registration process**
+40% yoy

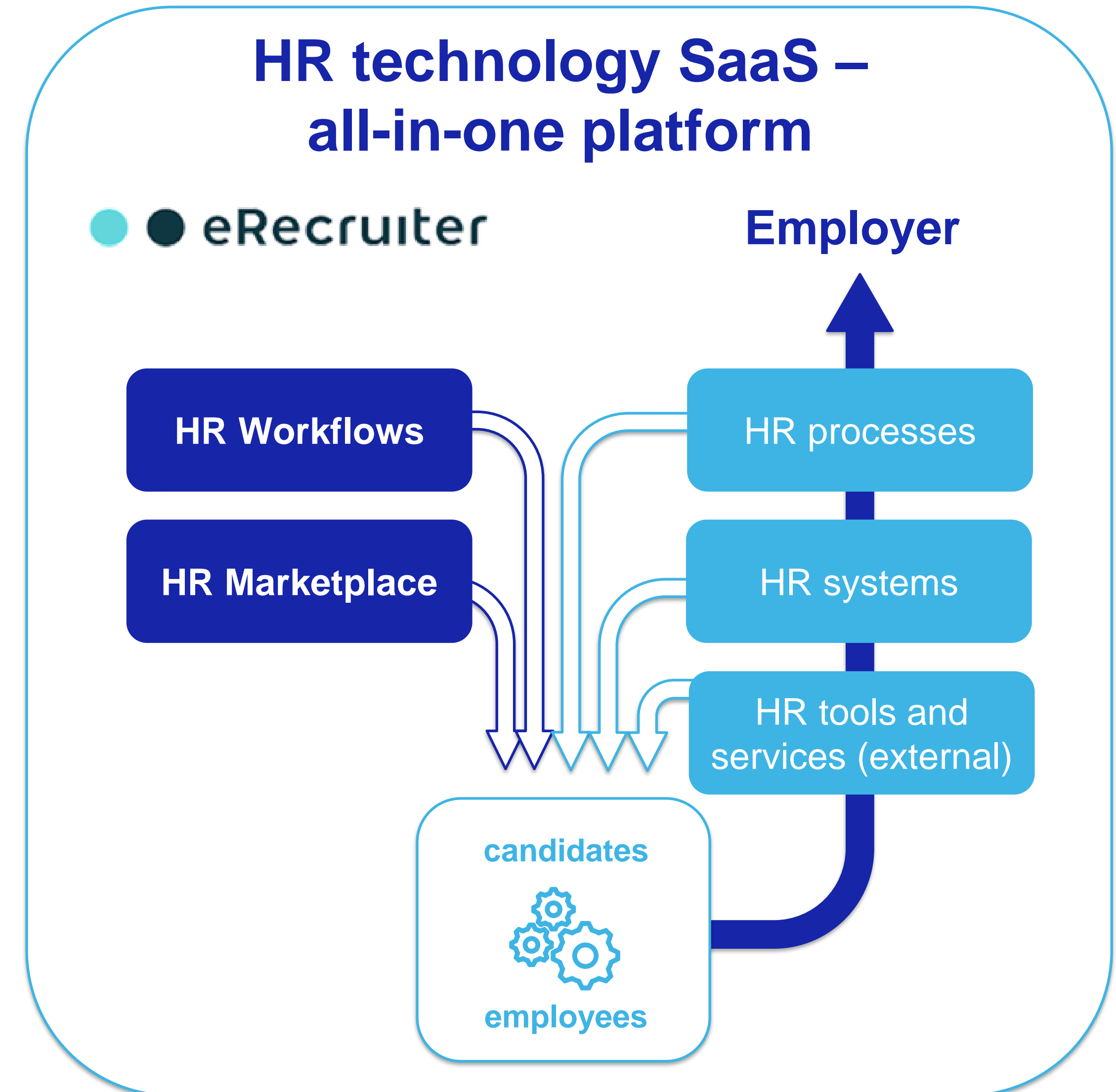
Record conversion rate

in Pracuj.pl

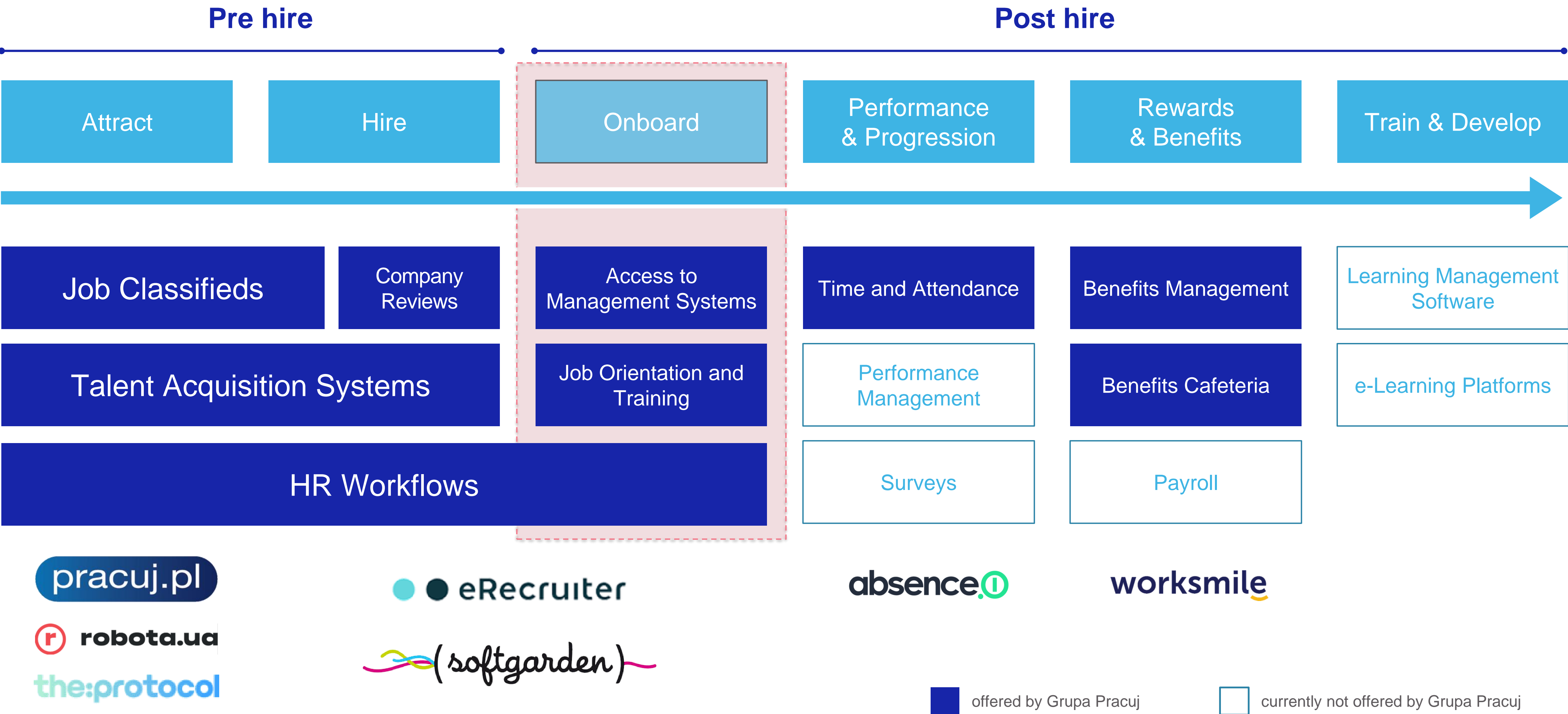


+3,8 m CV
submitted in 1-3Q
+14% yoy

- **Onboarding** - expansion of the eRecruiter and softgarden product line to include modules enabling management of the process of bringing new staff onboard at companies. First tests and preparation for market launch of service.
- **softgarden 3.0** - launch of new version of softgarden system in the SaaS portion
- **HR Workflows** - **eRecruiter** has made available to customers a platform enabling integration of all their HR processes in one place, which facilitates automation of processes
- **HR Marketplace** - **eRecruiter** also enables use and integration of external tools, facilitating HR processes for customers



Business expansion: Moving into new fields of HR technology



pracuj.pl

eRecruiter

absence.1

worksmile

robota.ua

(softgarden)

the:protocol

pracuj.pl

eRecruiter

robota.ua

(softgarden)

