

Grupa Pracuj S.A. Group

Management Board's Report on the activities
of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group
for the year ended 31 December 2023

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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Dear All,

As we close another chapter of our collective journey, we reflect on a year that was as challenging as it was successful. At the Pracuj Group, we steadfastly pursue our vision of being the innovative leader in the HR Tech industry.

The economic landscape of 2023 was marked by uncertainty, a product of sluggish economic growth and significant global events. Despite these adversities, not only did we develop steadily, but we also achieved very good operational results.

Our flagship service, Pracuj.pl, faced a nominal dip in revenue yet showcased remarkable adaptability in a shifting market landscape. It maintained its premier status in the Polish recruitment scene, enhancing efforts towards innovation and aligning our offerings with the evolving demands of employers and candidates alike. The introduction of numerous new features and optimisations has significantly enriched the user experience and recruitment efficiency. Our commitment to education and supporting companies in employer branding efforts has successfully bolstered their market visibility and appeal.

The Group's Ukrainian team responsible for developing the Robota.ua service exemplifies resilience. Achieving a revenue increase of more than 60% amidst persistent challenges serves as a powerful testament to our organisation's determination and adaptability, reflecting the extraordinary resilience of a market impacted by conflict.

The past year was also pivotal in terms of innovation and the evolution of our core HR Tech offerings. The growth of our SaaS-based platforms, eRecruiter and softgarden, outstripped the forecast 25% rise in monthly recurring revenues, resulting in an expansion of our subscription customer base by 341 companies. By refining functionalities and the user interface, we have further aligned with the dynamic shifts in recruitment and talent management, introducing new tools and algorithms that streamline recruitment processes, automate tasks, and enable our customers to build stronger, more diverse teams.

In the previous year, we dedicated significant efforts towards cultivating a unified organisational culture, anchored in dedication and collective values. This initiative has further enhanced the efficiency of collaboration across the organisation. This unified culture is a cornerstone of our success, underpinning the effective operation of our entire Group.

In 2023, we also devoted considerable energy to refining our strategy at both the Group and brand levels. This led to the formulation of the GP Way – our unique operational ethos. For us, it boils down to Operational Efficiency which encapsulates a range of factors: proficiency in sales and HR customer service following the high-touch model, fostering a culture that prioritises employee engagement and achieving outcomes, along with the identification, development, and monetisation of products designed to meet the diverse requirements and groups of customers.

Looking forward, we view the coming year as a time of new opportunities and growth. Our focus will remain on further technology development, process optimisation and expanding our international presence. Our guiding vision is not only continuous growth but also the cultivation of enduring relationships with our customers and partners.

I wish to extend my heartfelt gratitude to all our customers, partners and employees. Your dedication is the driving force behind the Pracuj Group's mission to transform the employment market for the better. To our shareholders, I offer my thanks for your trust and vow to continue our vigorous efforts to enhance our company's value.

Przemysław Gacek

President of the Management Board



SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected consolidated financial data for the years ended 31 December 2023 and 2022.¹

Financial results

	PLN thousand		EUR thousand	
	2023	2022 (restated)	2023	2022 (restated)
Revenue from contracts with customers	724,398	608,549	159,968	129,802
Operating profit	281,794	246,166	62,228	52,507
Profit before tax	231,721	220,857	51,171	47,108
Net profit attributable to:	187,726	164,553	41,455	35,099
Owners of the Parent	185,029	166,580	40,860	35,531
Non-controlling interests	2,697	(2,027)	596	(432)
Total comprehensive income attributable to:	148,329	165,018	32,755	35,198
Owners of the Parent	145,632	167,045	32,160	35,630
Non-controlling interests	2,697	(2,027)	596	(432)

Cash flows

	PLN thousand		EUR thousand	
	2023	2022	2023	2022
Net cash flows from operating activities	322,905	239,019	71,307	50,982
Net cash flows from investing activities	(22,141)	(517,650)	(4,889)	(110,413)
Net cash flows from financing activities	(246,514)	203,332	(54,437)	43,370
Total net cash flows	54,250	(75,299)	11,980	(16,061)

Financial position

	PLN thousand		EUR thousand	
	31 December 2023	31 December 2022 (restated)	31 December 2023	31 December 2022 (restated)
Non-current assets	754,564	800,157	173,543	170,613
Current assets	274,145	218,058	63,051	46,495
Total assets	1,028,709	1,018,215	236,594	217,108
Equity attributable to owners of the Parent	363,145	310,923	83,520	66,296
Non-controlling interests	38	33	9	7
Non-current liabilities	285,530	341,119	65,669	72,735
Current liabilities	379,996	366,140	87,396	78,070
Total equity and liabilities	1,028,709	1,018,215	236,594	217,108

¹The selected financial data was translated into the euro in accordance with the principles described in Note 1.7 to the consolidated financial statements for the 12 months ended 31 December 2023.

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Grupa Pracuj S.A.Selected financial data for the years ended 31 December 2023 and 2022²**Financial results**

	PLN thousand		EUR thousand	
	2023	2022	2023	2022
Revenue from contracts with customers	469,706	477,251	103,724	101,796
Operating profit	255,178	242,642	56,351	51,755
Profit before tax	209,760	215,477	46,321	45,961
Net profit	172,870	164,764	38,175	35,144
Total comprehensive income	173,162	164,630	38,239	35,115

Cash flows

	PLN thousand		EUR thousand	
	2023	2022	2023	2022
Net cash flows from operating activities	255,388	257,021	56,397	54,822
Net cash flows from investing activities	(6,482)	(546,399)	(1,431)	(116,545)
Net cash flows from financing activities	(242,039)	206,830	(53,449)	44,116
Total net cash flows	6,867	(82,548)	1,516	(17,607)

Financial position

	PLN thousand		EUR thousand	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Non-current assets	798,316	796,061	183,605	169,739
Current assets	116,592	112,314	26,815	23,948
Total assets	914,908	908,375	210,420	193,687
Total equity	408,894	324,205	94,042	69,128
Non-current liabilities	260,968	329,603	60,020	70,279
Current liabilities	245,046	254,567	56,358	54,280
Total equity and liabilities	914,908	908,375	210,420	193,687

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

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BASIC INFORMATION ABOUT THE GROUP

Grupa Pracuj spółka akcyjna ('Grupa Pracuj S.A.', 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 on a Software as a Service (SaaS) 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.

Operating segments of the Group

The Group identified the following operating segments as at 31 December 2023:

- 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., BinarJobs sp. z o.o. The entities comprising this segment offer comprehensive recruitment and branding projects, as well as systems for managing recruitment processes in a SaaS (Software as a Service) model;
- Segment Ukraine – this 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 Ukraine 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. Additionally, they offer services to support the management of working hours and absences, as well as services for the (re)publication of recruitment ads on online portals, predominantly within the DACH region.

Details pertaining to the operational activities and business models of the respective companies or business segments within the Group are outlined in the Business Model section of this Management Report for the fiscal year ended 31 December 2023.

Key developments, agreements and initiatives for the Company and the Group in 2023

Recruitment services

- **Pracuj 3.0** – The initial quarter of 2023 heralded the launch of the latest version of Pracuj.pl, an evolution grounded in data analytics and the deployment of Artificial Intelligence solutions, now providing enhanced value for both users and customers. Algorithms aid in achieving a more accurate alignment between job vacancies and candidates' capabilities. Currently, over half of the job applications on Pracuj.pl are facilitated through the platform's AI-driven recommendation system. Another innovation includes a suite of tools available to users, developed to support the job-seeking endeavour. Employers, on the other hand, can utilise AI for crafting content or formulating sets of questions. Moreover, the platform has broadened its assortment of add-ons and products for employer branding.
- **Pricing 3.0** – At the beginning of 2023, Pracuj.pl unveiled a revamped and re-engineered product portfolio. Customers were offered innovative products and services designed to streamline recruitment processes. The introduction of new features and the expansion of packages for all sales channels led to an increase in average prices over a longer timeframe. The average price of a recruitment project on Pracuj.pl in 2023 increased by 8.9% year on year. The modifications introduced to the platform under the Pricing 3.0 project had a tangible positive effect on the revenue earned in the reporting period.
- **Strengthening market position and resuming growth trajectory for Robota.ua** – Operating in exceptionally challenging conditions amid an ongoing armed conflict, the Robota.ua team met the growing expectations of employers by implementing an in-house Applicant Tracking System (ATS). This enhancement improved customer service, bolstered customer relationships through added value, and elevated the user experience on the platform. Additionally, the company solidified its market leadership by becoming the largest recruitment service in Ukraine, measured by the number of job advertisements posted. These bold initiatives contributed to an adjusted EBITDA of PLN 8.9 million in 2023.

HR Tech SaaS

- **New eRecruiter products and services** – In 2023, in line with the most current trends in HR Tech SaaS, eRecruiter unveiled a series of innovations. Among these, the HR Workflows platform is particularly notable, providing customers with a unified solution for bringing together all HR processes in a single place, thereby enabling automation. Additionally, the introduction of a preboarding module marks eRecruiter's expansion into post-hire services and modules. The monthly recurring revenue (MRR) value in the last month of the reporting period increased by nearly 20.0% year on year.
- **The first full year of softgarden within the Group** saw sustained development and revenue acceleration from the system operating on the SaaS model, with MRR growth surpassing the anticipated 25% year on year, even in the face of a demanding market environment. The customer base expanded by 13% on a year-on-year basis, and the proportion of subscription income within softgarden's net revenue (revenue less costs of job offers sold) rose from 57% in the second half of 2022 to 67% in the corresponding period in 2023 (revenue of Segment Germany less costs of job offers sold). Moreover, in 2023, following a decision of the Management Board, softgarden expanded into France, customising the softgarden system to align with the French market's unique requirements and steadily building relationships with local recruitment agencies, whilst also garnering an initial customer base.

THE GROUP'S STRATEGY AND DEVELOPMENT DIRECTIONS

Mission, vision and values of Grupa Pracuj

Mission

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

We support organizations in the recruitment, retention and development of their staff

We help people find the best job for them and maximize their full potential

To achieve this, we use the most efficient and modern technologies

Pracuj Group facilitates the matching of candidates to employers, mindful of the dual aspects of the job market and effectively bridging their needs. On the one hand, it aids job seekers in securing employment, encouraging them to seek their dream job with fair remuneration and a clearly defined career progression, while ensuring they connect with verified employers. On the other hand, using both recruitment services and SaaS (Software as a Service) recruitment support systems, it helps employers in their search for talent, providing them with candidates that closely match their needs.

Vision

Grupa Pracuj's vision is to become the leading HR Tech platform in Europe.

Values

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

Values act as compass points within the Group, outlining how we should conduct ourselves and cultivate relationships with customers, other stakeholders and amongst employees.

Over the years, Grupa Pracuj has transitioned from being a local recruitment service leader to a European HR Tech SaaS platform. The Company not only focuses on accelerating its organic growth but also expands its brand portfolio through strategic acquisitions and geographical expansion. The expansion into the DACH region (Germany, Austria and Switzerland) stimulated a reevaluation of our guiding values to ensure their universality and adaptability across diverse cultures and environments.

In 2023, a task force, comprising representatives from all portfolio companies, held a series of workshops aimed at establishing a set of values shared across the entire Group. The formation of this team considered various factors, including age, tenure, position level, experience and gender, emphasising diversity to gain a comprehensive understanding of the Group's operations, its needs, and the needs of its employees from every angle.

This initiative resulted in a new set of corporate values, each further defined by specific desirable behaviours. Together, these values are designed to help every employee grasp their importance in daily operations and interactions.

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Customer in focus:

- Listen to the needs of customers
- Act proactively and swiftly
- Foster open communication based on mutual respect
- Develop solutions/products that meet the real needs of customers – prioritise simplicity

Courage to act and learn from mistakes:

- Step out of your comfort zone
- Question the status quo
- Take calculated risks
- Learn from mistakes and speak about them openly
- Share your opinions

Responsibility for commitments, actions and outcomes:

- Keep your promises
- Seek support if you encounter obstacles
- Be realistic
- Appreciate achievements and accept brutal facts and failures
- Don't give up

Agility in learning and adapting to the changing environment:

- Set goals, monitor their achievement and adjust your actions
- Accept change as part of life
- Remember, done is better than perfect
- Never stop developing

Respect for diversity:

- Treat people with respect, regardless of race, age, gender, nationality, sexual orientation, religion and other
- Support people facing physical and mental ailments, in an inclusive environment
- Be curious and open to different points of view
- Control your emotions and pay attention to the emotions of others

Positive vibe at work:

- Maintain a positive attitude

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- Give constructive criticism and honest feedback in a positive way
- Celebrate successes and appreciate colleagues
- Work hard, play hard

These new values lie at the core of Grupa Pracuj's growth strategy, nurturing innovation, teamwork, agility in evolving business landscapes and a diverse and welcoming workplace.

Strong brand awareness and market position enable the Group to attract the most talented candidates. Our longstanding focus on recruiting highly skilled employees has been a key driver of our success, as demonstrated by the results we deliver.

Key strategic assumptions

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

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 Tech ecosystem with strategic acquisitions. A notable instance is the acquisition of softgarden, a leading provider of recruitment support systems in Germany. This takeover not only strengthens the Group's standing in the European HR Tech SaaS market but also opens 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 recruiting, retaining and developing staff by employing the most efficient and modern 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.

Operating excellence is the foundation of Grupa Pracuj's business

GP Way – operating excellence means:

- Selling and servicing HR clients in high touch model,
- Culture focused on talents engagement and delivering results,
- Discovery, development and monetization of the products
- Entrepreneurial approach



Strategic directions 2025+

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

Grow the revenue to PLN 1 bln in 2025 with 40% profitability margin.

We will become **Europe's leading HR Technology platform** by providing technology enabled solutions.

We will achieve that through **operational excellence** in sales and service delivery to HR clients, product discovery, development and innovation, as well as entrepreneurial culture that emphasizes engagement and delivering results across our businesses.

The **strategic goal** of the Group is to become a leading European HR Tech platform, comprising complementary brands that are leaders in their respective markets:



Grupa Pracuj as Europe's leading HR Tech platform:

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

Facing dynamically changing market conditions in Europe and worldwide, the Management Board's intention in the coming years is to diversify revenue and systematically increase the Group's competitive edge in its current markets through the establishment of a company based on two strong business areas:

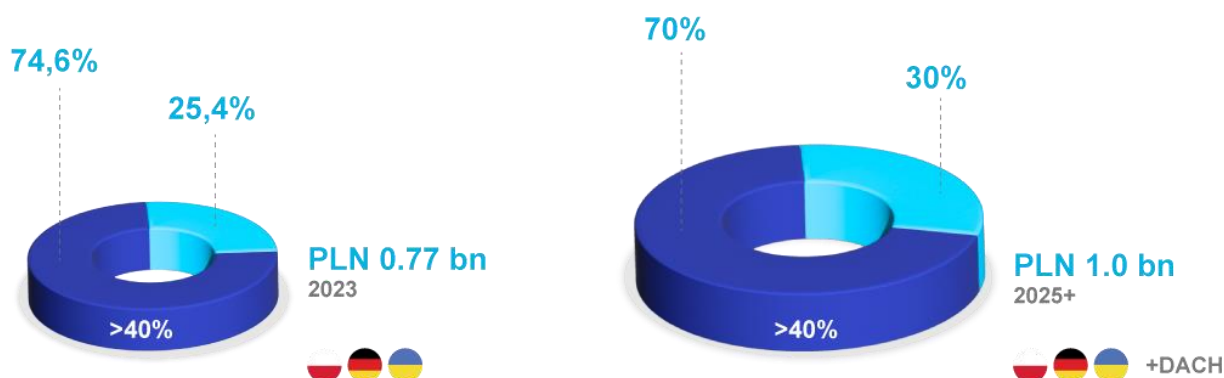
- high-margin recruitment services ('recruitment services');
- recruitment process management systems, offered in a SaaS model (Software as a Service), showing greater resilience to economic cycles and macroeconomic factors ('HR Tech SaaS').

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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, and in the longer term – to 50%. To ensure stable growth and a comparable rate of expansion, the strategy includes:

- organic growth of the Group's core business, mainly recruitment services;
- acquisitions, mainly in HR Tech SaaS;
- further international expansion.

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



The successful growth of individual brands and business areas following the chosen strategies will be facilitated by:

Recruitment services:

- A single-digit annual growth rate in the number of paid advertisements published;
- An increase in ad prices tailored to different customer segments based on the value delivered to customers;
- Developing of a portfolio of data-driven products (AI/Big Data);
- Enhancing the cost-effectiveness of sales activities through the automation of customer service processes via the e-commerce channel;
- Increasing market shares in the segments served.

HR Tech SaaS:

- 25%+ average annual revenue growth rate, i.e., growth in MRR (monthly recurring revenue);
- A rise in the average subscription price – targeting a double-digit growth rate;
- Keeping the churn rate (the percentage of customer attrition) at a single-digit level;
- Enhancing customer value with high-quality product offerings and the launch of new products;
- Expanding the Group's operations into new markets through the acquisition of entities that complement its existing offering.

RISK FACTORS AND RISK MANAGEMENT

Risk management

The risk management system, encompassing a comprehensive array of rules, processes and tools, plays a pivotal role in the proper and secure operation of the Group. Its aim is to reduce the adverse effects on the Company's business by efficiently identifying, classifying and evaluating risks, thereby ensuring stable conditions for ongoing development and the fulfilment of strategic objectives.

The Management Board holds responsibility for the effectiveness of the entire risk management process, with support from the Director of Information Security and Risk Management. Additionally, the Audit Committee serves an advisory role in the regular monitoring of risks and the appropriate conduct of the process.

The roles and responsibilities pertaining to risk management are clearly defined in the following illustration:



Risk identification covers all areas of the Group's business. Risk assessments encompass all processes, particularly: processes of strategic importance; processes slated for implementation; and those undergoing or planned to undergo significant changes. Primarily, Management Board evaluates risks within the challenges the organisation faces. Such an approach facilitates the strengthening of the company's market position and propels the organisation towards further growth.

The Company identifies risks at the strategic level (arising from long-term business decisions regarding strategy, investments and company expansion), the operational level (originating from the Company's current activities), and the financial level. For a detailed description of financial risks, see Note 5.4 in the consolidated financial statements of the Group for the year ended 31 December 2023.

The risk analysis involves the following stages:



Both strategic and operational risks are evaluated based on their impact on the attainment of business objectives, financial targets, the company's reputation, operational continuity, and the probability of their occurrence. Strategic risks are assessed across one and three-year periods, while operational risks are appraised annually.

A risk map is utilised to assess the severity of the threat from various events:

PROBABILITY	IMPACT				
Critical	4	4	8	12	16
High	3	3	6	9	12
Medium	2	2	4	6	8
Low	1	1	2	3	4
		1	2	3	4

The risk assessment process aims, among other objectives, to verify the effectiveness of the existing safeguards. When risks are assessed as high or critical, it indicates that the Company's safeguards might be insufficient or ineffective, necessitating the implementation of a risk management plan.

In addition, for strategic risks, Key Risk Indicators (KRIs) determined for each area are reported to the Management Board on a quarterly basis. They illustrate the current risk level associated with a specific business activity or process, while also flagging specific negative events in real time.

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

In 2023, the risk management process was refined. It now facilitates a coherent approach to the identification, analysis, classification, assessment and monitoring of risks, as well as to the mitigation and/or prevention of threats. Additionally, to ensure control over the entire process, the Company decided to implement a risk management system.

In 2023, the Company conducted a risk analysis covering both operational and strategic risks. Efforts in this area are ongoing.

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Material risk factors

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

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

- Use of insufficient security and safety monitoring mechanisms,
- Errors in device configurations and system access controls,
- Incorrect infrastructure change management process,
- Insufficient employee awareness,
- Ineffective incident response procedures or lack thereof,
- Irregularities or breaches on the part of key third-party vendors,
- Lack of or irregularities in the process of security assessments, system audits and process reviews.

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

Key measures implemented by the Group to mitigate the risk include:

- Implementation of a security management system,
- A dedicated information security team,
- Establishment of a security monitoring process,
- Deployment of security systems to prevent breaches and data leaks,
- Regular penetration testing and security audits conducted by both internal and independent external experts,
- Recurrent information security training for employees,
- Routine reviews of user access rights and authorisations using an access control system,
- Monitoring process for vulnerabilities and the update status of systems and network components,
- Verification of vendors to ensure they meet the required security standards.