Prospects for the upcoming months - labour market

- Gradual **improvement in economic activity** in the following quarters
- Further **salary growth** - employers are raising pay to halt the outflow of staff, while workers, despite pay raises, will still look for better-paid work
- Rising **willingness of candidates to change job**, not only due to salary pressure⁽¹⁾
- **Staffing shortages** on the labour market, particularly at specialist positions
- **Digitalization** - recruitment processes will become more automated, using data analytics and AI tools



(1) <https://media.pracuj.pl/240043-poszukuj-mimo-kryzysu-mobilnosc-zawodowa-polakow-w-2023-roku>

Grupa Pracuj ready for continued expansion

Job classifieds

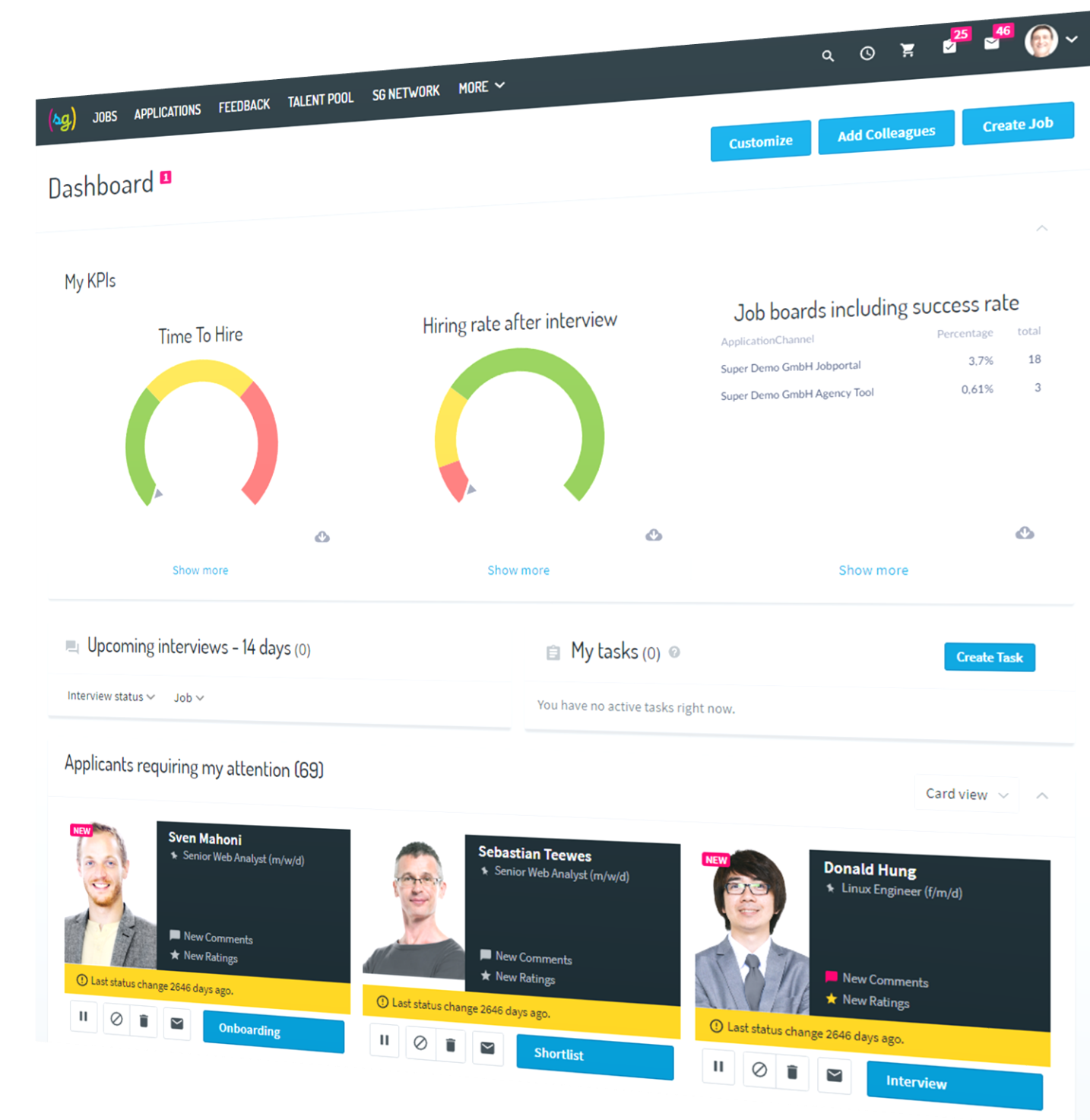
- Stabilization of the number of recruitment projects y/y
- Growth in average prices of recruitment projects
- New products and services translating into growth in revenue from specific customers based on AI solutions
- Growth in the number of customers, also in the SME and micro-business segment, particularly in the e-commerce channel
- Growth of the Pracuj.pl service in attractive segments -further personalization of Pracuj.pl for specific professional groups
- Reinforcing the group's position in the IT segment through further investments, including in the:protocol



Grupa Pracuj ready for continued expansion

HR technology SaaS

- Consistent growth in average subscription price
- Maintaining the pace of growth in the number of customers signed up for SaaS systems
- Growth in the number of customers using the onboarding module in Poland, and sales launch in DACH countries
- Automation—further building of the HR Tech ecosystems in Poland based on HR Workflows
- Increased appetite for acquisitions



Thank you

Q&A

We invite your questions

Appendices

Balance sheet and cashflows

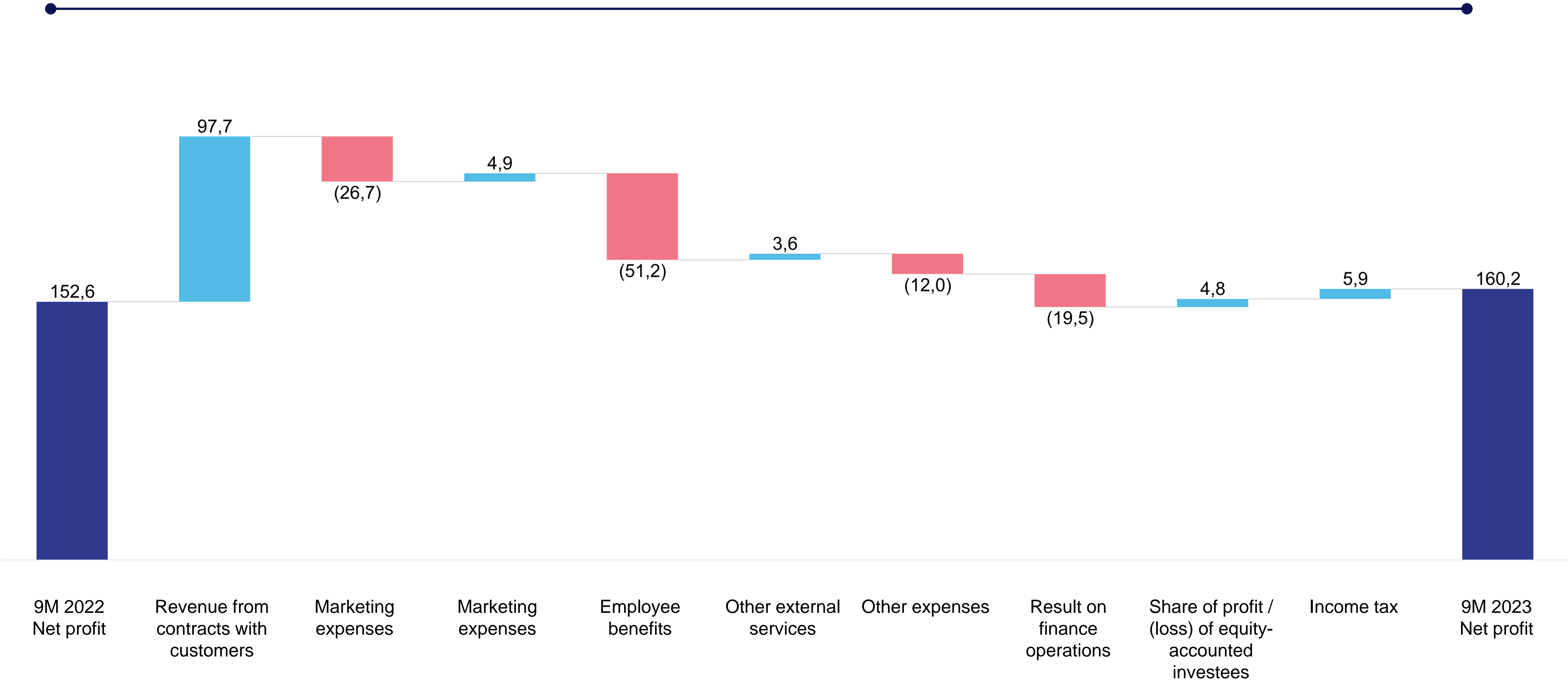
Selected financial data (PLN '000)	30 September 2023	31 December 2022	Change
Total assets	1 079 840	1 018 215	6,1%
Non-current assets, including:	794 064	800 157	(0,8%)
Goodwill	475 637	481 209	(1,2%)
Current assets, including:	285 776	218 058	31,1%
Cash and cash equivalents	174 623	109 538	59,4%
Total equity and liabilities	1 079 840	1 018 215	6,1%
Equity	370 304	310 956	19,1%
Non-current liabilities, including:	288 357	341 119	(15,5%)
Bank loans	255 176	303 168	(15,8%)
Current liabilities, including:	421 179	366 140	15,0%
Bank loans	63 435	63 492	0,0%
Lease liabilities	10 713	10 942	(2,1%)
Other financial liabilities	12 524	4 171	200,3%
Employee benefits	26 398	23 618	11,8%
Trade payables	34 139	32 809	4,1%
Other payables	16 795	16 765	0,2%
Current tax liabilities	17 311	5 923	192,3%
Contract liabilities	239 864	208 420	15,1%