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

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

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

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- Unavailability of third-party services.

The proper operation of the Group's online recruitment services relies on third-party IT platforms, infrastructure and equipment, encompassing computer hardware and software, as well as technological applications. Any interruptions, disruptions, or failures in these systems could jeopardise the continuity of services. This could potentially lead to temporary disruptions in the provision of services or a limited ability of the Group to fully restore operations.

Key measures implemented by the Group to mitigate the risk include:

- A data centre that meets the highest security standards,
- Backup systems,
- Device and server redundancy,
- Protection against Distributed Denial of Service (DDoS) attacks,
- Ability to deploy infrastructure with alternative providers,
- Use of supported components and up-to-date software,
- Protection against unauthorised data encryption and minimising administrative privileges.

Measures undertaken by the Group to mitigate the effects of a decline in the economic environment may not be fully effective [medium]

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

Key measures implemented by the Group to mitigate the risk include:

- Scenario-based cost budgeting process,
- Developed short-, medium- and long-term scenarios for the organisation,
- Regular monitoring of income and expenses,
- A tailored sales model.

The Group may experience reduced availability or loss of key personnel [medium]

The Group faces the risk of diminished availability or loss of key personnel, as it operates in an industry where human resources and the skills of employees are critical for success. This challenge is exacerbated by the limited pool of suitable candidates in the labour market, particularly highly skilled IT, marketing, sales, and customer care specialists with the necessary educational background and professional expertise. The loss of a significant number of employees in key departments such as product development, technology, marketing, sales, and customer service, coupled with the challenge of recruiting suitable replacements, could impede the Group's operations, delay its ability to address emerging challenges, and have an adverse effect on the operations of the Group.

Key measures implemented by the Group to mitigate the risk include:

- Developmental policy for employees, with established career paths,
- Regular assessments of job evaluation and the suitability of salary structures in comparison to prevailing market standards,

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- Regular identification of key positions and identification of potential successors.

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

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

Key measures implemented by the Group to mitigate the risk include:

- Sales strategy tailored to the situation,
- Regular verification of income and expenses,
- Analysing cash flow trends in both the short and long term.

The Group's market position may deteriorate as a result of the activity of its competition or technological changes in the industry [low]

The Group companies conduct ongoing market analysis to monitor trends and identify factors that impact the HR industry. Each company within the Group takes steps to mitigate the risks associated with activity of its competitors by implementing well-planned sales, marketing, product, and investment strategies.

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

The Group operates in an industry characterised by rapid technological advancements, which can increase competitive pressures through deployment of new technologies. The Group's competitiveness and success depend on its ability to continuously enhance its technology platforms to provide new products and features that improve the quality of its services. Consequently, the Group is at risk of adverse business and financial impacts if it does not make pertinent and timely decisions, or if it makes incorrect decisions due to an insufficient evaluation of strategic directions. This risk encompasses the failure to recognise or properly assess the significance of new technologies and the inability to integrate them into operations, potentially diminishing the appeal of the Group's services to both existing and potential customers, and leading to a loss of market share to competitors.

Key measures implemented by the Group to mitigate the risk include:

- Monitoring trends in HR and the HR market, both domestically and internationally,
- Analysing job advertisements and understanding the needs of customers and candidates,
- Developing a product strategy along with a customised pricing approach,
- Protecting the Company against the loss of know-how.

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

The Group is exposed to various risks, including the possibility of facing administrative penalties and sanctions such as the suspension or exclusion of its shares from trading on the Warsaw Stock Exchange (WSE). Potential causes of this risk include incorrect interpretations of legal regulations, making decisions that result in non-compliance with legal requirements to achieve business objectives, insufficient time to implement changes mandated by legal regulations, or an ineffective stock exchange reporting process.

Key measures implemented by the Group to mitigate the risk include:

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- Maintaining an experienced legal and compliance team,
- Monitoring changes in legislation relevant to the Company,
- Implementing policies and procedures designed to reduce formal and legal risks,
- Conducting employee training to increase awareness of legal obligations.

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

The Group's strategy is grounded in pursuing stable growth while prioritising the development of innovations to consistently enhance its product portfolio. The Group also seeks to capitalise on new growth opportunities by expanding into new markets or business segments. Misjudgements in operational and legal assessments of growth potential, inadequate capabilities, adverse impacts of macroeconomic changes, or a flawed risk estimation process could negatively affect the Group's reputation and financial condition.

Key measures implemented by the Group to mitigate the risk include:

- Investment strategy aligned with the Group's development directions,
- Due diligence process,
- Experienced legal and investment team,
- Multi-tiered investment approval process,
- Financial audits conducted across the entire Company, including new investments,
- Reporting process for new investments/acquisitions.

Management of non-financial risks

Grupa Pracuj considers risks related to sustainable development ('ESG risks'), which include aspects such as social and employee matters, environmental concerns, diversity, respect for human rights, and anti-corruption measures.

Examples of ESG risks

Area	Risk	Measures taken by Grupa Pracuj
Employee matters	Limited availability of skilled staff and talent retention	<ul style="list-style-type: none"> ▪ Enhancing the culture of appreciation in the organisation ▪ Career paths and job evaluation projects ▪ Grupa Pracuj's employee development policy and reskilling
	Loss of staff motivation and engagement	<ul style="list-style-type: none"> ▪ Developing the culture of appreciation ▪ Well-being initiatives ▪ Company get-togethers ▪ Developing individual career paths
Respect for human rights and anti-corruption	Working conditions, including OHS matters	<ul style="list-style-type: none"> ▪ OHS regulations and training ▪ Anti-bullying policy ▪ Whistleblowing procedure ▪ Caring for the psychological well-being of employees

	Corruption and/or misconduct in relations with trading partners/suppliers	<ul style="list-style-type: none"> ▪ Code of Ethics ▪ Anti-Corruption Code ▪ Gift Policy ▪ Whistleblowing procedure ▪ Grupa Pracuj S.A. Group Supplier Code of Conduct
Diversity	Discrimination and workplace bullying	<ul style="list-style-type: none"> ▪ Anti-bullying policy ▪ Whistleblowing procedure
Natural environment	Adverse impact of the Group's activities on the natural environment, including climate risk	<ul style="list-style-type: none"> ▪ Less Waste Office: commitment to implement environmentally friendly practices in the offices ▪ Educating employees and encouraging correct conduct
Relations with customers and job candidates	Cybersecurity and personal data breaches, e.g. data leaks	<ul style="list-style-type: none"> ▪ Personal data protection policy and other documents described in the 'Relations with customers and job candidates' section

Aware of the potential impact of climate change threats on its business, in 2024 the Group plans to conduct a comprehensive analysis of climate risks on its activities. This analysis will be preceded by an assessment of the materiality of ESG issues and a process to identify ESG risks across the organisation's entire value chain.

In the Management Board's opinion, ESG risks are inherently linked to the Group's current operations and cannot be segregated into a separate category. The Company will identify them within the existing areas of risk, both strategic and operational. At the same time, the materiality assessment will also highlight areas requiring additional mitigation measures to reduce the negative impact of these risks on the organisation's business. Examples of such risks include climate risks and all other environmental risks identified by stakeholders as significant, potentially adversely affecting the activities and, consequently, the financial condition of the Group.

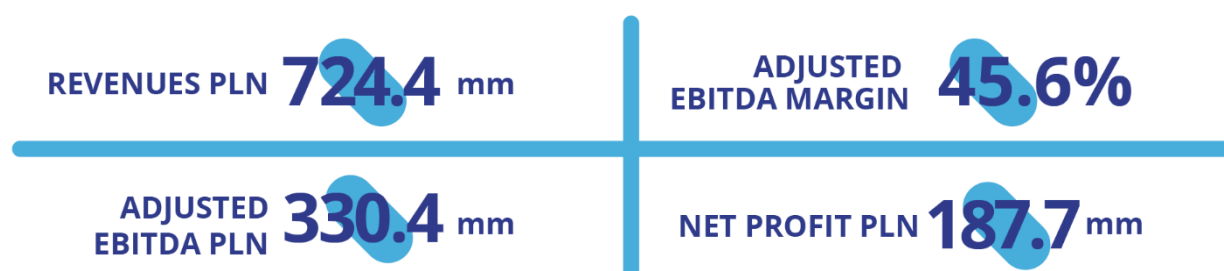
Each identified risk will be monitored in terms of their dual materiality.

The objective of an effective risk management system is the continuous identification and mitigation of all threats to the Group's business as a technology platform, encompassing both risks and opportunities associated with climate change.

ANALYSIS OF 2023 RESULTS

Overview of the Group's activities

Grupa Pracuj in numbers in 2023



In 2023, the Grupa Pracuj S.A. Group earned revenue of PLN 724.4 million, representing a 19.0% increase on 2022.

- Revenue in Segment Poland remained at a level very similar to the previous period, primarily as a consequence of the economic slowdown that affected the domestic labour market. It is important to highlight that, despite a 10.8% year-on-year decrease in the number of Recruitment Projects posted on Pracuj.pl, the revenue level was sustained. This stability was achieved through an effective pricing policy, which was carefully tailored to meet the needs of various customer segments and sales channels;
- Despite the challenging conditions arising from the ongoing armed conflict, Segment Ukraine saw a 60.8% year-on-year revenue growth, driven by an increase in the number of Paid Recruitment Projects. This growth reflects the steadily growing demand in the labour market;
- Revenues for Segment Germany increased by 136.0% year on year. On a net basis (i.e., net of the cost of job offers sold), the segment's revenue increased by 112% year on year, to PLN 133.9 million. The year 2023 marked the first full year of consolidating softgarden's results.

The Company saw an increase in consolidated adjusted EBITDA to PLN 330.4 million in 2023, from PLN 305.3 million in the previous year, a year-on-year growth of 8.2%.

The adjusted EBITDA margin in 2023 amounted to 45.6%, compared with 50.2% in the previous year, primarily due to the consolidation of the softgarden group from 1 July 2022, whose operations generally yield lower profitability than the Group's historical performance.

In 2023, the Group generated a consolidated net profit amounting to PLN 187.7 million, marking a 14.1% increase when compared with the previous year, primarily attributed to a rise in operating profit.

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

2022:

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

2023:

- Remeasurement of the fair value of Beamery Inc. shares by PLN 23.9 million, after accounting for deferred income tax.

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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 Poland³ (GUS) reveal that, as at year-end 2023, the rate was 5.1%, reflecting a slight month-to-month increase from 5.0% at the end of November 2023, yet showing a modest year-on-year decline from 5.2% at the end of December 2022. The total number of registered unemployed individuals at year-end 2023 stood at 788.2 thousand, marking a 1.9% rise from November 2023, which had 773.4 thousand unemployed, and a 3.0% decrease compared with the end of 2022, which saw 812.3 thousand unemployed.
- According to Eurostat⁴, the statistical office of the European Union, Poland's unemployment rate, as measured by EU standards, remained at 3.0% in December 2023. This figure held steady from November 2023 and experienced a slight increase from 2.8% in December 2022, positioning it among the lowest across the European Union. At the end of 2023, the average unemployment rate in the 27 EU countries was 6.0%, and in the Eurozone (20 countries) it was 6.5%.
- Based on data from Statistics Poland⁵, the average monthly nominal gross wage in the national economy for the fourth quarter of 2023 stood at PLN 7,540.36, marking a 12.0% increase from the fourth quarter of 2022. In the business sector (entities employing more than nine people), the average monthly nominal gross wage for the final quarter of 2023 was PLN 7,767.85, showing an 11.5% increase year-on-year. The growth in real average monthly gross wages in the national economy for the compared periods stood at 5.2%, whereas in the business sector, it was 4.7%.
- Based on preliminary figures from Statistics Poland,⁶ consumer prices (CPI) in 2023 showed an average increase of 11.4%, compared with the annualised inflation rate of 14.4% seen in 2022. In recent months, the CPI has remained on a downward trend – in December 2023, inflation was 6.2% y/y, and in January 2024 it fell to 3.7% y/y⁷. The Monetary Policy Council⁸ (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 rebound, and the state of the labour market. In light of these factors, the MPC, at its meeting on 5-6 March 2024, resolved to leave interest rates unchanged. Thus, the primary reference rate has remained at 5.75% since October 2023.
- Preliminary figures from Statistics Poland⁹ indicate that Poland's gross domestic product (GDP) in 2023 saw a real-term increase of 0.2% over the previous year, a slowdown from the 5.3% growth observed in 2022. In the fourth quarter of 2023 alone, real GDP growth was 1.0% y/y¹⁰. In a January 2024 report¹¹, the World Bank maintained its previous projection of a 2.6% real GDP growth for Poland in 2024, and revised its growth forecast for 2025 upwards to 3.4%.

Germany

- The German economy experienced a slowdown in 2023. Based on estimates from the Federal Statistical Office (Destatis)¹², Germany's gross domestic product contracted by 0.3% last year, in contrast to a growth of 1.8% in 2022. In the final quarter of 2023 alone, Germany's GDP saw a year-on-year decrease of 0.4%. The

³ <https://stat.gov.pl/obszary-tematyczne/rynek-pracy/bezrobocie-rejestrowane/>

⁴ <https://ec.europa.eu/eurostat>

⁵ <https://stat.gov.pl/wskazniki-makroekonomiczne/>

⁶ <https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-grudniu-2023-roku.2.146.html>

⁷ <https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-styczeniu-2024-roku-dane-wstepne.2.147.html>

⁸ <https://nbp.pl/wp-content/uploads/2024/03/Komunikat-RPP-marzec-2024.pdf>

⁹ <https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2023-roku-szacunek-wstepny.2.13.html>

¹⁰ <https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/kwartalne-rachunki-narodowe/wstepny-szacunek-produktu-krajowego-brutto-w-iv-kwartale-2023-roku.3.86.html>

¹¹ <https://www.worldbank.org/en/publication/global-economic-prospects>

¹² https://www.destatis.de/EN/Press/2024/02/PE24_066_811.html

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International Monetary Fund's (IMF) projections from January 2024¹³ forecast that country's 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 projections in October 2023.

- Germany's unemployment rate, like Poland's, is one of the lowest in the European Union. According to Eurostat data, the rate was 3.1% in December 2023, remaining stable at that level since last September, compared to 3.0% a year earlier.
- The average annual inflation rate in Germany for 2023 was 5.9%,¹⁴ compared with 7.9% in 2022. 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%,¹⁵ marking the lowest level since June 2021.

Ukraine

- Based on estimates from the National Bank of Ukraine (NBU), the country's gross domestic product is expected to have expanded by 5.7%¹⁶ in 2023. This follows an economic downturn in 2022, with GDP declining by 28.8% due to the Russian invasion and continued hostilities since February 2022. The NBU forecasts Ukraine's GDP to continue to grow by 3.6% in 2024 and 5.8% in 2025.
- According to Ukraine's Centre for Economic Strategies¹⁷, drawing on estimates from the Info Sapiens research agency, Ukraine's unemployment rate in December 2023 stood at 16.1%. This figure represents a decrease from 20.0% a month earlier and 22.3% at the end of 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 that the average annual inflation rate (CPI) for 2023 was 12.8%, a decrease from 20.2% in 2022. It anticipates a further decline to 7.0% in 2024.

¹³ <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

¹⁴ https://www.destatis.de/EN/Press/2024/01/PE24_020_611.html

¹⁵ https://www.destatis.de/EN/Press/2024/03/PE24_094_611.html

¹⁶ <https://bank.gov.ua/en/news/all/inflvatsiyiv-zvit-sichen-2024-roku>

¹⁷ <https://ces.org.ua/en/tracker-economy-during-the-war/>

Operating results in 2023

The operating metrics presented herein are estimated by the Company and the Group and should not be used as a basis for forecasting the financial position and operational performance or for making comparisons with peers.

Financial indicator			Change (y/y)	3 months ended		Change (y/y)
	2023	2022		31 December 2023	2022	
Recruitment services						
Pracuj.pl						
Number of recruitment projects (thousand) ⁽¹⁾	490.6	549.9	(10.8%)	110.8	115.4	(4.0%)
Average price of recruitment project (PLN) ⁽²⁾	898.0	819.5	9.6%	947.2	841.7	12.5%
Robota.ua						
Number of recruitment projects (thousand) ⁽¹⁾	984.2	555.3	77.2%	302.3	142.1	112.7%
Number of no-cost recruitment projects (thousand)	487.2	261.2	86.5%	173.9	61.2	184.2%
Number of paid recruitment projects (thousand)	497.0	294.1	69.0%	128.4	80.9	58.7%
Average price of paid recruitment project (UAH)	727.5	650.9	11.8%	753.0	639.0	17.8%
Average price of paid recruitment project (PLN) ⁽³⁾	83.9	88.1	(4.8%)	82.4	80.4	2.5%
HR Tech SaaS						
eRecruiter						
Number of active customers (SaaS)	1,970	1,816	8.5%	1,970	1,816	8.5%
softgarden						
Number of active customers (SaaS)	1,630	1,443	13.0%	1,630	1,443	13.0%
MRR (SaaS) (in PLN thousands)						
MRR (at the end of the reporting period) ⁽⁴⁾	10,296.2	8,222.6	25.2%	10,296.2	8,222.6	25.2%

⁽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 and softgarden, reported in PLN at the exchange rate at the end of the reporting period.

Pracuj.pl:

- In 2023, Pracuj.pl hosted 490.6 thousand recruitment projects, marking a 10.8% decrease compared to 2022. In the second half of the year, a flattening of the downward trend was observed. In the fourth quarter of 2023, 110.8 thousand recruitment projects were published, compared to 115.4 thousand the previous year, representing a year-on-year decrease of 4.0%.
- Thanks to the effective monetisation tailored to different customer segments and individual sales channels, the average price of a recruitment project also consistently increased. In 2023, it amounted to PLN 898.0, marking an increase of 9.6% despite the economic downturn and unfavourable market sentiment, thanks to the superior quality of customer service and the products and services provided.

Robota.ua:

- In the fourth quarter of 2023 alone, the total number of recruitment projects on Robota.ua surged by 112.7%, reaching 302.3 thousand. Across the entire 2023, the platform hosted 984.2 thousand recruitment projects, marking a 77.2% increase on the previous year.

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- The average price of a Paid Recruitment Project (in UAH) in 2023 increased by 17.2% in the fourth quarter and by 11.8% over the entire year compared with the previous year, as a result of changes in the price lists.

eRecruiter:

- The number of active customers subscribing to eRecruiter saw an 8.5% year-on-year increase in the fourth quarter of 2023, reaching 1,970 by December's end. This growth is chiefly due to the increasing appeal of Talent Acquisition System (TAS) tools in Poland, which simplify core HR management for customers, alongside the continual expansion of eRecruiter's offerings with new modules and services.

softgarden:

- The number of Active Customers with softgarden subscriptions has been consistently rising, reaching 1,630 by the end of the fourth quarter of 2023, which represents a 13.0% increase 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.

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.

Table 1

Financial indicator			Change (y/y)	3 months ended		Change (y/y)
	2023	2022		31 December		
	2023	2022		2023	2022	
EBITDA	316,231	268,366	17.8%	66,570	43,401	53.4%
EBITDA margin (%)	43.7%	44.1%	(0.4pp)	38.4%	27.9%	10.4pp
Adjusted EBITDA	330,442	305,282	8.2%	69,794	59,047	18.2%
Adjusted EBITDA margin (%)	45.6%	50.2%	(4.5pp)	40.2%	38.0%	2.2pp

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 programmes and acquisition-related expenses 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.

Financial results in 2023

Management Board's position on delivery of profit guidance

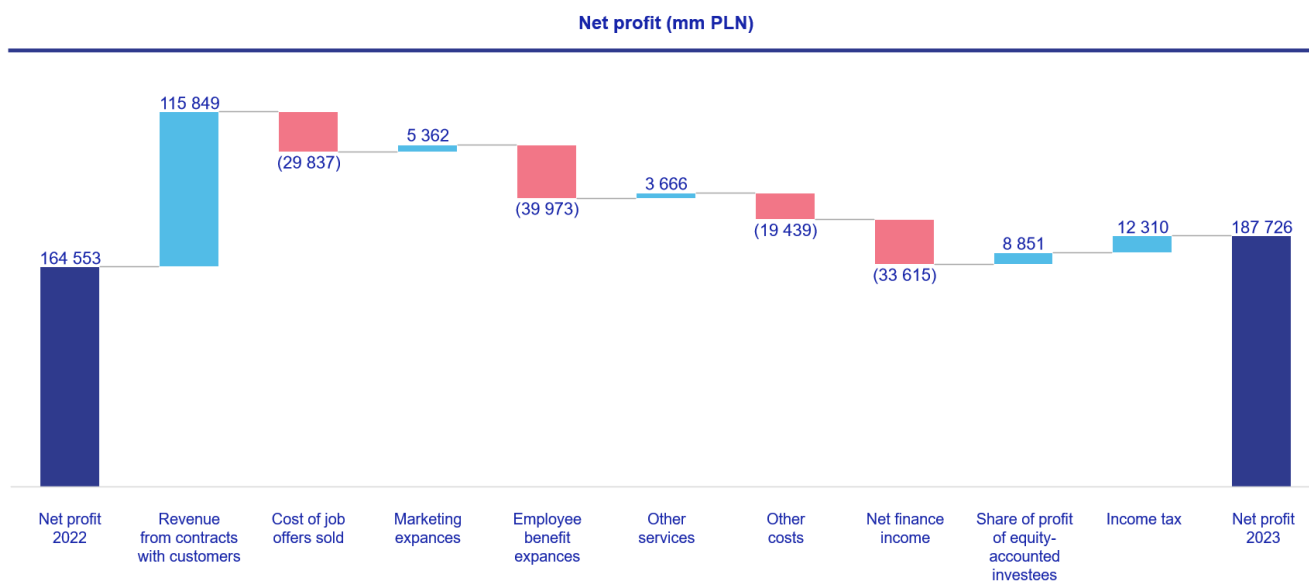
The Management Board of Grupa Pracuj S.A. did not release financial forecasts for 2023 for the Group.

Grupa Pracuj S.A. Group

In 2023, the Grupa Pracuj S.A. Group reported a consolidated net profit of PLN 187.7 million, marking a 14.1% increase from the previous year. This growth primarily stemmed from increased operating profits in Segment Poland and Segment Ukraine and the consolidation of Segment Germany's profit for the entire year. Additionally, remeasurement to fair value of shares in Beamery Inc., of PLN 23.9 million (after accounting for the deferred tax asset), conversely impacted the Group's net result. After adjusting for this one-off event, net profit increased by 28.6% year on year, reaching PLN 211.6 million in the reporting period.

Following the agreement to acquire 100% of the shares in Spoonbill Holding GmbH, dated 14 June 2022, the purchase price allocation process was finalised on the last day of June 2023. 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 accounting for the acquisition resulted in retrospective restatements of comparative data for 2022. For details of the effect of the restatement, see Note 6.4 to the Group's consolidated financial statements for the year ended 31 December 2023.

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



Financial results of the Group

	2023	2022 (restated)	Change (y/y)
Revenue from contracts with customers, including:	724,398	608,549	19.0%
Segment Poland	508,090	508,633	(0.1%)
Segment Ukraine	41,689	25,919	60.8%
Segment Germany	174,619	73,997	136.0%
Amortisation and depreciation	(34,437)	(22,200)	55.1%
Cost of job offers sold	(40,667)	(10,830)	275.5%
Employee benefits expense	(252,050)	(212,077)	18.8%
Marketing expenses	(54,087)	(59,449)	(9.0%)
Software as service	(13,326)	(8,890)	49.9%
Other services	(35,505)	(39,171)	(9.4%)
Other costs	(11,032)	(8,100)	36.2%
Other income	3,160	2,425	30.3%
Other expenses	(3,992)	(3,177)	25.7%
Expected credit losses	(668)	(914)	(26.9%)
Operating profit, including:	281,794	246,166	14.5%
Segment Poland	268,515	250,652	7.1%
Segment Ukraine	7,187	(6,992)	(202.8%)
Segment Germany	6,092	2,506	143.1%
Finance income	7,134	6,407	11.3%
Finance costs	(65,210)	(30,868)	111.3%
Net finance income / (costs)	(58,076)	(24,461)	137.4%
Share of profit of equity-accounted investees	8,003	(848)	(1,043.8%)
Profit before tax	231,721	220,857	4.9%
Income tax	(43,995)	(56,304)	(21.9%)
Net profit	187,726	164,553	14.1%

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

	2023	2022 (restated)	Change (y/y)
Revenue from contracts with customers (PLN thousand)	724,355	608,549	115,806
Amortisation and depreciation	4.8%	3.6%	1.1%
Cost of job offers sold	5.6%	1.8%	3.8%
Employee benefits expense	34.8%	34.8%	(0.1%)
Marketing expenses	7.5%	9.8%	(2.3%)
Software as service	1.8%	1.5%	0.4%
Other services	4.9%	6.4%	(1.5%)
Other costs	1.5%	1.3%	0.2%
Other income	(0.4%)	(0.4%)	(0.0%)
Other expenses	0.6%	0.5%	0.0%
Expected credit losses	0.1%	0.2%	(0.1%)
Operating profit margin	38.9%	40.5%	(1.6pp)

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Revenue from contracts with customers:

- The Group's revenue saw a 19.0% increase from the previous year, primarily driven by the consolidation of the softgarden group's revenue from 1 July 2022, an increase in the pricing of recruitment projects on Pracuj.pl, and a consistent rise in subscriptions to both the softgarden and eRecruiter systems, which operate under the SaaS (Software as a Service) model.
- The rise in the average price of recruitment projects on Pracuj.pl (+9.6% year on year) enabled the company to offset the decline in revenue caused by the reduced number of recruitment projects (490.6 thousand in the reporting period compared with 549.9 thousand in the previous year, a 10.8% year-on-year decrease) and maintain revenue levels consistent with the previous year.
- Double-digit growth in the number of Paid Recruitment Projects on Robota.ua (497 thousand in 2023 vs. 294 thousand in 2022, equating to a 69% year-on-year increase) was the primary driver of revenue growth in Segment Ukraine. However, it's important to note that revenues in 2023 remained nearly 18% lower than those reported in 2021, the year before the outbreak of the armed conflict.
- The number of active customers using the eRecruiter system has been consistently rising, reaching 1,970 by the end of 2023, which represents an 8.5% increase year on year.
- An upward trend is also observed in the case of the number of Active Customers of the softgarden system, 1,630 customers at the end of the year represents an increase of 13% y/y. Additionally, revenue performance in Segment Germany is not solely driven by subscription model sales but also by the sale of services under multi-posting, which entails the simultaneous publication of job listings across various recruitment platforms. Revenue from multi-posting is recognised on a gross/net basis depending on whether the company acts as an agent or principal – in cases of purchases made specifically under a customer's order, a net presentation is adopted, whereas purchases intended for subsequent resale are presented on a gross basis.

Operating expenses:

- The 18.6% rise in employee benefit expense primarily stems from recognising the softgarden group's employee costs for the full 12 months in the reporting period, as well as from the continuous increase in average wages in Poland. At the same time, during the reporting period, these expenses were not burdened by the costs of the gratuitous transfer of Company shares by some shareholders to the senior management of the Group, as was the case in 2022 (which reduced the increase in costs by nearly PLN 14 million).
- Marketing expenses fell by 9%, to PLN 54.1 million. This decrease was attributed to a reduction in Pracuj.pl's marketing initiatives, driven by increased activity among candidates and the brand's high level of recognition. At the turn of the third and fourth quarters of 2023, a reach marketing campaign was launched, with a particular focus on channels such as the Internet and social media.
- The 49.9% increase in software usage costs was primarily due to the inclusion of the softgarden group's expenses for an entire 12 months, development costs for the CRM system, a rise in the number of software users, and higher software access prices incurred by the Group.
- The decrease in costs of other services compared to the previous year was attributable to reduced acquisition-related expenses as in 2022 the acquisition of the softgarden group was a significant factor contributing to the cost base.
- The increase in other costs from PLN 8.1 million to PLN 11 million was chiefly due to the consolidation of the softgarden group's expenses for the full 12-month period.
- Depreciation and amortisation expense rose year on year, mainly as a result of the inclusion of expenses attributable to the softgarden Group, including amortisation charges recognised in the purchase price allocation process.

Grupa Pracuj S.A.

Financial results of the Company

	2023	2022	Change (y/y)
Revenue from contracts with customers	469,706	477,251	(1.6%)
Amortisation and depreciation	(11,116)	(8,931)	24.5%
Employee benefits expense	(128,565)	(132,723)	(3.1%)
Marketing expenses	(40,359)	(50,522)	(20.1%)
Software as service	(6,617)	(5,397)	22.6%
Other services	(23,180)	(31,183)	(25.7%)
Other costs	(5,397)	(4,997)	8.0%
Other income	1,435	1,227	17.0%
Other expenses	(477)	(1,340)	(64.4%)
Expected credit losses	(252)	(743)	(66.1%)
Operating profit	255,178	242,642	5.2%
Finance income	11,350	10,515	7.9%
Finance costs	(64,771)	(36,832)	75.9%
Net finance income / (costs)	(53,421)	(26,317)	103.0%
Share of profit of equity-accounted investees	8,003	(848)	(1,043.8%)
Profit before tax	209,760	215,477	(2.7%)
Income tax	(36,890)	(50,713)	(27.3%)
Net profit	172,870	164,764	4.9%

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

	2023	2022	Change (y/y)
Revenue from contracts with customers (PLN thousand)	469,706	477,251	(7,545)
Amortisation and depreciation	2.4%	1.9%	0.5%
Employee benefits expense	27.4%	27.8%	(0.4%)
Marketing expenses	8.6%	10.6%	(2.0%)
Software as service	1.4%	1.1%	0.3%
Other services	4.9%	6.5%	(1.6%)
Other costs	1.1%	1.0%	0.1%
Other income	(0.3%)	(0.3%)	(0.0%)
Other expenses	0.1%	0.3%	(0.2%)
Expected credit losses	0.1%	0.2%	(0.1%)
Operating profit margin	54.3%	50.8%	(3.5pp)

Revenue from contracts with customers:

- Revenue generated by the Company in 2023 fell 1.6%, to PLN 469.7 million. The primary reason for the decline was a lower number of recruitment projects (490.6 thousand in 2023 versus 549.9 thousand in 2022, i.e., a decrease of 10.8% year on year), which was largely offset by their higher price (+9.6% year on year). However, in 2023 revenue from the sale of branding products (including Employer Profiles) increased by 28.8% year on year.

Operating expenses:

- Employee benefit expenses in the reporting period decreased primarily due to the recognition in 2022 of a gratuitous transfer of Company shares worth PLN 14 million by certain shareholders to senior management members of the Group, resulting in a high-base effect. Employee benefits expense in 2023 was also affected by the Company's steadily rising average salary.
- The reduction in marketing costs by 20.1% year on year was possible due to the brand's high recognition and increased activity from candidates. Moreover, product modifications – such as optimising the Pracuj.pl service for a better alignment of offers with strategic segments, enhancing the login and registration process for candidates, and introducing referral programmes – significantly increased conversion rates. Concurrently, there was a focus on market education and a stronger emphasis on leveraging channels like the Internet and social media.
- The increase in depreciation and amortisation expense to PLN 11.1 million was due in part to the completion last year of development work on projects that expanded the functionality of offered services, along with increased expenditure on hardware purchases and the expansion of IT infrastructure.
- The decrease in costs of other services compared to the previous year was attributable to reduced acquisition-related expenses as in 2022 the acquisition of the softgarden group was a significant factor contributing to the cost base.
- Software-as-a-service costs rose by 22.6%, to PLN 6.6 million, driven by an increase in the number of software users and higher costs of access to software used by the Company.

Financial position

Grupa Pracuj S.A. Group

Assets of the Group

Group's assets	31 December 2023	31 December 2022 (restated)	Change (y/y)
Non-current assets, including:	754,564	800,157	(5.7%)
Intangible assets	88,677	96,377	(8.0%)
Property, plant and equipment	12,359	12,382	(0.2%)
Right-of-use assets	31,780	15,093	110.6%
Goodwill	446,128	481,209	(7.3%)
Equity-accounted investees	30,725	27,407	12.1%
Other financial assets	103,810	130,622	(20.5%)
Other non-financial assets	840	944	(11.0%)
Deferred tax assets	40,245	36,123	11.4%
Current assets, including:	274,145	218,058	25.7%
Inventory	1,891	3,912	(51.7%)
Trade receivables	68,312	73,121	(6.6%)
Other financial assets	191	348	(45.1%)
Other non-financial assets	39,995	31,139	28.4%
Cash and cash equivalents	163,756	109,538	49.5%
Total assets	1,028,709	1,018,215	1.0%

Non-current assets decreased to PLN 754.6 million compared with the amount as at 31 December 2022. The year-on-year change in goodwill was due to movements in the EUR/PLN exchange rate. Exchange differences arising from the revaluation were taken to equity. Right-of-use assets increased following the renewal of office space leases. Other financial assets decreased due to the remeasurement of the fair value of Beamery Inc. shares by PLN 23.9 million net.

The 25.7% increase in current assets is mainly the result of an increase in cash and other non-financial assets. Other non-financial assets increased, among other reasons, due to prepayments made for marketing services, an increase in unbilled sales of job postings, and bonuses from sold job offers.

Equity and liabilities of the Group

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Equity and liabilities of the Group	31 December 2023	31 December 2022 (restated)	Change (y/y)
Equity, including:	363,183	310,956	16.8%
Equity attributable to owners of the Parent	363,145	310,923	16.8%
Non-controlling interests	38	33	15.2%
Total liabilities, including:	665,526	707,259	(5.9%)
Non-current liabilities, including:	285,530	341,119	(16.3%)
Bank borrowings	239,295	303,168	(21.1%)
Lease liabilities	23,595	8,762	169.3%
Other financial liabilities	16,768	9,138	83.5%
Employee benefit obligations	1,838	1,847	(0.5%)
Deferred tax liabilities	4,034	18,204	(77.8%)
Current liabilities, including:	379,996	366,140	3.8%
Bank borrowings	23,543	63,492	(63.0%)
Lease liabilities	10,472	10,942	(4.3%)
Other financial liabilities	8,076	4,171	93.6%
Employee benefit obligations	29,785	23,618	26.1%
Trade payables	35,650	32,809	8.7%
Other non-financial liabilities	15,385	16,765	(8.2%)
Current tax liabilities	15,432	5,923	160.5%
Contract liabilities	241,653	208,420	15.9%
Total equity and liabilities	1,028,709	1,018,215	1.0%

As of the end of December 2023, the equity of the Group increased to approximately PLN 363.2 million, mainly as a result of recognising the net profit for the current year.

Total liabilities fell to PLN 665.5 million, marking a 5.9% decrease year on year.

The Group's total liabilities under bank borrowings are steadily decreasing due to regular debt repayments and an early repayment of PLN 40.0 million.

Non-current lease liabilities increased by 169.3% mainly due to the renewal of existing office lease contracts. Other long-term liabilities changed due to a revaluation of the put option resulting from the increased valuation of Robota International TOV. For details, see Note 4.3 'Trade payables and other financial liabilities' in the consolidated financial statements of the Group for the year ended 31 December 2023.

Current liabilities increased to PLN 380.0 million at the end of December 2023. The change resulted, among other factors, from an increase in contract liabilities linked to a higher volume of customer service orders in the last quarter, a change in the value of derivative financial instruments following hedge agreements aimed at mitigating the Company's exposure to interest rate changes, and an increase in current income tax liabilities. Current tax liabilities increased on year-end 2022, as in 2023 income tax was paid in the form of monthly flat-rate advances, in contrast to the income tax payments in 2022, which were based on a monthly calculation of the liability. Simultaneously, there was a reduction in liabilities related to bank borrowings due to the repayment of the non-current portion of the liability.

Grupa Pracuj S.A.

Assets of the Company

Assets of the Company	31 December 2023	31 December 2022	Change (y/y)
Non-current assets, including:	798,316	796,061	0.3%
Intangible assets	17,636	10,098	74.6%
Property, plant and equipment	7,965	7,734	3.0%
Right-of-use assets	21,547	10,053	114.3%
Investments in subsidiaries	580,698	578,325	0.4%
Equity-accounted investees	30,725	27,407	12.1%
Other financial assets	102,991	129,916	(20.7%)
Other non-financial assets	646	733	(11.9%)
Deferred tax assets	36,108	31,795	13.6%
Current assets, including:	116,592	112,314	3.8%
Trade receivables	45,261	48,724	(7.1%)
Other financial assets	117	83	41.0%
Other non-financial assets	5,113	4,241	20.6%
Cash and cash equivalents	66,101	59,266	11.5%
Total assets	914,908	908,375	0.7%

Non-current assets increased to PLN 798.3 million. The increase in intangible assets is attributable to the completion of development work on projects extending the functionality of the Company's services. Right-of-use assets increased following the renewal of office space leases. Other financial assets decreased due to the remeasurement of the fair value of Beamery Inc. shares by PLN 29.5 million net.

Current assets went up 3.8% compared with 31 December 2022, mainly as a result of an increase in cash.

Equity and liabilities of the Company

Equity and liabilities of the Company	31 December 2023	31 December 2022	Change (y/y)
Equity, including:	408,894	324,205	26.1%
Total liabilities, including:	506,014	584,170	(13.4%)
Non-current liabilities, including:	260,968	329,603	(20.8%)
Bank borrowings	239,295	303,168	(21.1%)
Lease liabilities	15,978	6,535	144.5%
Employee benefit obligations	1,661	1,696	(2.1%)
Deferred tax liabilities	4,034	18,204	(77.8%)
Current liabilities, including:	245,046	254,567	(3.7%)
Bank borrowings	23,543	63,492	(62.9%)
Lease liabilities	6,635	6,935	(4.3%)
Employee benefit obligations	13,735	12,995	5.7%
Trade payables	12,715	13,393	(5.1%)
Other non-financial liabilities	11,383	10,523	8.2%
Other financial liabilities	8,076	4,171	93.6%
Current tax liabilities	11,030	5,681	94.2%
Contract liabilities	157,929	137,377	15.0%
Total equity and liabilities	914,908	908,375	0.7%

As of the end of December 2023, the equity of the Company increased to approximately PLN 408.9 million, mainly as a result of recognising the net profit for the current year.

The Company's total liabilities under bank borrowings are steadily decreasing due to regular debt repayments and an early repayment of PLN 40.0 million.

Non-current lease liabilities increased by 144.5% mainly as a result of the renewal of an existing office lease contract.

Current liabilities fell to PLN 245.0 million at the end of December 2023, mainly as a result of repayment of the short-term portion of the credit facility. Contract liabilities, however, increased due to an increase in sales of services to be performed in the next 12 months. The value of derivative financial instruments arising from the agreement hedging the Company against interest-rate risk also changed. Current tax liabilities increased on year-end 2022, as in 2023 income tax was paid in the form of monthly flat-rate advances, in contrast to the income tax payments in 2022, which were based on a monthly calculation of the liability.

Cash flows

Grupa Pracuj S.A. Group

Cash flows of the Group

The Group	2023	2022 (restated)	Change (y/y)
Net cash flows from operating activities	322,906	239,019	35.1%
Net cash flows from investing activities	(22,141)	(517,650)	(95.7%)
Net cash flows from financing activities	(246,514)	203,332	(221.2%)
Total net cash flows	54,250	(75,299)	(172.0%)

Net cash flows from operating activities

Net cash flows from operating activities increased by 35.1% year on year, mainly as a result of higher receipts of receivables from contracts with customers in line with the increased scale of the Group's operations.

Net cash flows from investing activities

In 2023, the net cash flows from investment activities were predominantly affected by expenditures on the acquisition of property, plant, and equipment; investments in in-house software development; and investments in IT infrastructure. The change from 2022 was mainly due to the acquisition of shares in Spoonbill Holding GmbH in the previous year.

Net cash flows from financing activities

In 2023, the Group reported a negative balance of cash flows from financing activities, including primarily dividend payment of PLN 102.4 million, payment of the principal amount of the term facility of PLN 104.0 million, payment of interest on the term facility of PLN 27.3 million, and payment of liabilities under lease contracts on an ongoing basis. The main factor affecting the amount of cash flows from financing activities in 2023 was the receipt of funds under the PLN 400.0 million credit facility.

Grupa Pracuj S.A.