- High capacity to generate cash
- Dividend for 2022 of PLN 1.50 per share (total PLN 102.4m) approved by annual general meeting in June and distributed in July 2023

Cash flows (PLN '000)	9M 2023	9M 2022	Change
Net cash flows from operating activities	263 488	186 147	41,5%
Net cash flows from investing activities	(17 476)	(515 417)	(96,6%)
Net cash flows from financing activities	(180 975)	228 877	-
Total net cash flows	65 038	(100 393)	-

Consolidated net profit

Net profit (PLN million)



POLAND

- GDP growth of 0.4% y/y in 3Q 2023⁽¹⁾
- Projected GDP growth of 0.6% in 2023 and 2.4% in 2024⁽²⁾
- Unemployment rate at 5.0% at end of September 2023,⁽³⁾ projected unemployment rate of 5.2% for 2023⁽⁴⁾
- Salary growth of 10.3% y/y in September 2023⁽³⁾
- CPI inflation of 8.2% in September 2023,⁽³⁾ projected average inflation in 2023 of 11.8–14.0%⁽⁴⁾
- NBP reference rate of 5.75% since October 2023

UKRAINE

- Projected growth of real GDP of 2.9% in 2023,⁽⁵⁾ following decline of 29.1% in 2022⁽⁶⁾
- Unemployment rate of 15.9% at end of September 2023⁽¹⁰⁾
- Consumer inflation rate of 7.1% in September 2023,⁽⁶⁾ projected average annual inflation in 2023 of 10.6%⁽⁵⁾

GERMANY

- Decline in GDP of 0.6% y/y in 2Q 2023⁽⁷⁾
- Projected decline in GDP of 0.4% in 2023 and 1.5% in 2024⁽⁸⁾
- Consumer inflation of 4.5% y/y in June 2023,⁽⁷⁾ projected average annual inflation in 2023 of 6.1%⁽⁸⁾
- Unemployment in September 2023 of 3.0%,⁽⁷⁾ projected unemployment rate for 2023 of 3.2%⁽⁹⁾