Cash flows of the Company

The Company	2023	2022	Change (y/y)
Net cash flows from operating activities	255,388	257,021	(0.6%)
Net cash flows from investing activities	(6,482)	(546,399)	(98.8%)
Net cash flows from financing activities	(242,039)	206,830	(217.0%)
Total net cash flows	6,867	(82,548)	(108.3%)

Net cash flows from operating activities

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

Net cash flows from investing activities

The items that had the most significant impact on net cash flows from investing activities in 2023 included expenditure on in-house software development and infrastructure upgrades. These were partially offset by cash receipts from dividends amounting to PLN 7.2 million. The change from 2022 was mainly due to the acquisition of shares in Spoonbill Holding GmbH in the previous year.

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Net cash flows from financing activities

In 2023, the Company reported a negative balance of cash flows from financing activities, including primarily dividend payment of PLN 102.4 million, payment of the principal amount of the term facility of PLN 104.0 million, payment of interest on the term facility of PLN 27.3 million, and payment of liabilities under lease contracts on an ongoing basis. The main factor affecting the amount of cash flows from financing activities in 2023 was the receipt of funds under the PLN 400.0 million credit facility.

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:

- **Operational efficiency of the Group.** The strong position the Group has cultivated with its customers in recent years, combined with the high level of customer service and the added value of its products across all markets, enables a structured and systematic rise in the average prices of recruitment projects, subscriptions, and other services. This approach, in turn, leads to a steady expansion of the range of services offered by the Group. The continued development of the Group, grounded in innovation and added value, encourages its individual companies to consistently introduce new solutions in the online recruitment. Flexibly responding to customer needs, while continuously enhancing and modernising the offered products, contribute to reinforcing the Group's position across its primary markets. This approach also facilitates deeper market penetration, achieved through leveraging economies of scale.
- **Process automation.** The Management Board's current aim is to automate and optimise processes across the Group.
- **Potential macroeconomic recovery.** Based on internal analyses as of the publication date of this report, the Company's Management Board expects a gradual, rather than sudden, market recovery. Improving macroeconomic factors and the geo- and political environment, closely tied to Poland's membership in the European Union, will significantly affect the sentiment and decision-making processes of both business (the Group's customers) and users (candidates).
- **Staff shortages** and the continued challenge for businesses in finding highly qualified staff support moderately optimistic assumptions regarding the number of job postings to be published on the Group's portals in the upcoming quarters.
- **Large capacity to contract external financing.** The Group not only possesses the ability to meet its obligations on time but also maintains a low debt ratio, which stood at 0.44 at the end of December 2023.
- **Increased appetite for acquisitions.**

Trends in the labour market that will shape the market in the near future include:

- Noticeable shortage of job candidates – demographic shifts are leading to a constrained supply of workers, an issue that is increasingly evident, particularly within the European Union;
- Labour flexibility – the market's shift away from the traditional office-based work model, whether temporary or permanent, is irreversible; hybrid work arrangements are a key factor influencing job offer selection;
- Globalisation of the labour market – remote work has opened up the labour market, removing geographical barriers, increasing competition, and enabling individuals to work for multiple companies simultaneously;
- Pay transparency – the specialist staff shortage, particularly when salary is a primary factor in changing jobs, encourages greater transparency in remuneration policies, including regulatory changes in this area. In April 2023, an EU directive was adopted that mandates companies within the EU to disclose salary information and initiate corrective measures if the gender pay gap within the organisation exceeds 5%. Member states have three years to incorporate the directive's provisions into national law;

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- Automation and artificial intelligence – enhancements in HR specialists' work are currently fuelling the evolution of the HR Tech industry. Through the introduction of new services leveraging AI technologies, it will become possible not only to precisely identify suitable recruitment channels and shorten the time of recruitment processes but also to categorise candidates and tailor recruitment strategies to meet local conditions;
- Building candidate engagement – fostering enduring relationships, whether with active job seekers or the so-called passive candidates, is emerging as a crucial focus for HR departments; recruitment process management systems facilitate the automation of processes and enhance work efficiency, thereby enabling the development of more personalised relationships.

Management of financial resources

The Group's capital management objective is to ensure a secure and efficient financing structure that considers operational risks, capital expenditures, and the interests of shareholders and other stakeholders. The capital management policy is detailed in Note 4.1 of the consolidated financial statement of the Group for the year ended 31 December 2023.

In 2023, the Group was fully capable of meeting its liabilities when due. Operating and investing activities were financed with the Group's own funds.

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.

Debt-to-equity ratio

	31 December 2023	31 December 2022 (restated)
Bank borrowings	262,838	366,660
Lease liabilities	34,067	19,704
Other financial liabilities	24,844	13,309
Less: cash and cash equivalents	(163,756)	(109,538)
Net debt	157,993	290,135
Equity	363,183	310,956
Leverage (net debt to equity)	0.44	0.93

Borrowings

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

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

On 27 June 2022, the Management Board announced completion, on 24 June 2022, of the acquisition of 25,000 shares, representing 100% of the share capital of Spoonbill Holding GmbH and indirectly 100% of shares in Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH, from Eden Investment S.à r.l. (controlled by the alternative asset manager Investcorp) and Stefan Schüffler Beteiligungs UG (haftungsbeschränkt) (see Current Report No. 17/2022 of 27 June 2022).

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

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

For details of the credit facility, see Note 4.3 'Debt liabilities' in the consolidated financial statements of the Group for the year ended 31 December 2023.

Sureties and guarantees

As at 31 December 2023, the Company and its subsidiaries did not issue or receive any significant sureties or guarantees that would materially affect the Group's assets and financial position, except for bank guarantees that secure lease payments under office lease contracts in which the Group acts as a lessee. They are described in Note 7.8 'Contingent liabilities' in the consolidated financial statements of the Group for the year ended 31 December 2023.

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

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

CORPORATE GOVERNANCE

Corporate governance code and its application

The Company strives to ensure the fullest possible transparency, quality of communication with investors and protection of shareholder rights, also beyond what is required by law.

Accordingly, it makes all reasonable effort to apply, to the fullest extent possible, the principles of good corporate governance laid down in the 'Best Practice for GPW Listed Companies 2021' as adopted by the Supervisory Board of the Warsaw Stock Exchange Resolution pursuant to Section 29.1 of the WSE Rules, by Resolution No. 13/1834/2021 of 29 March 2021 (the 'Best Practice 2021').

The Best Practice 2021 is a comprehensive set of principles and recommendations that aim to guide listed companies in their disclosure of information and communication with investors, shaping their governance structures and internal functions and systems, engaging shareholders and conducting general meetings, managing conflicts of interest, and reporting related-party transactions. The document is available in the corporate governance section of the official Warsaw Stock Exchange website at www.gpw.pl/dobre-praktyki.

For information on the Company's compliance with the Best Practice 2021, see the Company's corporate website at <https://grupapracuj.pl/dla-inwestorow/raporty-biezace> ('EBI' tab) in 2023.

The principles of the Best Practice 2021 which were not complied with by the Management Board in 2023 and an explanation of the reasons for such non-compliance are presented below.

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

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

2. MANAGEMENT BOARD AND SUPERVISORY BOARD

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

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

4. GENERAL MEETING AND SHAREHOLDER RELATIONS

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

<p>6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.</p>	<p>The Company has established a share-based incentive scheme which is subject to rigorous performance metrics, including both financial and non-financial targets for the period from 2022 to 2024. Share awards under the scheme will vest after 31 March 2025. Subject to achievement of relevant performance targets, eligible persons will be entitled to acquire Company shares at a substantial discount relative to their price as at the establishment date of the scheme.</p>
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In 2023, the Company complied with all other principles outlined in the Best Practice 2021.

Changes after the reporting date

After the reporting date, the Management Board reviewed current activities and re-assessed Company's compliance with the Best Practice 2021.

To check the current status of the Company's compliance with the Best Practice 2021 (as of 2 April 2024), visit the Company's corporate website at <https://grupapracuj.pl/dla-inwestorow/raporty-biezace> (under the *EBI* tab).

The principles of Best Practice 2021 that the Management Board currently does not adhere to, along with an explanation for such non-compliance, are detailed below.

Principle	Comment on compliance
1. DISCLOSURE POLICY AND INVESTOR COMMUNICATIONS	
<p>1.3. Companies integrate ESG factors in their business strategy, including in particular:</p> <p>1.3.1 environmental factors, including measures and risks relating to climate change and sustainable development;</p>	<p>The Company has not yet formalised a document addressing ESG matters, including environmental considerations. Nevertheless, sustainability is a significant aspect of the Company's operations. Recognising the significance of climate change, the Company calculates the carbon footprint for the entire Group. This is done not only to minimise its environmental impact but also to establish a foundation for future initiatives aimed at neutralising the impact of its operations on the natural environment. The Company also undertakes a number of initiatives to educate and foster pro-environmental attitudes among employees.</p> <p>The Company strives to apply the principles of corporate governance to the fullest extent possible, and therefore it is the Company's intention to formalise its stated strategic goals and to include ESG issues as well.</p>
<p>1.3.2. social and employee factors, including among others actions taken and planned to ensure gender equality, healthy working conditions, respect for employees' rights, dialogue with local communities, customer relations.</p>	<p>The Company has not yet formalised a document addressing ESG matters, including social and labour considerations. Nevertheless, the Company places significant emphasis on these matters and is dedicated to promoting gender equality, maintaining healthy working conditions, and respecting employees' rights. Furthermore, it is committed to fostering positive relationships with its customers and to implementing effective measures to achieve these objectives. The Company's initiatives encompass investing in the development of employee competencies, supporting female managers in their career growth, conducting periodic Work Environment and Organisational Culture Surveys, offering regular training on health and safety, including psychological well-being, and adhering to the Code of Ethics in all business relations. Furthermore, the Company actively participates in and supports initiatives aimed at fostering professional and modern recruitment practices, developing digital skills, combating inequality, and promoting knowledge sharing, as well as education for both the market and potential candidates.</p> <p>The Company strives to apply the principles of corporate governance to the fullest extent possible, and therefore it is the Company's intention to formalise its stated strategic goals and to include ESG issues as well.</p>
<p>1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.</p>	<p>The Company does not currently have a formal business strategy. Nevertheless, the Company's Management Board conveys to market participants and stakeholders, also during earnings presentations, the strategic objectives consulted with the Supervisory Board. This communication is done to the extent necessary for them to understand the key assumptions underlying the development directions of the Company and its Group.</p> <p>The Company strives to apply the principles of corporate governance to the fullest extent possible, and therefore it is the Company's intention to formalise its stated strategic goals and to include ESG issues as well. If a business strategy is formally adopted, the Company undertakes to publish it, including all the required information mandated by principle 1.4, on the Company's corporate website.</p>

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Principle	Comment on compliance
<p>1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;</p>	<p>The Company does not currently have a formal business strategy or any other comparable document which would incorporate the considerations specified in principle 1.4.1.</p> <p>Nevertheless, the Company's Management Board strives to incorporate climate change and sustainability considerations into its decision-making processes. The goal is to reduce the carbon footprint of the Group companies and minimise the adverse effects of their operations on the natural environment.</p>
<p>1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.</p>	<p>The Company does not currently have a formal business strategy and, therefore, does not keep statistics on the issues specified in principle 1.4.2.</p> <p>However, the Company is committed to providing fair and equitable pay and equal access to career development opportunities to all employees, regardless of their gender. The Company remunerates employees and associates based on their skills and expertise, while taking into account prevailing market conditions and the competitive environment in its industry and without considering the individual's gender. The Company will also endeavour to comply with the Directive on equal pay and transparency, particularly by implementing transparent remuneration rules.</p>
<p>1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.</p>	<p>The Company does not currently have a formal CSR or sponsorship policy, and its sponsorship spending to date has been relatively insignificant compared to the Group's other cost items. If expenditures on social and sponsorship activities become significant in comparison to the Group's other costs, the Company will reevaluate its position and contemplate disclosing an account of these expenses.</p> <p>Notwithstanding the above, the Company presents information on major CSR initiatives in its non-financial statement for the fiscal year.</p>

2. MANAGEMENT BOARD AND SUPERVISORY BOARD

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

Principle	Comment on compliance
<p>2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.</p>	<p>The Company does not currently have a policy in place which would require members of its Management Board to seek the Supervisory Board's prior approval to serve on a governing body of a non-Group entity. However, the Company's Articles of Association provide that no member of the Management Board may transact or engage in any business competing with that of the Company or be a partner or shareholder in any competing partnership or serve on a governing body of a competing company or any other competing legal entity without the Supervisory Board's prior consent. This restriction also applies to engagements with a competing company in which the Management Board member holds more than 10% of shares or the right to appoint at least one member of the management board.</p> <p>The Company believes that since serving on its Management Board constitutes the primary professional engagement of its members, their participation in the governing bodies of other, non-competing entities does not hinder their ability to fulfil their responsibilities to the Company effectively.</p>
<p>2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: 2.11.5. assessment of the rationality of expenses referred to in principle 1.5;</p>	<p>The principle is not complied with as the Company does not apply principle 1.5.</p> <p>If expenditures on social and sponsorship activities become significant in comparison to the Group's other costs, the Company will submit an account of such expenses to the Supervisory Board for a review of their rationality.</p>
<p>2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: 2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.</p>	<p>The principle is not complied with as the Company does not apply principle 2.1.</p> <p>If the Company establishes a diversity policy, the Supervisory Board will include in its report an evaluation of how effectively this policy has been implemented with respect to both the Management Board and the Supervisory Board.</p>

3. INTERNAL SYSTEMS AND FUNCTIONS

<p>3.6 The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.</p>	<p>The Company complies with this principle only partially. The individual in charge of internal audit is organisationally accountable to the Member of the Management Board, specifically the Chief Financial Officer (CFO), and functionally reports to the Chair of the Audit Committee. This form of organisational subordination aligns with the IIA Standards and, in the Company's view, facilitates the proper execution of duties without compromising the internal auditor's independence and objectivity.</p>
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4. GENERAL MEETING AND SHAREHOLDER RELATIONS

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

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Principle	Comment on compliance
<p>6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.</p>	<p>The Company's existing share-based incentive scheme (established before the Company was listed) is tied to the attainment of ambitious financial and non-financial goals for the period from 2022 to 2024, but it is not linked to the achievement of sustainable development objectives. Share awards under the scheme will vest after 31 March 2025. Subject to achievement of relevant performance targets, eligible persons will be entitled to acquire Company shares at a substantial discount relative to their price as at the establishment date of the scheme.</p> <p>The Company will consider applying the rule in the future.</p>

The Company complies with all other principles outlined in the Best Practice 2021.

Information policy and stakeholder relations management

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

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

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

The Management Board holds regular meetings with representatives of the investor community, shareholders and media upon the release of each periodic report, providing a platform for open and constructive dialogue and addressing any queries. In 2023, all earnings calls were held online, with the webcasts promptly posted on the Company's corporate website.

Throughout the year, the Management Board and the person responsible for investor relations regularly meet with market participants, both online and in person, responding to any inquiries about the Company and/or its operations as soon as practicable. Company representatives also regularly participate in investor conferences, both in Poland and abroad.

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

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

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

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

The Company's internal control and risk management system in the financial reporting process is implemented through:

- Verification of the Group companies' compliance with uniform accounting policies regarding recognition, valuation, and disclosures in accordance with International Financial Reporting Standards approved by the European Union;
- Use of internal control mechanisms, including segregation of duties, multi-level data authorisation and verification of the accuracy of received data;

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- Recording of economic events in an integrated financial-accounting system, set up to comply with the Company's accounting policies and containing instructions and control mechanisms to ensure data consistency and integrity;
- Formalised financial reporting process (tasks with defined deadlines and assigned responsibilities for their execution);
- Application of uniform reporting templates and periodic verification of their correct application by the Group companies;
- Verification of the Group companies' financial statements' conformity with the data entered into the consolidated worksheet used to prepare the Group's consolidated financial statement;
- Review by an independent auditor of the published interim condensed financial statements for the half-year and the audit of the annual financial statements of the Company and the Group;
- Procedures for the authorisation, approval and review of financial statements before their release;
- Continuous enhancement of formal regulations within the Group aimed at standardising reporting processes and their ongoing improvement.

Economic events at the Group are recorded in an integrated financial and accounting system. The security and accessibility of information in the system are managed across the database, application and presentation layers, and at the level of the operating system. System integration is ensured by data entry control systems. The Group continually adapts its IT system to accommodate changes in accounting standards or other legal requirements.

The preparation of individual statutory financial statements is the responsibility of the companies within the Group. The Company, specifically the Finance Department, is tasked with compiling the Group's consolidated financial statement and the Company's separate financial statement. Once prepared, consolidated and separate financial statements are submitted to the Chief Financial Officer for preliminary review, and then to the Management Board for final review and authorisation. Prior to their public release, consolidated and separate financial statements are also submitted to the Audit Committee, which is composed of three independent members of the Supervisory Board.

The Audit Committee, appointed by the Supervisory Board in the exercise of its powers, is a supervisory body with some of its powers and responsibilities defined in the Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017, including the following:

- monitoring the preparation of the Group's financial statements for compliance with the accounting policies adopted by the Group and applicable laws;
- monitoring the independence of the audit firm;
- monitoring the effectiveness of the internal control, internal audit and risk management systems;
- submitting recommendations to ensure that the financial reporting process in place at the Company is fair and reliable.

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

In order to mitigate risks associated with the process of preparing financial statements on an ongoing basis, they are reviewed by the auditor at least annually.

The Supervisory Board selects the audit firm to audit the financial statements, acting upon a recommendation from the Audit Committee. Ernst & Young Audyty Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa has been appointed to audit the financial statements of Grupa Pracuj S.A. for 2021-2023. During audit work, the auditor makes an independent assessment of the reliability and accuracy of separate and consolidated financial statements and confirms that the internal control and risk management system is effective. The auditing firm presents the audit and review findings to the Management Board and the Audit Committee.

The Company has established procedures for the authorisation of financial statements, whereby periodic reports are first submitted to the Management Board and subsequently to the Audit Committee for review and opinion. After the Audit Committee provides its opinion and the auditing firm concludes its review or audit of the financial statements, the Management Board authorises their issue and signs them using a qualified electronic signature. Then the Investor Relations Office releases them to the public.

Articles of Association and amendments thereto

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

In the reporting period, the Company's Articles of Association were not amended.

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

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

Rules for amending the Articles of Association

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

General Meeting

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

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

The Rules of Procedure for the General Meeting that are currently in effect are available online at https://grupapracuj.pl/static/files/Zalacznik-do-uchwaly-NWZ-nr-5_2022_Regulamin-WZ_PL_EN.pdf

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

- amending the Articles of Association;
- increasing or reducing the Company's share capital;
- cancelling Company shares or their buyback by the Company;
- merging or demerging the Company or changing its legal form;
- dissolving or liquidating the Company;
- disposing of, leasing, or encumbering the Company's business or an organised part thereof;
- issuing convertible bonds, bonds carrying pre-emptive rights to Company shares, or subscription warrants;

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- determining the dividend record date and dividend payment date;
- deciding on matters put forward by the Supervisory Board, the Management Board, or shareholders;
- Appointing and removing Supervisory Board members other than those appointed and removed directly by shareholders holding special appointment powers;
- defining the rules of remuneration for members of the Supervisory Board;
- adopting the remuneration policy for members of the Management Board and Supervisory Board in accordance with the Public Offering Act;
- adopting incentive schemes based on shares or other securities or instruments convertible into shares, including incentive schemes for members of the Management Board.

The Articles of Association provide that the General Meeting may be held either as an annual or as an extraordinary meeting. The Annual General Meeting must be held within six months from the end of each financial year. General Meetings are held at the Company's registered office. The Company facilitates voting participation and offers live streaming in Polish, complete with English translation.

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

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

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

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

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

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

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

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personnel matters, or on any other matters for which a secret ballot is requested by at least one shareholder present or represented at the General Meeting.

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

During the reporting period, the Annual General Meeting was held on 15 June 2023 and:

- considered and approved the Management report on the Company's and Group's activities, the separate financial statements of the Company and the consolidated financial statements of the Group for the year ended 31 December 2022;
- decided on the distribution of profit for the year ended 31 December 2022;
- gave a positive opinion on the report on compensation of the Company's Management Board and Supervisory Board members for 2022;
- approved the Supervisory Board's report on its activities in the year ended 31 December 2022;
- granted discharge to the members of the Company's Management Board and Supervisory Board.

Supervisory Board

Composition

As at 1 January 2023, the composition of the 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

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As at 31 December 2023, the composition of the 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
Martin van Hetting	Independent Member of the Supervisory Board	1 February 2023

On 30 November 2022, an Extraordinary General Meeting was held, during which a resolution was passed to amend the composition of the Supervisory Board by increasing the number of its members. The shareholders also appointed Ms Martina van Hettinga as a new member of the Supervisory Board. Ms. Martina van Hettinga took office effective 1 February 2023.

Except as indicated above, there were no other changes in the composition of the Supervisory Board during the reporting period.

No member of the Supervisory Board is involved in any business activities that compete with those of the Group.

Brief biographies

Maciej Noga, Chairman of the Supervisory Board

Maciej Noga is an entrepreneur, an investor and a public speaker with 24 years of experience. He co-founded Grupa Pracuj, serving in key management roles for many years. Currently, he focuses on developing Poland's largest energy solutions provider, as the principal investor and Chairman of the Supervisory Board. He is also an experienced HRTech expert and advisor to corporate boards. He is a co-founder and partner of several investment funds, including Poland's first philanthropic fund.

Agnieszka Słomka-Gołębiowska, independent Member of the Supervisory Board, Chairwoman of the Audit Committee

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Słomka-Gołębiowska holds a doctor habilitatus degree in economics and is an associate professor at the Warsaw School of Economics. She graduated from the Warsaw School of Economics with a master's degree in Banking, Finance and Management (CEMS). She has also completed a range of post-graduate courses in auditing and financial reporting, including at the Centre for Professional Education in Warsaw and higher education institutions in Veldhoven and Chicago. She began her career working for Arthur Andersen. Independent board member and advisor to companies on corporate governance and sustainability agenda. She has nearly 20 years of extensive experience serving in various roles in public and private companies, as well as international organisations such as UN WFP and UNAIDS. She serves on the EU Platform on Sustainable Finance, advising the European Commission on executing the sustainable development agenda, and is also a member of the Programme Board of the Sustainable Investment Forum Poland (POLSIF). She mentors at the Hertie School of Governance in Berlin and acts as an ambassador for the Vital Voices Programme, dedicated to women's entrepreneurship and empowerment.

Wojciech Stankiewicz, independent Member of the Supervisory Board, Member of the Audit Committee

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

Przemysław Budkowski, independent Member of the Supervisory Board, Member of the Audit Committee

Przemysław Budkowski has extensive experience in leadership roles within the e-commerce and technology sectors, with a particular emphasis on developing B2B markets across Central and Eastern Europe. He possesses expertise in product and marketing management, as well as in the sales processes specific to the technology industry. Furthermore, as a member of various supervisory boards and remuneration committees, he has practical experience in conducting business in line with corporate governance principles and in shaping corporate strategy at the executive level.

Mirosław Stachowicz, Member of the Supervisory Board

Mirosław Stachowicz brings a wealth of experience from his tenure on supervisory boards of both public and private entities. Since 1994, he has played a pivotal role in managing companies within the FMCG sector across Central and Eastern Europe. Notably, he was the CEO of a company listed on the London stock exchange from 2016 to 2022, marking him as the first Polish national to occupy such a position. His academic credentials include degrees from Jagiellonian University, Johns Hopkins University in Bologna, Carleton University in Ottawa and INSEAD. Beyond his professional achievements, Mirosław Stachowicz actively contributes to community initiatives, notably founding a think tank and serving on the management board of a foundation.

John Doran, Member of the Supervisory Board

John Doran has extensive experience in the investment industry, having served as a co-manager of a UK fund with a focus on scouting potential investments in the software, financial and Internet sectors. Since 2012, he has been a General Partner at TCV, where he leads transaction efforts and actively oversees portfolio companies, especially within the software and fintech areas. John Doran holds a Bachelor's degree in Economics from Harvard College and an MBA from Harvard Business School.

Martina van Hettinga, independent Member of the Supervisory Board

Martina van Hettinga possesses over a decade of experience in driving the growth of leading companies through executive recruitment, serving as both the managing partner of a digital company and the founder of a German diversity initiative. With extensive experience in developing leading German technology companies, she has held significant operational management positions. Martina van Hettinga is also active as a business angel and mentor to various top technology firms. Her academic background includes degrees from universities in Berlin, Paris and London.

Rules of appointment

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

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

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

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

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

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

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

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

Powers and responsibilities of the Supervisory Board

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

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

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

Meetings of the Supervisory Board are held on an as-needed basis but no less frequently than once per calendar quarter. The Chair of the Supervisory Board (or its other member duly authorised by the Chair) convenes Supervisory Board meetings on his or her own initiative or upon a written request from the Management Board or a Supervisory

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Board member. The Chair (or the other Supervisory Board member duly authorised by the Chair) must convene the meeting within two weeks of the request. If the meeting is not convened within the specified time limit, it may be convened by the requesting party.

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

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

During the reporting period, the Supervisory Board held six meetings.

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

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

- Assessing the Management Report on the Company's operations and the financial statements for each financial year in terms of their accuracy and consistency with the Company's records and other underlying documents;
- Assessing the Management Board's recommendations on the distribution of profit or coverage of loss;
- Assessing the Company's condition, including the adequacy and effectiveness of its internal control system, risk management system used to manage the Company's material risks, compliance system and internal audit system;
- Assessing the discharge by the Management Board of its obligation to report information to the Supervisory Board;
- Assessing how the Management Board prepares or submits information, documents, reports or explanations requested by the Supervisory Board;
- Submitting annual written reports to the General Meeting on the results of the assessments referred to above, together with information on the total remuneration of the Supervisory Board's advisors due from the Company in a given financial year;
- Approving the Rules of Procedure for the Management Board;
- Appointing, removing and suspending from duties members of the Management Board and liquidators, excluding those members of the Management Board who are appointed and removed by shareholders in the exercise of their appointment powers;
- Delegating members of the Supervisory Board to individually perform certain supervisory activities or to temporarily substitute for members of the Management Board who have resigned, have been removed from office, or otherwise cannot perform their duties;

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

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

The Articles of Association requires that at least two members of the Supervisory Board meet the independence criteria under applicable laws and regulation, in particular under the Statutory Auditors Act. Each independent Supervisory Board member is required to submit to the other Supervisory Board members and the Management a representation to the effect that he or she satisfies the applicable independence criteria under law. Where only one or none of the Supervisory Board members meets the applicable independence criteria under law and the Supervisory Board is composed of a minimum number of members permitted by the Articles of Association, the Supervisory Board is considered to have the capacity to act effectively and exercise its powers and authority and discharge its responsibilities, in particular by passing resolutions. If an independent Supervisory Board member ceases to satisfy the independence criteria during his or her term, his mandate is not affected.

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

Audit Committee

The Supervisory Board established an Audit Committee on 8 September 2021, in compliance with the Act on Statutory Auditors. The Committee is a standing committee of the Supervisory Board and is composed of at least three members, who are elected by the Supervisory Board from among its members for an indefinite period. The Audit Committee meets on an as-needed basis. In 2023, it held seven meetings.

As at 31 December 2023, the composition of the Audit Committee was as follows:

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

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

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

The Audit Committee's responsibilities include:

- Monitoring the financial reporting process;
- Monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems, including with regard to financial reporting;
- Monitoring the performance of financial audit, in particular an audit conducted by the audit firm, taking into account all recommendations and findings of the Audit Oversight Commission resulting from audits carried out at the audit firm;
- Reviewing and monitoring the independence of the auditor and the audit firm, in particular when the audit firm also provides non-audit services to the Company;
- Informing the Supervisory Board of the audit findings and explaining how the audit contributed to reliability of the Company's financial reporting and what role the Audit Committee played in the audit;
- Assessing the auditor's independence and approving the provision of permitted non-audit services by the auditor, subject to the Audit Committee's prior assessment of any risks to and measures safeguarding the auditor's independence;
- Developing a policy for providing permitted non-audit services by the audit firm carrying out the audit, entities related to the audit firm or a member of the audit firm's network;

- Making recommendations to the Supervisory Board on the selection and appointment of auditors and audit firms in accordance with the existing policy and procedure for the selection of an auditor/audit firm to audit the Company's financial statements;
- Submitting recommendations to ensure that the financial reporting process in place at the Company is fair and reliable.

In accordance with the Commercial Companies Code, the Audit Committee must report to the Supervisory Board on the fulfilment of its supervisory responsibilities at least once every quarter within a financial year.

Recommendations of the Audit Committee on the selection of the audit firm

The Supervisory Board makes its selection based on recommendations from the Audit Committee, which are issued following the Company's procedure for selecting an auditing firm, in accordance with the 'Policy for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.' and the 'Procedure for the Selection of an Auditor/Audit Firm to Audit the Financial Statements of Grupa Pracuj S.A.' adopted by the Company.

The Audit Committee expresses its consent for the provision of specified services in the relevant resolutions. Having first assessed the risks to and safeguards of the auditor's and audit firm's independence.

Apart from the Audit Committee, no other committees operate within the Supervisory Board.

Key principles of the policy for the selection of an audit firm to audit financial statements and policy for the provision of permitted non-audit services by the audit firm, its affiliates and members of its network

In 2023, the Company adhered to the following policies developed and approved by the Audit Committee in 2022:

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

Change in the policy and procedure related to the selection of a statutory auditor/audit firm, as well as the policy on the provision of permitted non-audit services after the reporting date.

On 22 March 2024, the Audit Committee adopted new versions of the following documents:

- the 'Policy for the selection of a statutory auditor/audit firm for the audit of financial statements of Grupa Pracuj S.A. and its Group',
- the 'Procedure for the selection of a statutory auditor/audit firm for the audit of financial statements of Grupa Pracuj S.A. and its Group',
- the 'Policy for the provision of permitted non-audit services to Grupa Pracuj S.A. and the companies of its Group by the statutory auditor/audit firm conducting the audit, entities associated with them, or by a member of the audit firm's network'.

These documents are effective from the moment of their adoption.

The main principles of the present policy and procedure for selecting a statutory auditor/audit firm to audit the financial statements of the Company and the Group are as follows:

- The process to select the auditor/audit firm to audit the financial statements is led by the Management Board member who serves as the Chief Financial Officer, the Audit Committee and the Supervisory Board;
- The Company is responsible for the timely commencement of the selection procedure. The Supervisory Board is required to pass a resolution on the selection of a new statutory auditor/audit firm no later than the end of June in the year in which the current audit agreement expires. A resolution concerning the extension of the mandate for auditing the financial statements of the Company and the Group to the incumbent statutory auditor/audit firm must be passed no later than the end of May in the year in which the current audit agreement expires. In the resolution, the Supervisory Board authorises the Company's Management Board to enter into an

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audit agreement. If the audit contract is terminated, the Company is obligated to take steps to select a new auditor promptly and in accordance with the selection procedure;

- The policy and procedure differentiate between the procedures to be followed, including the scope of tender documentation, formal requirements, and criteria for evaluating proposals, in the case of selecting a new statutory auditor/audit firm or extending the audit engagement to the existing statutory auditor/audit firm;
- In the case of the procedure for selecting a new statutory auditor/audit firm:
 - The Company may invite any audit firms to submit proposals for the audit of financial statements by sending an invitation to tender along with the tender documentation specified in the procedure;
 - The Chief Financial Officer and the Audit Committee may conduct direct negotiations, organise meetings, and communicate with interested bidders, responding to their inquiries;
 - The Chief Financial Officer evaluates the submitted proposals in terms of their compliance with the selection criteria set out in the tender documentation and prepares a report on the selection procedure containing conclusions from their evaluations and analyses, which is then presented to the Audit Committee. The primary criteria for evaluating bids from audit firms are defined in the selection policy;
 - After reviewing the Chief Financial Officer's report, the Audit Committee recommends at least two eligible audit firms to the Supervisory Board, specifying the Committee's preferred choice and providing reasons for shortlisting the presented firms and the preference.
 - The final stage of the procedure is the resolution of the Supervisory Board and the Company entering into an audit contract with the selected audit firm. The selection of a statutory auditor/audit firm by the Supervisory Board against the Audit Committee's recommendation is permissible provided that the chosen audit firm/statutory auditor participated in the selection procedure conducted by the Company. In such a scenario, the Supervisory Board must provide reasons for not adhering to the Audit Committee's recommendation and communicate these reasons to the General Meeting.
- In the case of the procedure for extending the audit engagement with the current auditor/audit firm:
 - The Chief Financial Officer invites the incumbent statutory auditor/audit firm to submit a proposal for audit services, sending the tender documentation defined by the procedure. The Chief Financial Officer or the Audit Committee may conduct direct negotiations, organise meetings, and communicate with the statutory auditor/audit firm regarding the continuation of the existing cooperation and answer their inquiries.
 - The Chief Financial Officer evaluates the proposal submitted by the incumbent statutory auditor/audit firm in terms of its compliance with the selection criteria specified in the tender documentation and prepares a report on the proposal's assessment, including conclusions from its evaluation and analysis, which is then presented to the Audit Committee. The primary criteria for evaluating the proposal of the incumbent audit firm/statutory auditor are defined by the policy.
 - Following the assessment of the report, the Audit Committee issues a recommendation indicating whether it advises that the engagement with the incumbent audit firm be continued.
 - The final stage of the procedure is the resolution of the Supervisory Board and the Company entering into an audit contract with the incumbent audit firm. If the Supervisory Board decides not to extend the audit engagement with the statutory auditor/audit firm recommended by the Audit Committee, it will adopt a resolution to that effect. In such a case, the procedure for selecting a new statutory auditor/audit firm is applied.
- The period of uninterrupted engagement by a reporting entity of an audit firm (i.e., its first engagement plus any renewals), or its affiliated audit firm or a member of their network operating in the European Union, to perform statutory audits may not exceed ten years. After the expiry of the maximum engagement period, the audit firm

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or its affiliates or members of its network may not enter into an audit engagement with the same entity for four years;

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

The main principles of the policy on the provision of permitted non-audit services to the Company and the companies within the Group by the statutory auditor/audit firm conducting the audit, entities associated with them, or by a member of the audit firm's network are as follows in their current form:

- Auditors/audit firms appointed to audit the Company's and the Group's financial statements must not be engaged to provide services that are considered prohibited under applicable legislation.
- A non-audit engagement of an auditor/audit firm is considered permitted only to the extent it is not related to the Company's tax policy, subject to the Audit Committee's prior assessment of any risks to and measures safeguarding the auditor/audit firm's independence.
- Engaging auditors/audit firms (or members of their networks) appointed to audit the financial statements of the Company, its parent, or its subsidiaries to deliver non-audit services, excluding those services deemed prohibited, to the Company or its subsidiaries is considered permissible. This is subject to the Audit Committee's prior approval, contingent upon its evaluation of any potential risks to and provisions for safeguarding the independence of the auditor/audit firm. If advisable, the Audit Committee may issue guidelines on such engagements. Performing attestation services concerning sustainability reporting does not require prior approval from the Audit Committee.
- Where an auditor/audit firm has been providing non-audit services other than prohibited services to the Company, its parent or its controlled entities for a period of at least three consecutive financial years, the total consideration payable to the auditor/audit firm for such services must not exceed 70% of the average consideration paid over the last three consecutive financial years to the auditor/audit firm for the audit of the financial statements of the Company and, where applicable, its parent and/or its controlled entities and for the audit of the consolidated financial statements of the Group. For the purposes of the calculating the cap, exclusions are made for attestation of sustainability reporting and non-audit services other than prohibited services, the provision of which is required in accordance with European Union or national legislation. This restriction does not apply if the Polish Agency for Audit Oversight grants an exemption to the audit firm from the requirements of this limitation through an administrative decision, upon the firm's request.

Appointment of the audit firm

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

Permitted non-audit services provided by the audit firm

In 2023, permitted non-audit services were provided to the Group by the audit firm engaged to audit its financial statements and by an affiliate of the audit firm. These were:

- review of the interim condensed consolidated financial statements for the six months ended 30 June 2023;
- assurance of the report on the remuneration of members of the Company's Management Board and Supervisory Board in terms of the completeness of the disclosures required under Art. 90g.1–5 and Art. 90g.8 of the Public Offering Act;
- performance of agreed procedures to confirm compliance by the Company with certain covenants under the term credit facility agreement executed by the Company on 14 June 2022;

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- preparation of a remuneration report with information on salary levels for various positions in Ukraine;
- training services.

For information on remuneration of the audit firm for the current and previous financial years, see Note 7.4 'Remuneration of the audit firm' in the consolidated financial statements for the year ended 31 December 2023.

Management Board

Composition

As at 1 January 2023 and 31 December 2023, the Management Board consisted of:



Przemysław Gacek, President of the Management Board

Originator and founder of the Pracuj Group. 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 the Pracuj Group. 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.

He 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.



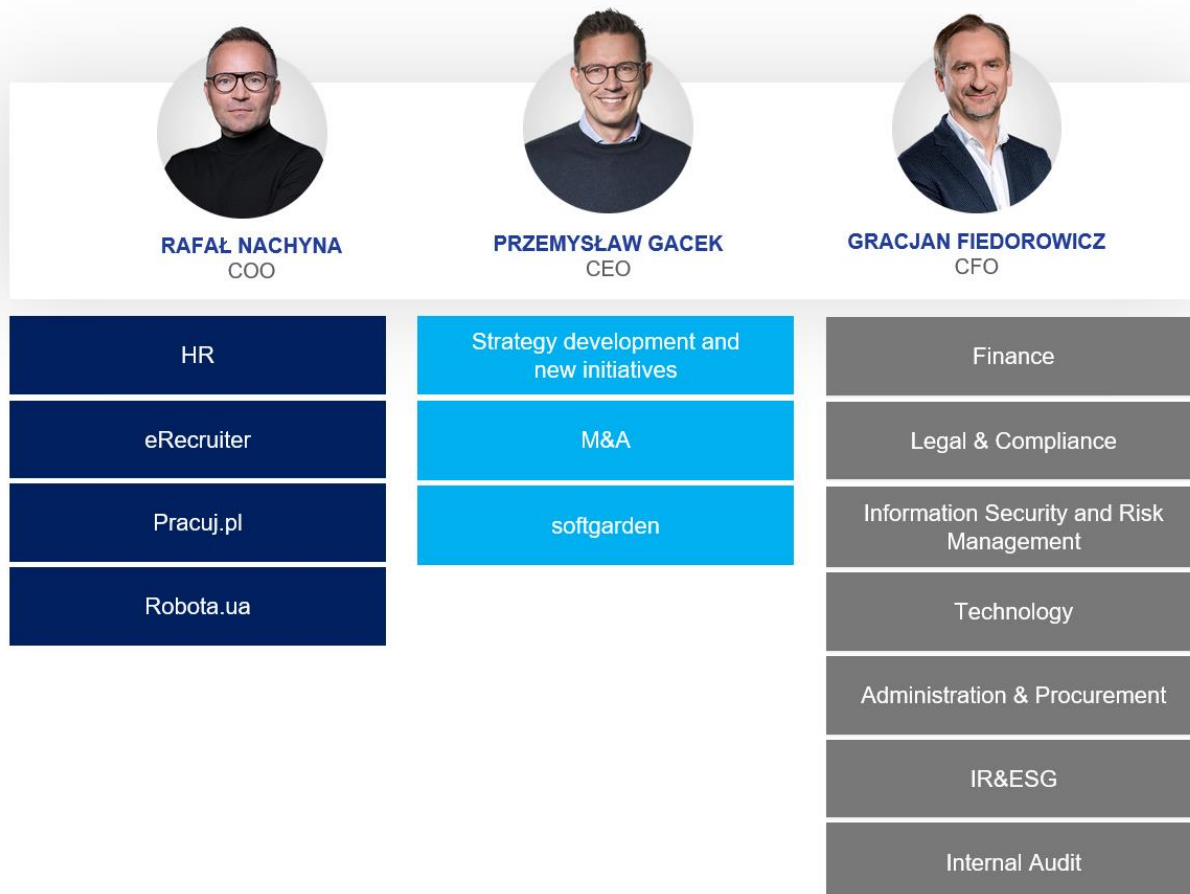
Rafał Nachyna, Member of the Management Board

Joined the Pracuj Group 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.

The responsibilities of the individual Members of the Management Board as of the date of issue of this report are presented below.