(1) Statistics Poland, flash estimate of GDP, October 2023

(2) National Bank of Poland inflation forecast, July 2023

(3) Statistics Poland, October 2023

(4) National Bank of Poland Macroeconomic Survey, September 2023

(5) National Bank of Ukraine, August 2023

(6) State Statistics Service of Ukraine, April–May 2023

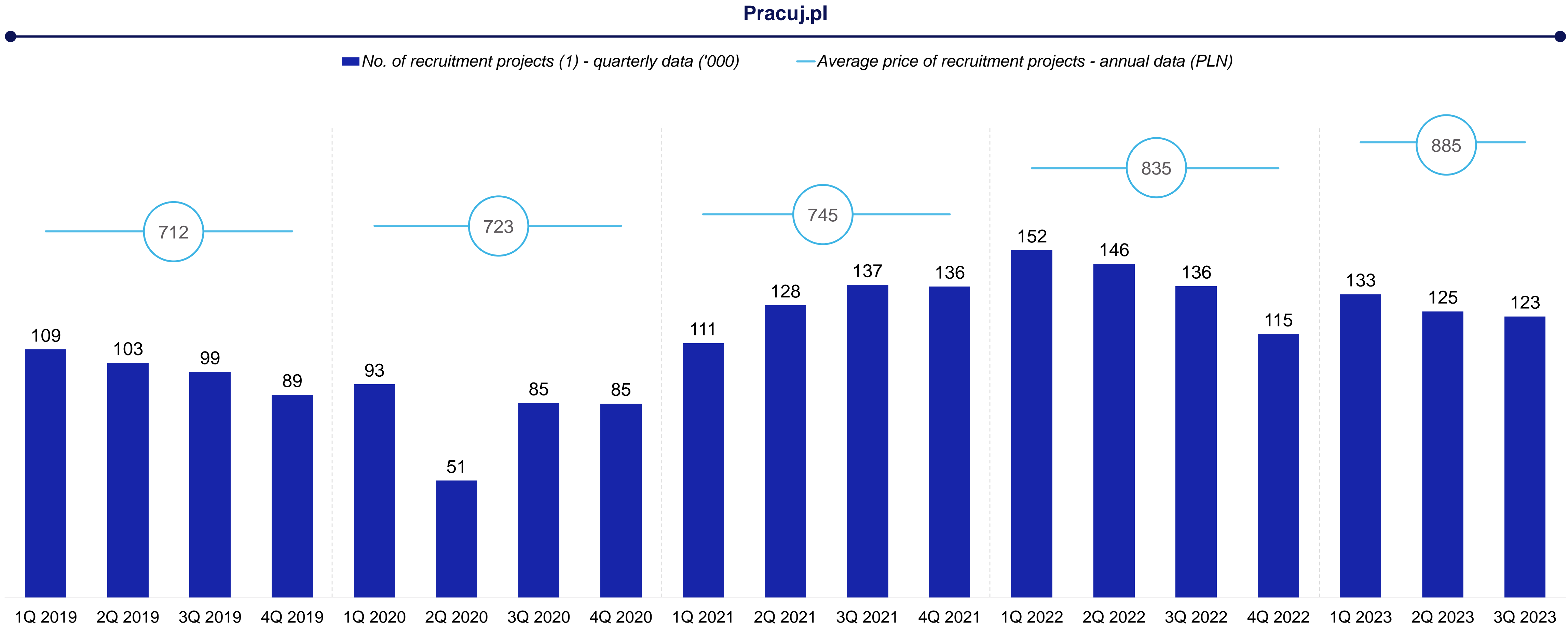
(7) German Federal Statistical Office (Destatis), October 2023

(8) Ifo Institute, September 2023

(9) European Commission forecast, May 2023

(10) Centre for Economic Strategy (<https://ces.org.ua>)

Increase in average price of recruitment projects on Pracuj.pl



(1) The number of recruitment projects is equal to the number of credits used for placement of job offers on Pracuj.pl. One credit may be exchanged for multiple job offers (with the same title but different locations).

Strategic goal: market leader with PLN 1bn revenues



2025 +

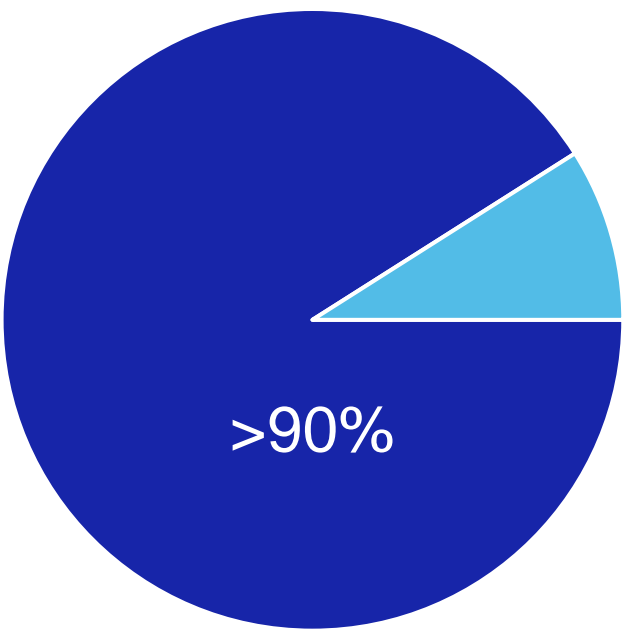
PLN 1bn

Revenues of Grupa Pracuj

- Job Classifieds
- HR technology Saas

XX% Adjusted EBITDA margin

2019
PLN 0.36bn

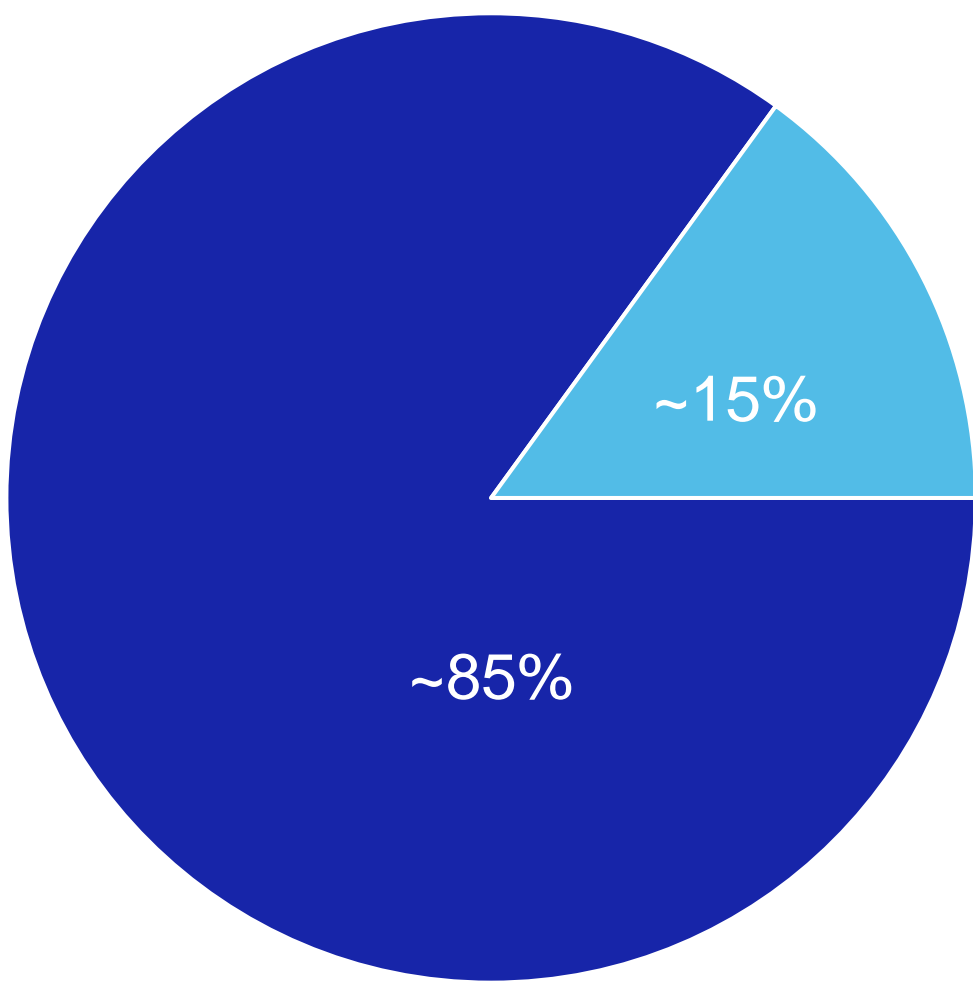


48%

- eRecruiter
- robota.ua
- pracuj.pl

CAGR
> 20%

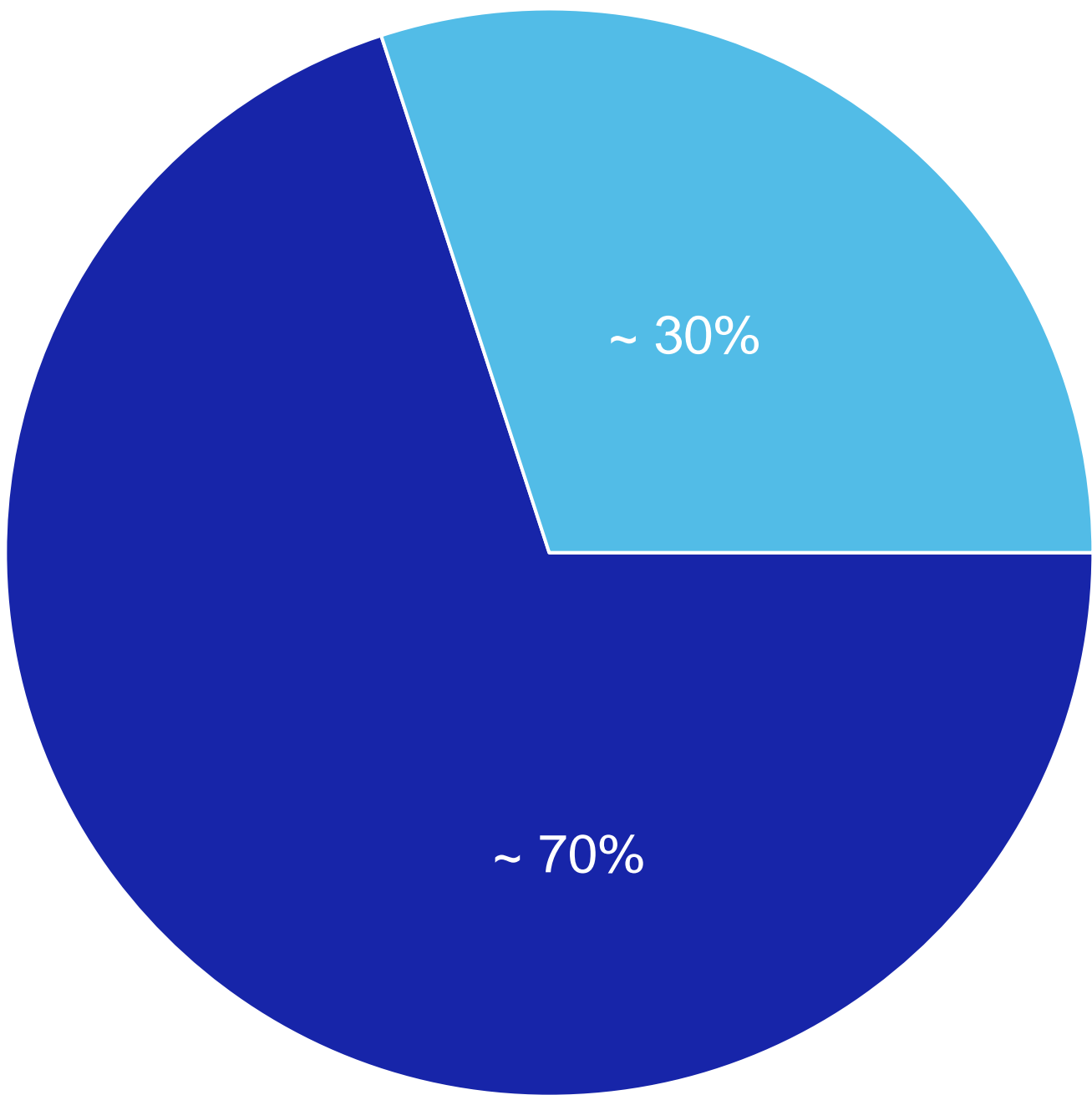
2022
PLN 0.61bn



50%

- (softgarden)
- eRecruiter
- robota.ua
- pracuj.pl

CAGR
~18%



> 40%

- (softgarden)
- eRecruiter
- robota.ua
- pracuj.pl
- + DACH

How will we do it?

HR technology SaaS (organic growth and selective acquisitions)

2025 +
PLN 1bn

- 25%+ average annual rate of growth of revenue from SaaS
- Growth in average subscription price - projected double-digit rate of growth
- Keeping churn at low, single-digit level
- Increasing value for customer of existing products and offering new products
- Growth in activity on new markets
- Potential acquisitions (mainly DACH)

- Single-digit annual rate of growth in number of published recruitment projects in the longer term (with slight decline expected in 2023)
- Growth in prices of postings in the white-collar segment - tailored to the value delivered to the customer
- Growth in portfolio of data-based products (AI/Big Data)
- Quantitative increase in market share in the blue-collar segment
- Potential for growth in the SME and micro segment

Job Classifieds (organic growth)