Rules of appointment

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

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

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

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Responsibilities of members of the Management Board

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

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

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

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

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

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

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

- resolutions passed by the Management Board, including the matters resolved on;
- the current business and financial standing of the Company and other major Group companies;
- progress on the delivery of the growth strategy for the Company and other major Group companies and any material deviations from it;
- transactions or events having a material impact on the Company or other major Group companies; and
- any changes in matters that have been previously communicated to the Supervisory Board if such changes have a material impact on the Company or other major Group companies.

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

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

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

Art. 5¹⁸ of the Articles of Association authorises the Management Board to increase the Company's share capital from time to time up to the amount of the authorised capital. The authorisation will expire three years after the registration by

¹⁸ https://grupapracuj.pl/static/files/Tekst-jednolity-Statutu_Grupa-Pracuj-SA_30112022.pdf

the competent registry court of the amendment to the Company's Articles of Association made pursuant to General Meeting Resolution No. 22/2022 of 22 October 2022, i.e., on 9 August 2025.

Key matters addressed by the Management Board in 2023

Within the framework of applicable legal regulations, including the Commercial Companies Code and the provisions of the Company's Articles of Association, the Management Board conducts the affairs of the Company, representing it and acting on its behalf. The Management Board makes decisions on critical matters, including the development and sale of products and services, the achievement of strategic objectives, the execution of investments or divestments, the operation of subsidiary companies within the Group, personnel and payroll matters and organisational issues.

The Management Board is actively engaged in the operational management of both the Company and the Group, holding regular meetings to ensure efficient oversight. These gatherings occur on average weekly among Board members and at least monthly with the management team overseeing the Group's critical business sectors. Such meetings are pivotal for the effective monitoring of operational activities and the execution of strategic plans.

Transparency in the Group's management processes is further maintained by conducting regular meetings with employees from both the Company and its subsidiaries. At these meetings, Board members provide updates on significant initiatives and outline the rationale behind key decisions made.

Board members maintain open dialogue with the capital market and meet cyclically throughout the year with analysts and investors.

In fulfilling its disclosure and reporting obligations, the Management Board prepared and issued the separate and consolidated financial statements for the year 2022, as well as the Management Report on the Company's and the Group's activities in 2022. Additionally, interim condensed separate and consolidated financial statements and the Management Report on the Company's and the Group's activities in the six months ended 30 June 2023 were also released, along with consolidated quarterly reports for the first and third quarters of 2023. The Management Board had the annual separate and consolidated financial statements for the year 2022 audited, and the interim separate and consolidated financial statements for the six months ended 30 June 2023 reviewed by an independent auditor. The Management Board also presented a recommendation on the allocation of profit for the fiscal year ended 31 December 2022. In fulfilling its disclosure obligations, the Management Board prepared and published interim reports.

The Management Board provided the Supervisory Board with regular updates on the Management Board's resolutions, the current business and financial situation of the Company and significant subsidiaries, the progress in implementing the Group's development strategy, and transactions or events that could impact the Group's position. In addition, the Management Board informed the Supervisory Board of significant changes to previously presented information.

Furthermore, in 2023, the Management Board:

- Prepared, updated, and submitted the Group's budget for 2023 to the Supervisory Board for approval;
- Prepared the Group's budget for 2024;
- Updated the Group's accounting policies;
- Convened the Annual General Meeting, presented matters for consideration to the General Meeting and the Supervisory Board;
- Developed and passed regulations, policies and procedures related to the Company's operations (not reserved for other governing bodies) and issued authorisations;
- Analysed and made key decisions in the area of sustainable development;
- Formulated strategic goals that set the direction for the Group's development and identified key areas crucial for the Group's medium-term development and ongoing value creation for shareholders;
- Initiated the development of new corporate values at the Group level.

Remuneration policy

On 12 November 2021, the Extraordinary General Meeting of the Company passed a resolution to repeal the then-existing Remuneration Policy for the Management Board and Supervisory Board members, adopting a new formulation of the Policy, as referred to in Art. 90d.1 of the Public Offering Act ('Remuneration Policy'). The current Remuneration Policy is available on the Company's corporate website at <https://grupapracuj.pl/wp-content/uploads/2022/04/Polityka-wynagrodze%C5%84-cz%C5%82onk%C3%B3w-Zarz%C4%85du-i-Rady-Nadzorczej-Grupa-Pracuj-S.A..pdf>

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

Total remuneration of members of the Management Board

Members of the Management Board of the Company may receive remuneration based on an employment contract, managerial contract, mandate agreement, resolution of appointment, or other legal relationship of a similar nature between the Company and the Management Board member. The Supervisory Board determines the amount of remuneration for each member of the Management Board individually and in accordance with the Remuneration Policy. This can be done through the Legal Basis for Employment or by a separate resolution, taking into consideration the responsibilities of each member of the Management Board.

Remuneration of members of the Management Board due for 2023

Member of the Management Board	2023		
	Total	Short-term employee benefits	Share-based payments
Przemysław Gacek	802	802	-
Gracjan Fiedorowicz	1,947	893	1,054
Rafał Nachyna	2,248	1,024	1,224
Total	4,997	2,719	2,278

Remuneration of members of the Supervisory Board

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

Remuneration of the Supervisory Board members due for 2023

Member of the Supervisory Board	2023		
	Total	Short-term employee benefits	Share-based payments
Maciej Noga	157	157	-
John Doran	-	-	-
Wojciech Stankiewicz	100	100	-
Przemysław Budkowski	90	90	-
Agnieszka Słomka-Gołębiowska	140	140	-
Mirosław Stachowicz	72	72	-
Martin van Hetting	78	78	-
Total	637	637	-

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Diversity policy for administrative, management and supervisory bodies

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

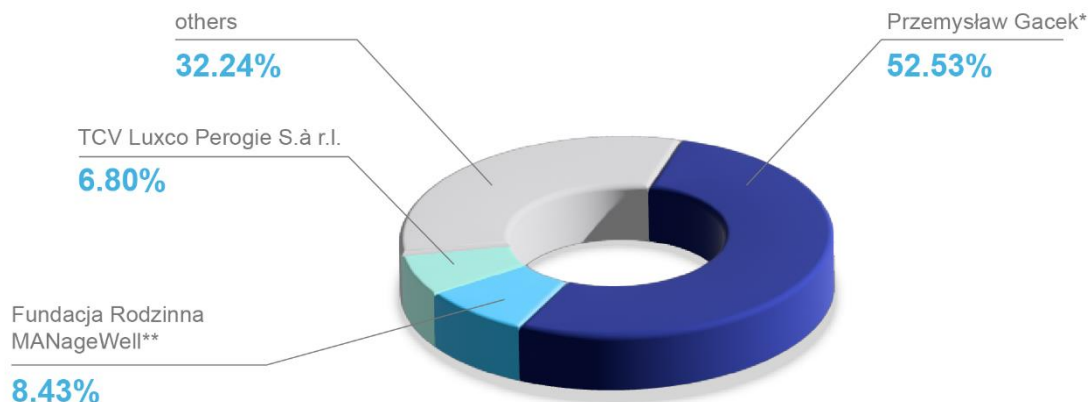
One of the fundamental values of Grupa Pracuj at the Group level is *Respect for diversity*, which guides the Company's efforts to build a friendly and inclusive work environment, where the full potential of diversity can be unlocked. The Group is committed to undertaking initiatives aimed at increasing the representation of women, including in its management and supervisory bodies. In 2023, Martina van Hettinga was appointed to the Supervisory Board.

Employment structure of the management and supervisory bodies by gender as at 31 December 2023

Composition of the Management Board	<ul style="list-style-type: none"> • 3 men • 0 women • 3 persons up to 50 years of age • 0 persons over 50 years of age
Composition of the Supervisory Board	<ul style="list-style-type: none"> • 5 men • 2 women • 5 people under the age of 50 • 2 persons over 50 years of age

Shares and shareholding structure

Shareholding structure of Grupa Pracuj S.A. as at 31 December 2023.



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

** Controlled by Maciej Noga.

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

As at 31 December 2023, the Company's share capital amounted to PLN 341,325,130 (three hundred and forty-one million three hundred and twenty-five thousand one hundred and thirty złoty) and was divided into 68,265,026 (sixty-eight million two hundred and sixty-five thousand twenty-six) shares, with a par value of PLN 5.00 (five złoty) per share, including:

- 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 December 2023, the total number of voting rights in the Company was 68,265,026. One share carries one vote at the General Meeting.

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

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

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

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 1 January 2023:

Shareholder	Number of shares / voting rights	1 January 2023	
		Par value (PLN)	Ownership / voting interest (%)
Przemysław Gacek*	36,130,187	180,650,935	52.93%
TCV Luxco Perogie S.à r.l.	8,638,861	43,194,305	12.65%
Maciej Noga	5,799,227	28,996,135	8.50%
Others	17,696,751	88,483,755	25.92%
Total	68,265,026	341,325,130	100%

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

To the best of the Management Board's knowledge, the following persons and entities were the major shareholders in the Company, holding 5% or more of total voting rights in the Company as at 31 December 2023:

Shareholder	Number of shares / voting rights	31 December 2023	
		Par value (PLN)	Ownership / voting interest (%)
Przemysław Gacek*	35,857,913	179,289,565	52.53%
TCV Luxco Perogie S.à r.l.	4,638,861	23,194,305	6.80%
Fundacja Rodzinna MANageWell**	5,755,449	28,777,245	8.43%
Others	22,012,803	110,064,015	32.24%
Total	68,265,026	341,325,130	100%

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

** Controlled by Maciej Noga.

Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as of the date of issue of this Management Report, the list of shareholders holding at least 5% of shares has remained unchanged since 31 December 2023.

Shares held by management and supervisory personnel

As at 1 January 2023, holdings of Company shares by its management and supervisory personnel were as follows:

Management members	Board	Number of shares / voting rights	1 January 2023	
			Par value (PLN)	Ownership / voting interest (%)
Przemysław Gacek*		36,130,187	180,650,935	52.93%
Gracjan Fiedorowicz		522,910	2,614,550	0.77%
Rafał Nachyna		490,640	2,453,200	0.72%
Total		37,143,737	185,718,685	54.42%

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

Supervisory members	Board	Number of shares / voting rights	1 January 2023	
			Par value (PLN)	Ownership / voting interest (%)
Maciej Noga		5,799,227	28,996,135	8.50%
Mirosław Stachowicz		112,066	560,330	0.16%
Total		5,911,293	29,556,465	8.66%

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

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

Management members	Board	Number of shares / voting rights	31 December 2023	
			Par value (PLN)	Ownership / voting interest (%)
Przemysław Gacek*		35,857,913	179,289,565	52.53%
Gracjan Fiedorowicz		518,963	2,594,815	0.76%
Rafał Nachyna		486,935	2,434,675	0.71%
Total		36,863,811	184,319,055	54.00%

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

Supervisory members	Board	Number of shares / voting rights	31 December 2023	
			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 date of issue of this report there were no changes in the holdings of shares by the management and supervisory personnel.

Information on agreements relating to changes in the shareholder structure

In 2023, the Company operated the following employee stock programmes:

Incentive Scheme 1

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

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

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

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

For detailed information on the scheme, see Note 6.10 'Incentive schemes and gratuitous transfer of part of the Company shares' in the consolidated and separate financial statements for the year ended 31 December 2023.

Gratuitous transfer of part of Company shares held by certain shareholders

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

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

Based on their donation agreement with the shareholders specified above, each beneficiary received shares free of charge in January 2023. Each individual who received shares through the gratuitous transfer was bound by an obligation to the shareholders to adhere to a lock-up period of six months subsequent to the acquisition of the shares, specifically

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until 18 July 2023. During this period, the recipients of the shares were required to abstain from offering, selling, pledging, or otherwise disposing of them, as well as from publicly announcing any intention to engage in such activities. The sole exceptions to this rule are as follows:

- disposal of shares in response to a tender offer to buy or exchange the Company shares, an invitation to tender the Company shares for sale, or an exchange offer. These offers must be addressed to all of the Company's shareholders and cover all of the Company shares;
- merger of the Company with another company as the acquirer;
- disposal of shares to an entity under the control of the share recipient, on the condition that the entity agrees to an undertaking with identical terms. This includes maintaining the lock-up conditions from the date of share acquisition through to the conclusion of the Lock-Up Period;
- disposal by the share recipient of no more than 25% of the received shares prior to the expiration of the Lock-Up Period.

For detailed information on the scheme, see Note 6.10 'Incentive schemes and gratuitous transfer of part of the Company shares' in the consolidated and separate financial statements for the year ended 31 December 2023.

GRUPA PRACUJ S.A. ON WARSAW STOCK EXCHANGE

Share price performance

Grupa Pracuj S.A. shares have been listed on the Warsaw Stock Exchange since 9 December 2021. The Company'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



Investor Relations

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

IR activities:

- Regular quarterly meetings with the Management Board to discuss the Company's financial results and outlook for the upcoming months;

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- Both group and one-on-one meetings, conducted either in-person or virtually, with members of the Management Board and a representative from the Investor Relations and ESG Department;
- Participation in investor conferences, hosted by brokers both domestically and internationally, available as in-person or virtual events;
- Maintenance of the corporate website, ensuring it provides up-to-date, legally required information to the fullest extent possible as outlined in Best Practice, in addition to other corporate materials that detail the Company's business profile;
- Distribution of an investor newsletter, offering updates on corporate and industry news;
- Organisation of investor chats and events tailored to retail investors;
- Ongoing engagement with market analysts;
- Collection of feedback from analysts and investors.

Issue dates of periodic reports

The Company makes every effort to ensure the shortest possible timeframe for preparing and releasing a periodic report after each reporting date, considering its complex equity structure. In 2023, the Company published periodic reports on the dates indicated below.

4 April 2023	Consolidated and separate full-year report for 2022
25 May 2023	Consolidated report for the first quarter of 2023
31 August 2023	Consolidated report for the first half of 2023
23 November 2023	Consolidated report for the third quarter of 2023

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

Dividends

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

Distribution of profit earned in 2022

Under Resolution 6/2023 of the Annual General Meeting held on 15 June 2023, the net profit earned by the Company in the year ended 31 December 2022, of PLN 164.8 million, was approved for distribution as follows:

- the amount of PLN 62.4 million was allocated to the Company's statutory reserve fund,
- the amount of PLN 102.4 million was allocated to dividend payments.

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The dividend was paid in July 2023.

Distribution of profit earned in 2023

By the date of authorisation of this report for issue, the Management Board of Grupa Pracuj S.A. had not passed a resolution concerning proposed distribution of profit for 2023.

OTHER INFORMATION

Structure of the Group

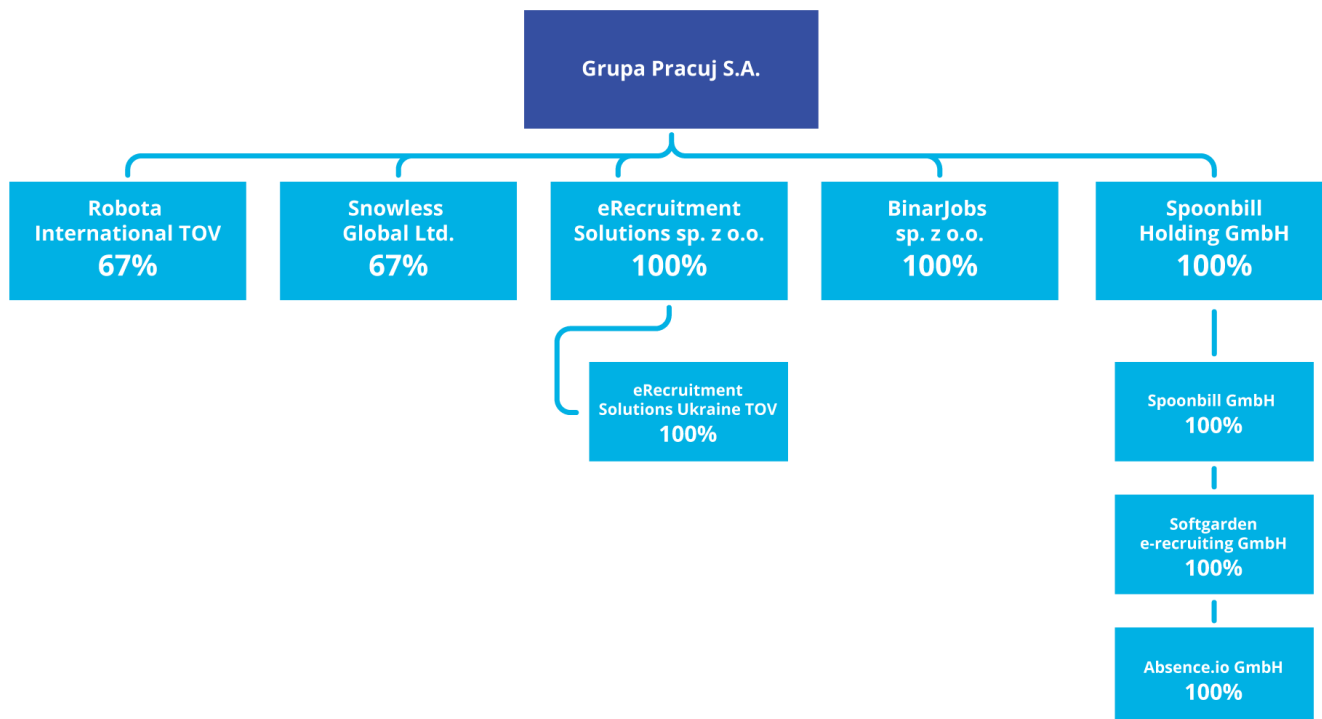
Grupa Pracuj S.A. has direct or indirect control over all companies in the Grupa Pracuj S.A. Group.

As at 31 December 2023, the Group consisted of: (i) the Company, (ii) wholly-owned direct subsidiaries of the Company: eRecruitment Solutions sp. z o.o., BinarJobs sp. z o.o. and Spoonbill Holding GmbH, (iii) wholly-owned indirect subsidiaries of the Company: eRecruitment Solutions Ukraine TOV and 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.

Structure of the Grupa Pracuj S.A. Group

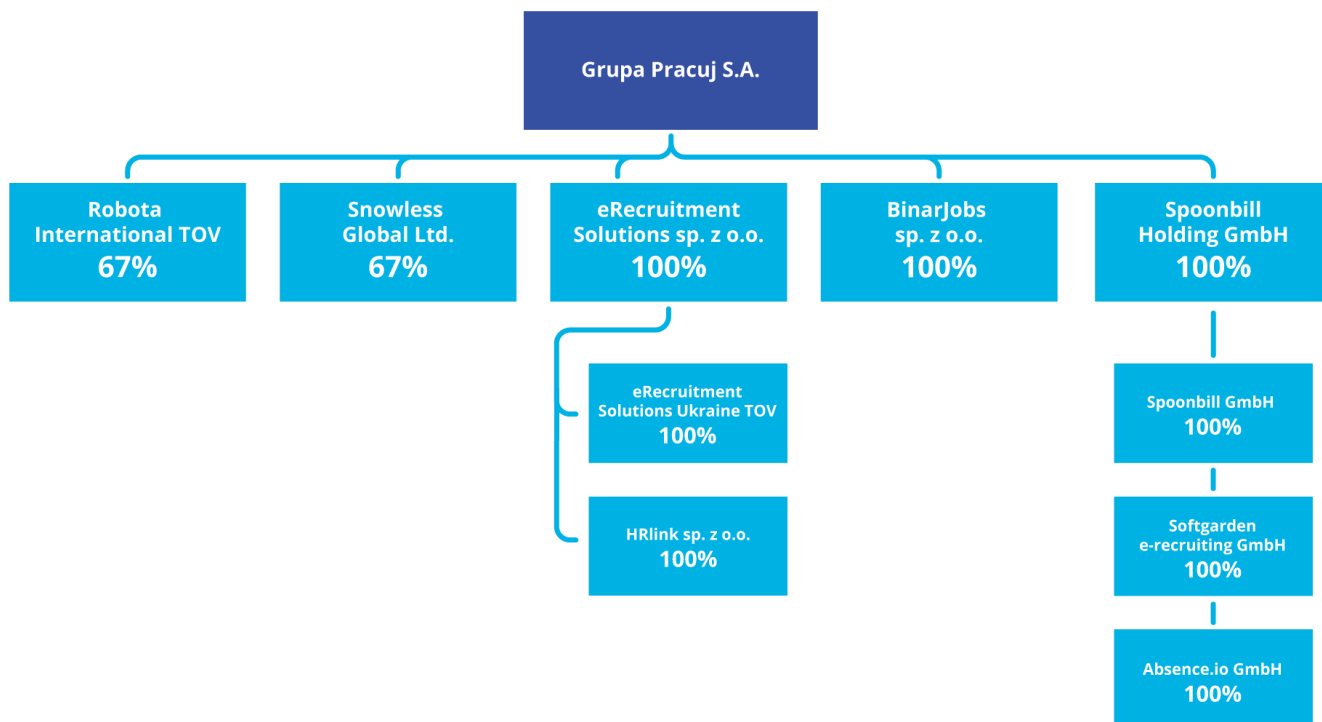
The Company	Registered office	Principal business	Ownership interest	
			31 December 2023	31 December 2022
Parent:				
Grupa Pracuj S.A.	Poland	web portals		
Direct and indirect subsidiaries:				
eRecruitment Solutions sp. z o.o.	Poland	IT services	100%	100%
eRecruitment Solutions Ukraina TOV	Ukraine	activities related to databases	100%	100%
BinarJobs sp. z o.o.	Poland	web portals	100%	100%
Robota International TOV	Ukraine	web portals	67%	67%
Snowless Global Ltd	Cyprus	licencing activities	67%	67%
HumanWay sp. z o.o. w likwidacji	Poland	IT services	-	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding holding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding holding financial holdings	100%	100%
softgarden e-recruiting GmbH	Germany	IT services	100%	100%
absence.io GmbH	Germany	IT services	100%	100%

Following completion of the liquidation process, HumanWay sp. w o.o. w likwidacji (in liquidation) was removed from the National Court Register on 28 September 2023. The decision to deregister the company became final on 6 November 2023.



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

On 4 January 2024, eRecruitment Solutions sp. z o.o., a subsidiary of the Company, purchased a 100% interest in HRlink sp. z o.o., located in Szczecin, from Agora S.A. and two private individuals.



Litigation

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

Related-party transactions

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

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

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

In 2023, there were no material transactions with related parties, as defined in the aforementioned Procedure, which would require approval or be subject to a periodic review by the Supervisory Board. The Company and its subsidiaries did not conclude any related-party transactions on non-arm's length terms. Related-party transactions were made on terms equivalent to those applied in transactions with third parties. For a description of all related party transactions, please refer to Note 7.2 'Related-party transactions' in the consolidated financial statements for the year ended 31 December 2023 and Note 7.2 'Related-party transactions' in the separate financial statements.

NON-FINANCIAL STATEMENT

About Grupa Pracuj

GRI 2-1, GRI 2-6

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

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

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

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



Grupa Pracuj has been operating for over 24 years in Poland, for 15 years in Ukraine, and since June 2022 also in the DACH region (Germany, Austria & Switzerland), employing in total nearly 1,100 people. Grupa Pracuj brands form an advanced digital ecosystem for the HR industry.

Pracuj.pl is the largest Polish online job board, with a leading market share by revenue. It is the undisputed leader on the market of job postings for specialists and managers (white-collar segment), strengthening its position on the market of job postings for manual workers (blue-collar segment). The average number of job vacancies posted each month on the website is about 70.2 thousand, while over 59.1 thousand employers (as at the end of December 2023), including the largest Polish and international companies, use the paid services of the platform. Since 2021, Pracuj.pl has been supported by **the:protocol**, a recruitment website for IT professionals.

Robota.ua is a leading online job board on the Ukrainian market, with a universal profile, posting job adverts for both common jobs and specialist professions. It has been part of Grupa Pracuj since 2006. The average number of job postings accessible daily on the website in 2023 was about 72.8 thousand, with about 46.9 thousand companies, including the largest Ukrainian enterprises and major international brands, actively using the website.

eRecruiter is a leading Polish recruitment support system operating under the SaaS (software as a service) model. As at the end of December 2023, nearly 2,000 companies across various industries regularly use this system. eRecruiter

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

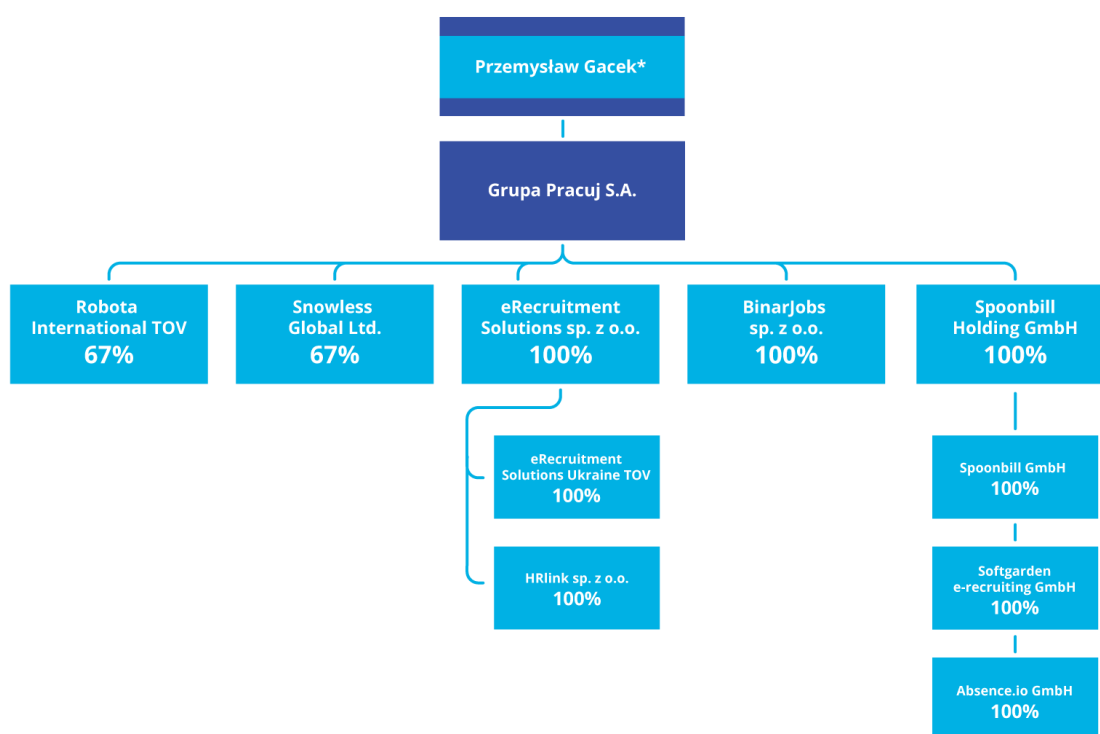
softgarden, a leader in the HR technology industry in Germany and present in other European markets, which has been part of the Grupa Pracuj S.A. Group since 2022. The company develops comprehensive Talent Acquisition Suite solutions to support innovative recruitment, including tools for planning and 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 sites. As at the end of December 2023, over 1,630 employers used the services of softgarden.

Structure of the Group

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

For more details, see section 'Grupa Pracuj on the WSE' of this Management Report.

As of 31 December 2023, Grupa Pracuj S.A. of Warsaw exercised direct or indirect control over all companies that comprise the Grupa Pracuj S.A. Group.



* 52.53% – directly and indirectly through Frascati Investments sp. z o.o., controlled by Przemysław Gacek, and considering the shares held by individuals presumed to be party to an agreement referred to in Art. 87.1.5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies.

GRI 2-2

For detailed information about the structure of the Grupa Pracuj S.A. Group and its operating segments, see section 'Structure of the Group' of this Management Report.

Membership of industry organisations and awards

GRI 2-28

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

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

Grupa Pracuj joined The Network in 2005.



PSZK

Polskie Stowarzyszenie Zarządzania Kadrami (Polish Human Resources Management Association) is the largest professional HR association in Poland (with more than 200 companies and 3,600 individuals from the HR teams of member companies). Members benefit from access to a contemporary knowledge base and the opportunity to track and share best practices in human capital management.

Grupa Pracuj joined the association 2023.



SEG

Stowarzyszenie Emitentów Giełdowych (Polish Association of Listed Companies, SEG) is an organisation committed to fostering the development of Poland's capital market and represents the interests of entities listed on the Warsaw Stock Exchange. It provides the community of security issuers with expertise and guidance on stock market regulations, as well as the rights and obligations of members companies.

Grupa Pracuj joined the association 2022.



Awards and distinctions received by the Group in 2023

For years, Grupa Pracuj's initiatives and projects have received accolades from industry organisations.

- Golden Clips awarded to Pracuj.pl and the:protocol

Pracuj.pl was awarded a Golden Clip in the Media Relations category with its '9 weeks of change, 9 million viewers. New paternity leaves' campaign, securing the top gold trophy. This campaign positioned Pracuj.pl as a knowledge leader regarding changes in legislation related to parental leave.

the:protocol earned Bronze Clips in the ESG, Sustainability and CSR Communications, and Technology, IT and Telecommunications categories. Notably, the:protocol received two awards for its 'Tech versus eco? Poland's first digital ecology report' campaign. The report concentrates on exploring ecology from a technological perspective. Digital ecology is a compelling issue that still remains under the radar of general public awareness.

- TOP HR BRAND for Pracuj.pl

For another consecutive year, the Pracuj.pl brand secured the top spot in the TOP BRAND ranking among HR industry brands, as compiled by *Press* magazine. The ranking is based on an analysis that examines brand perception in the media. TOP BRAND covers the 500 most media-visible brands across 50 industries. The analysis includes the sentiment of the coverage, with positive mentions contributing to the overall strength of the brand.

- Friendly Workplace 2023 for Grupa Pracuj

The prestigious Friendly Workplace award is given by the editors of *MarkaPracodawcy.pl* to employers who demonstrate a modern approach in personnel policy and employee development. It recognises companies that foster a healthy and welcoming work environment, prioritise open and collaborative relationships with employees, uphold and facilitate work-life balance, and invest in the enhancement of their employees' professional skills and interests.

- Forbes Diamonds 2024 for eRecruitment Solutions sp. z o.o.

For the fifteenth time, the editors of *Forbes* magazine, in cooperation with Dun & Bradstreet Poland, compiled a list of the most dynamically growing businesses in Poland. The companies put on the list can boast the title of 'Forbes Diamonds 2024'.

Business strategy

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

For detailed information on the Group's strategic directions, see section The Group's Strategy and Development Directions of this Management Report.

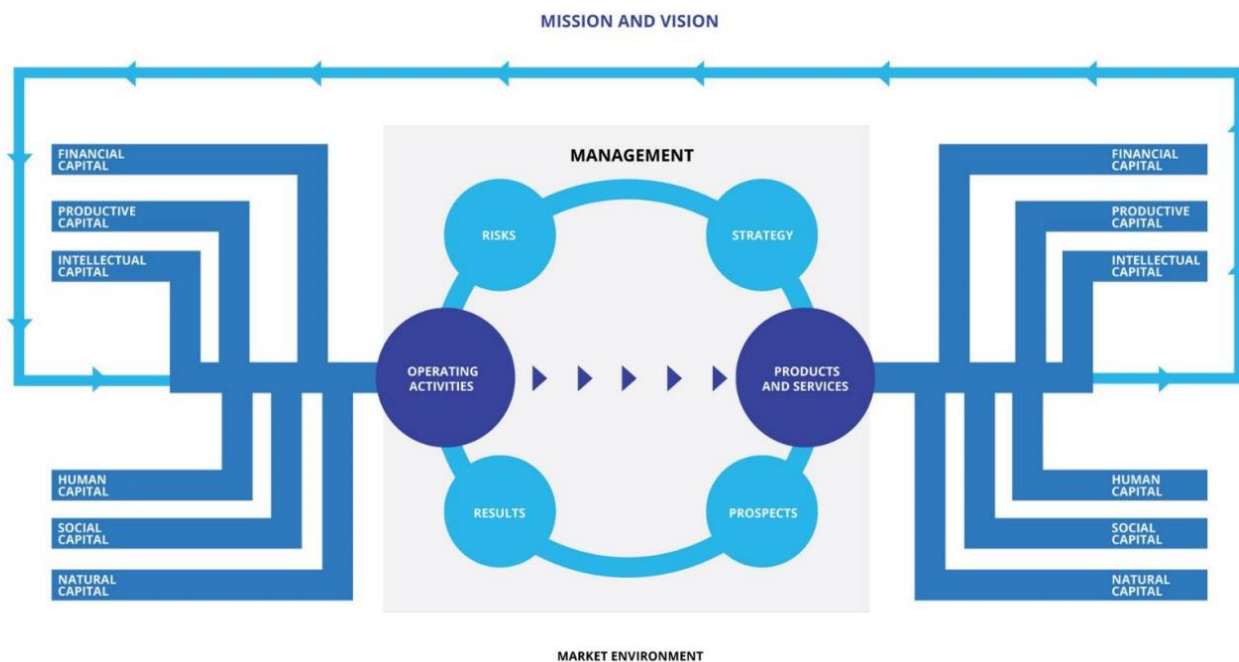
Grupa Pracuj value creation model

GRI 2-6

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

The business model of the Group not only focuses on creating value at every stage of its operations but also on consistently delivering added value to customers and users, as well as shareholders, investors and business partners. The activities of all Group companies are primarily based on the high quality of services and products, mutual trust, and a secure online environment.

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Characteristics of Grupa Pracuj's capitals, i.e., resources that the organisation has access to and can use to create value:

Financial capital – financial resources necessary for operations, including equity and funds generated from operations. It is key to providing funding for the organisation's day-to-day operations. These include shareholders' funds, liabilities, equity, and funds generated from business operations.

Manufactured (infrastructure) capital – tangible assets used in the process of creating products or providing services (including software, IT infrastructure).

Intellectual capital – an organisation's resource based on knowledge and experience, including, but not limited to, intellectual property, e.g. patents, copyrights, software, rights and licenses, the organisation's know-how, technological solutions, development projects, incentives for process improvement, leadership and collaboration, and investment in new solutions and innovations to enable growth.

Human capital – the competencies, skills, knowledge and experience of employees, as well as their motivation to build intellectual capital in the long term.

Social (relationship) capital – reputation, experience and quality of relationships with many stakeholder groups (including: employees, customers, users, shareholders). It is the ability to share, build good relationships and work with stakeholders.

Natural capital – the natural resources that the organisation uses and impacts (including: water, energy, as well as biodiversity and ecosystem protection) and the processes by which products and services are delivered.

Business model

Accounting Act: Art. 49b.2.1

Grupa Pracuj derives a majority of its revenue from job postings made by employers and recruitment agencies on the Group's online job boards: Pracuj.pl 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 in 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.

The Group's current recruitment services are:

- Pracuj.pl – a leading online recruitment player in Poland, which is supported by the:protocol.it, a niche board dedicated to the IT industry,
- Robota.ua – a leading recruitment service in terms of the number of job postings in Ukraine.

Sales channels

Grupa Pracuj predominantly offers its services through four channels, tailored to meet the diverse requirements of its expanding customer base:

- direct sales,
- inside sales,
- e-commerce (which allows self-publishing of individual jobs),
- HR consulting agencies.

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

Customer characteristics

Grupa Pracuj segments its customers primarily by the size of the workforce within the organisation, differentiating between XS customers (0 to 10 employees), S customers (11 to 50 employees), M customers (51 to 250 employees), and L customers (more than 250 employees). The current number of active customers – those who have engaged with Pracuj.pl's products and services over the past 12 months – has exceeded 60,000, encompassing a diverse array of customers categories. Importantly, these customers span all sectors, from finance and marketing to sales, administration, HR, IT, manufacturing, logistics, and construction. This broad collaboration makes the company 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. Customers using direct sales channels, inside sales, and personnel consulting agency (PCA) services 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

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on the Pracuj.pl site. Details of settlements with customers on this account are described in Note 2.2 to the Group's consolidated financial statements for the year ended 31 December 2023.

HR Tech 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).

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

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

softgarden is a leading system in the German market, which also operates across the DACH region.

Since 2023, following extensive analysis, both brands have made a strategic decision to develop tools and system modules that facilitate the preboarding and onboarding processes for new employees (referred to as the post-hire phase, encompassing activities undertaken from the moment a contract is signed with a candidate).

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). We distinguish between XL, L, M, S, XS customers.

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

For both eRecruiter and softgarden, the churn rate remains in the single digits and is not cyclical.

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;
- 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, thereby elevating the added value.

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.

Dialogue with stakeholders and material ESG topics

GRI 2-29, GRI 3-1

The Grupa Pracuj S.A. Group maintains open, two-way communication with all stakeholder groups to facilitate continuous information exchange. This interaction underpins operations grounded in mutual respect for the needs and expectations of both parties, alongside effective business decision-making and the setting of strategic directions for the Group.

In preparation for the non-financial reporting process and identifying key sustainability issues, the Company conducted its first materiality assessment in 2023. The purpose was to understand the expectations and perspectives of the Company's stakeholders regarding the ESG dimensions within its activities. The assessment, in the form of a survey, consisted of the following stages:

- key stakeholder mapping and profiling,
- identification of impacts that will be assessed by the stakeholders,
- dialogue with the stakeholders,
- workshop with the Management Board of the parent.

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

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

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

Each sustainability issue was evaluated from a dual materiality perspective, assessing both its impact on Grupa Pracuj and the Group's influence on these issues.

The following methods were applied in the survey:

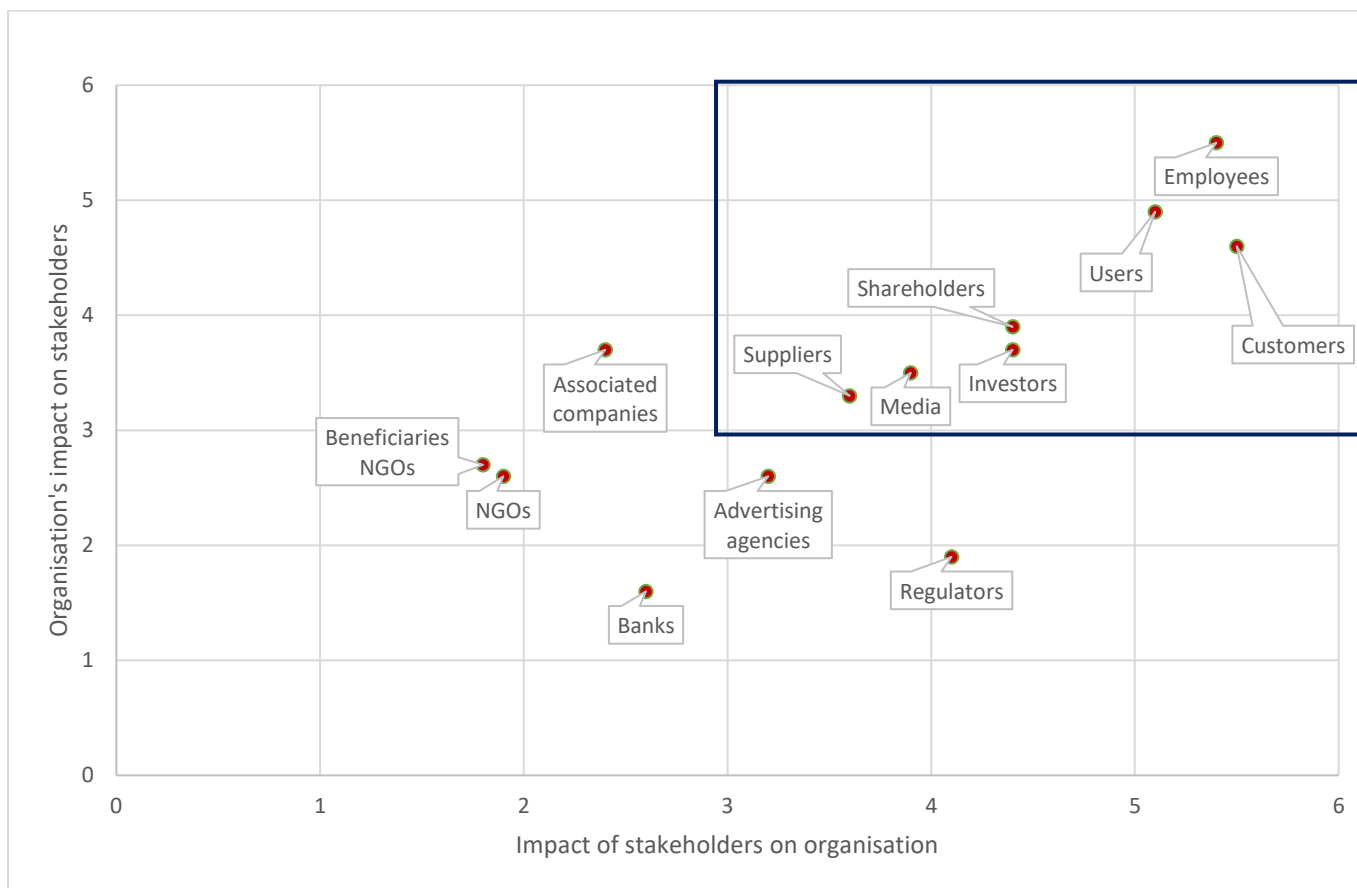
- the quantitative method – a broad anonymous questionnaire;
- the qualitative method – in-depth interviews of stakeholder groups.

Stakeholder map

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

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

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



GRI 3-2

Themes relevant in 2023

Through this process, the following key ESG aspects were identified and are discussed in this Management Report:

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

The Company also initiated the process of identifying the value chain within the Group.

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'G' FOR GOVERNANCE: Corporate governance

Management structure

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

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

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

- Management Board,
- Supervisory Board,
- General Meeting.

Management Board:

As at 31 December 2023, the composition of the Management Board was as follows:



Przemysław Gacek, President of the Management Board



Gracjan Fiedorowicz, Member of the Management Board



Rafał Nachyna, Member of the Management Board

For more details on the appointment and powers of the Management Board, including the rules on preventing conflicts of interest, see the 'Corporate governance' section of this Management Report.

Supervisory Board:

As at 31 December 2023, the composition of the 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
Martin van Hetting	Independent Member of the Supervisory Board	1 February 2023

Members of the Supervisory Board are appointed for a joint three-year term of office. The Supervisory Board maintains continuous oversight over the Company's affairs in all areas of its business.

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

For more details on the appointment and powers of the Supervisory Board, see the 'Corporate governance' section of this Management Report.

General Meeting

For more details on the operation of the General Meeting, see the 'Corporate governance' section of this Management Report.

Remuneration policy

On 12 November 2021, the Extraordinary General Meeting of the Company passed a resolution to repeal the then-existing Remuneration Policy for the Management Board and Supervisory Board members, adopting a new formulation of the Policy, as referred to in Art. 90d.1 of the Public Offering Act.

For more details on compensation remuneration of the Company's management, see the 'Corporate governance' section of this Management Report.

Sustainability management

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

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

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

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

- Legal and Compliance,
- HR,
- Communications and CSR,
- Investor Relations and ESG,
- Procurement and Administration,
- Cyber Security and Risk Management,
- Technology.

The Management Board is working to standardise ESG-related processes, including identifying and monitoring the Group's strategic commitments in this area. Oversight of strategic sustainability initiatives within the Group is managed by the Investor Relations and ESG department, in close collaboration with selected units across the entire Group and with the support of the Management Board.

Environmental, social and governance (ESG) factors are becoming increasingly important, not only in the private sphere but also in the business world. These topics hold significance for all key stakeholder groups and the Management Board of the Group. As such, the Management Board is committed to raising awareness and understanding of ESG issues.

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

- responsibility for our employees;
- respect for human rights and anti-corruption measures;
- relations with customers and job candidates;
- initiatives to support local communities (including education, charitable activities);
- care for the environment.

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

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

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

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

To ensure proper communication with investors and shareholders and to maintain transparency in its operations, the Company adheres to the majority of the Best Practice 2021. In instances where it deviates from a specific principle, in line with the 'apply or explain' rule, it provides appropriate explanations.

Ownership structure

As at 31 December 2023 and as at the date of this non-financial statement, the Company's share capital was PLN 341,325,130 and comprised 68,265,026 ordinary bearer shares with a par value of PLN 5 per share, including:

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

One share carries one vote at the General Meeting.

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

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

Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as of the date of issue of this non-financial statement, there have been no changes in holdings of at least 5% of the total voting rights at the General Meeting relative to 31 December 2023.

Management of non-financial risks

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

For an in-depth examination of how risks impacting non-financial matters are managed, see the 'Risk factors and risk management' section of this Management Report.

Information security and data protection

GRI 3-3, GRI 418-1

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

When designing solutions, whether for in-house use or for customers, we consider compliance with GDPR¹⁹ as a minimum standard, which forms the basis for creating data subject-friendly solutions.

In order to adequately address personal data matters at both Grupa Pracuj S.A. and eRecruitment Solutions sp. z o.o., a Data Protection Officer was appointed, whose key responsibilities include advising employees of their obligations

¹⁹Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

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under the GDPR and contracts with customers, monitoring the performance of these obligations, and taking measures to raise awareness of the importance of personal data protection.

The Data Protection Officer is a lawyer holding a legal counsel licence, with experience in implementing and conducting GDPR-related procedures, audits and training.

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

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

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

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

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

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

In 2023, our organisation progressed with the compliance risk assessment in data security, enabling a thorough evaluation of our personal data protection system's maturity. This process helped identify key risk management priorities, leading to the formulation of long-term plans. Concurrently, we embarked on the standardisation of GDPR compliance protocols across the Group. Self-assessment surveys conducted across our subsidiaries confirmed compliance with the requisite legal standards for personal data protection. Moving into 2024, the process is continued and focuses on the formulation and deployment of unified data protection standards across the Group.

A key component of maintaining the Group's compliance with relevant laws and regulations concerning personal data processing is the provision of comprehensive guidelines and instructions to employees engaged in daily personal data handling. In order to continuously raise awareness among our staff, we run regular training classes on personal data protection for new hires and refresher training classes for other employees. In December 2023, the initiation of onboarding training was transitioned to an e-learning platform. Through this platform, newly employed staff are required to engage with educational resources focused on personal data protection and to complete an assessment testing their understanding of the covered material. Furthermore, in 2023, we executed a series of educational webinars addressing the risks to personal data security inherent in utilising AI-powered tools.

In 2023, we formally reported an incident to the President of the Data Protection Authority, adhering to the ENISA risk assessment methodology. The incident involved the transmission of employee documents to an incorrect recipient.

In 2023, the Company was not party to any proceedings before the President of the Data Protection Authority.

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

Ethics and prevention of misconduct

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

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

The Code of Ethics is the foundational document that defines ethical conduct within the Group, outlining expected behaviours, encouraging positive attitudes, and specifying actions considered inappropriate or unacceptable. The *Grupa Pracuj S.A. Group Code of Ethics* applies to all members of the Grupa Pracuj S.A. Group community, regardless of their role or position. It serves as a concise summary of the values and principles that comprise the ethical framework followed by the Group's employees and independent contractors in their daily work

The *Code of Ethics* is complemented by additional internal regulations that clarify the key areas of compliance management, i.e., *Bullying and Discrimination Policy*, *Anti-Corruption Code*, *Gift Policy* and *Whistleblowing Procedure*. All of our employees and independent contractors are required to read and comply with those documents. The *Grupa Pracuj S.A. Group Code of Ethics*, along with the other procedures in force in our organisation, is reviewed annually. In light of the Group's adoption of new values and the necessity to align with the Corporate Sustainability Reporting Directive (CSRD) reporting standards, the Code of Ethics is scheduled for an update in 2024.

To uphold suitable compliance standards in our supply chain, the Pracuj Group adheres to a *Code of Ethics in Business Relationships*. This code, a compulsory element of agreements with our suppliers, outlines the framework and minimum standards anticipated from our business partners. The Code is founded on the belief that responsible and transparent business conduct based on respect for the law, accountability, transparency and clear communication is a prerequisite for sustainable development. The Code outlines the crucial values and principles of conduct that we expect our trading partners to uphold in their activities and relationship with the Group. The document was created based on the values and principles followed in building an ethical work environment:

- expecting compliance with the law;
- counteracting corruption and conflicts of interest;
- building a safe and friendly work environment;
- meeting appropriate standards for information security and protection of business secrets;
- personal data protection;
- preventing unfair competition;
- reporting irregularities and instances of misconduct related to cooperation.

Within each identified area, specific commitments and clear expectations towards business partners are outlined, constituting minimum standards they should adhere to in their operations, along with examples of behaviours and situations that are categorically not accepted.

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

After Grupa Pracuj S.A. shares were floated on the Warsaw Stock Exchange in 2021 and the Compliance Officer function was established, efforts continued in supervising the effective management of the compliance area, mapping and mitigating the risk of non-compliance, and fulfilling legal requirements. The Company operates transparently and incorporates recommendations from the Best Practice 2021 and the recommended standards for compliance management systems in its compliance system development. This includes measures for anti-corruption and whistleblower protection systems.

The compliance system development strategy provides for standardising compliance standards across all Group companies. In 2023, the softgarden group developed compliance procedures specifically tailored to meet local regulatory requirements.

Preventing discrimination and respect for human rights

Respect for diversity and the promotion of equal opportunities are among the values guiding the Group in its day-to-day activities. Preventing workplace bullying and discrimination constitutes an essential component of our compliance management model, and employee matters are one of the most important areas of responsibility. A priority is the fair and transparent treatment of all employees and business partners. The Grupa Pracuj S.A. Group has a zero-tolerance

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policy towards any form of workplace bullying, with the rules against bullying defined in our *Anti-Bullying and Anti-Discrimination Policy*. Its provisions are based on the Labour Code. All employees and independent contractors within the Group are required to read and adhere to the policy.

In 2023, the following trainings on counteracting bullying and discrimination were also conducted:

- aimed at all employees of Grupa Pracuj S.A. and eRecruitment Solutions sp. z o.o., which concluded with a mandatory knowledge test,
- aimed at senior management in Grupa Pracuj S.A. and eRecruitment Solutions sp. z o.o.

Counteracting corruption and unfair practices

The Grupa Pracuj S.A. Group maintains a zero-tolerance stance on any activities that could violate the law, whether internally within the organisation or in interactions with trading partners. In particular, any manifestations of corruption and other forms of bribery are unequivocally unacceptable, and active measures are taken to counter such practices. Detailed regulations on preventing corruption are set forth in our *Anti-Corruption Code*. The document clearly specifies:

- the definitions of benefits and corruption, including the methods of exerting influence;
- the specific actions that are forbidden and the business sectors most susceptible to corruption;
- the correct protocols for communication with suppliers and customers, as well as the regulations governing tender participation.

It details strategies for preventing and addressing corruption, along with advice on the steps to take when encountering or becoming the target of corrupt behaviour. Furthermore, it outlines the potential legal ramifications for those engaged in such activities. The proactively enforced anti-corruption policy also includes specific guidelines on accepting and offering gifts, invitations and hospitality, all of which are further elaborated in the *Gift Policy*. According to the *Gift Policy*, occasional gifts may be offered or received as long as the following conditions are met:

- The market value of the gift does not exceed PLN 200 gross;
- No benefits are expected in return;
- The giving or receiving of the gift does not create a risk of conflict of interest;
- The giving or receiving of the gift complies with the internal regulations of the Grupa Pracuj S.A. Group and the recipient, as well as with reasonable market practices;
- The gift is not presented to individuals holding public office, nor is it offered in an impersonal manner to any public administration or law enforcement agencies.

The policy also features a catalogue of acceptable types of gifts and mandates consultation with the Legal Department in case of any doubts.

GRI 205-3

In 2023, the Group did not report any incidents involving corruption.

To ensure proper safeguards against corrupt practices with business partners, the Group incorporates anti-corruption clauses in its standard contract templates. These clauses have been customised for the specific types of agreements made within the Group, with their implementation outlined in the internal document 'Guidelines for Applying Anti-Corruption Clauses in Contracts Concluded by Grupa Pracuj'. According to these clauses, business partners are required to exercise due diligence in fulfilling contracts, comply with legal regulations relevant to the subject of collaboration with Grupa Pracuj, and adhere to all applicable anti-corruption laws and regulations. This obligation extends to ensuring that none of the compensation received is allocated towards covering expenses related to offering benefits.

In 2023, 505 employees participated in training on anti-corruption and conflict of interest, conducted by an external expert.

Whistleblowing

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

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The system is available to Group employees and trading partners as a secure and confidential channel in which to raise concerns about various types of misconduct and irregularities, including violations of the law or ethical standards. This is a confidential and completely secure channel designed for reporting a variety of issues, including violations of laws or ethical standards. It is available 24/7 and accessible from any device. The system enables efficient management of incoming reports by continuously monitoring their resolution process and overseeing the implementation of corrective actions where needed. The reports can be submitted through an online form and

are managed by the Compliance Officer and their team, who are obliged to maintain strict confidentiality regarding the handling of reports and the conduct of investigations. Every case is meticulously and thoroughly examined by a dedicated Committee. Following this analysis, a report on the Committee's findings is submitted to the Management Board of Grupa Pracuj. The Management Board then decides on the necessity and manner of implementing corrective measures, guided by the recommendations contained in the report. The procedure for managing reports, granting the reporting individual the status of a corporate whistleblower, and conducting internal investigations is comprehensively outlined in the *Whistleblowing Procedure*. The Company strictly prohibits any form of retaliation and offer protection against reprisal to those who report actual or suspected irregularities in good faith.

At Grupa Pracuj in 2023, three reports were received, and two of these led to the conduct of internal investigative proceedings and the implementation of corrective measures.

In the softgarden group, a platform for reporting violations was introduced in 2023, and no reports were recorded.

Building awareness and developing corporate culture

GRI 205-2

An integral aspect of nurturing an ethical culture within Grupa Pracuj Group has been the consistent pursuit of educational initiatives. Over the previous year, these efforts were focused on the creation of training materials tailored for all newly onboarded employees and independent contractors. It is compulsory for every staff member and independent contractor to complete compliance training as an essential part of our rigorous onboarding programmes. These sessions are designed to help individuals get acquainted with the rules and regulations that govern our operations but also to understand the core priorities of our compliance management framework within Grupa Pracuj. Furthermore, ongoing communication is used to continually increase employees' awareness of the required attitudes and behaviours.

In June 2023, two significant training programmes aimed at all employees of Pracuj Group S.A. and eRecruitment Solutions Ltd. were held, focusing on crucial areas such as anti-corruption, conflict of interest prevention, and measures against bullying and discrimination. The first programme was attended by 505 employees and the second one by 487. A subsequent knowledge test on the topics covered during the training saw 504 employees successfully pass.

'S' FOR SOCIAL: Social matters**Our employees****GRI 3-3**

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

Workforce structure and turnover**GRI 2-7, GRI 2-8, GRI 401-1**

Grupa Pracuj offers equal opportunities across all aspects of employment. As at the end of 2023, Polish companies of the Grupa Pracuj S.A. Group had 640 employees (FTEs) and independent contractors.

Workforce structure in Group companies

Headcount	Year ended 31 December		
	2023	2022	2021
Grupa Pracuj S.A., including:	551	568	498
<i>Employment contract</i>	503	513	454
<i>Temporary employment contract</i>	3	5	4
<i>B2B contract</i>	45	50	40
eRecruitment Solutions sp. z o.o., including:	89	83	73
<i>Employment contract</i>	76	73	64
<i>Temporary employment contract</i>	2	-	-
<i>B2B contract</i>	11	10	9
Robota International TOV, including:	248	224	324
<i>Employment contract</i>	197	178	265
<i>B2B contract</i>	51	46	59
Softgarden e-recruiting GmbH, including:	177	158	n/a
<i>Employment contract</i>	173	155	n/a
<i>B2B contract</i>	4	3	n/a
absence.io GmbH, including:	14	17	n/a
<i>Employment contract</i>	14	16	n/a
<i>B2B contract</i>	-	1	n/a
Total FTEs	1,079	1,050	895

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By the close of 2023, the team at Robota International TOV comprised 248 individuals, marking an approximate 11% increase from the preceding year, attributable to its phased expansion. Softgarden and absence.io employed 191 people, 9% more than at the same time a year earlier.

The table above outlines the composition of the workforce, encompassing full-time equivalent employees – that is, individuals engaged under employment contracts, excluding those on extended leave (such as maternity/parental leave, unpaid leave and sickness absences exceeding 30 days). It also includes individuals engaged with the Group through temporary employment contracts (umowa zlecenia) and independent contractors working under B2B agreements. The figures include employees and independent contractors of the Group companies.

Average length of service at the Group companies

Across nearly all Group companies, there's a noticeable trend of increasing average tenure among employees. At Pracuj Group S.A., the average length of service had risen to over 6 years by the end of 2023, up from 5 years and 6 months at the close of 2022. Employees at eRecruitment Solutions sp. z o.o. had an average tenure of 4 years, an improvement from 3 years and 3 months in the preceding year. At Robota International TOV, the average service duration by the end of 2023 reached 3 years and 8 months, marking an increase of 3 months compared to the end of 2022. Conversely, at softgarden, the average tenure decreased by 5 months from the previous year's end, following a staffing increase of 47 individuals.

Average length of service at the Group companies

Average length of service	Year ended 31 December		
	2023	2022	2021
Grupa Pracuj S.A.	6.2	5.6	5.6
eRecruitment Solutions sp. z o.o.	4.0	3.3	3.4
Robota International TOV	3.8	3.5	2.6
Softgarden e-recruiting GmbH	3.3	3.8	n/a
absence.io GmbH	2.8	2.3	n/a

The majority of the personnel at the Polish companies of the Group are employed in the position of specialist – they account for 62% of the total headcount. As at the end of 2023, specialists and experts represented 77% of the total headcount. At Robota International TOV, mirroring the trend within Grupa Pracuj, the majority of employees held specialist roles in 2023, with specialists and experts constituting 67% of the total workforce. There has been a notable rise in employment at the assistant level. Within the employment structure of the German subsidiaries, the largest segment comprises specialists, who represent 80% of the entire workforce. Managers constitute the next significant group, making up 15% of the total employee count.

Workforce structure in the segments by job grade

Job grade	2023			2022			2021	
	PL	UA	DE	PL	UA	DE	PL	UA
Assistant	4%	17%	1%	8%	8%	8%	7%	41%
Specialist	62%	56%	80%	60%	65%	48%	62%	40%
Expert	15%	11%	1%	15%	8%	27%	15%	4%
Manager	16%	13%	15%	15%	14%	12%	14%	12%
Director	4%	3%	4%	3%	4%	5%	3%	3%

Remuneration

The Group’s remuneration policy is designed to create conditions to attract, retain and motivate employees with the knowledge and experience required to maintain continued dynamic growth of the organisation.

In collaboration with an external partner, the Company undertook a job valuation process. Furthermore, addressing employee needs and prioritising the transparency of internal procedures, a salary grid was developed. This grid assigns specific positions to corresponding salary levels. The purpose of these measures is twofold: to establish compensation that reflects the nature of the job, the employee’s skills, knowledge and standing within the Company, and to prevent any gender-based salary disparities.

Annually, all entities within the Group perform salary level analyses against both local and international benchmarks to maintain their competitive position on respective labour markets.

Talent acquisition

Employer branding

In its employer branding initiatives, Grupa Pracuj concentrates on enhancing its reputation as an exemplary employer, particularly targeting candidates within the technology sector.

The Group and its individual brands are active across social media platforms, including LinkedIn, Facebook and Instagram, where they consistently share insights into efforts that cultivate an engaging workplace and Corporate Social Responsibility (CSR) activities. Additionally, they post educational content and details about open recruitment processes. Aligning with a culture of engagement, this content is frequently produced in collaboration with the Group employees.

Representatives of the Group companies routinely attend selected conferences and job fairs, specifically prioritising those in the IT sector, aiming to enhance brand visibility and impart specialised knowledge through lectures, directly engaging with potential candidates.

In 2023, the Company was awarded the Friendly Workplace certificate in recognition of its commitment to cultivating an open organisational culture focused on employee needs and well-being. The accolade also acknowledged the extensive developmental opportunities provided by the company, along with its social engagement and the Group’s educational initiatives. This certificate, esteemed within the market and among potential candidates, is a crucial component in enhancing the organisation’s image and attracting talent.



Recruitment Processes

The Talent Acquisition (TA) team is tasked with overseeing the recruitment processes, where, in collaboration with supervisors, they evaluate candidates using a range of tools, including specialised competency tests.

Grupa Pracuj sources candidates through a variety of channels, from career sites and Applicant Tracking Systems (ATS) that facilitate recruitment processes, to job postings and social media platforms. In every instance, GDPR-

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compliance is rigorously maintained, notably by obtaining the necessary consents from candidates. Employee referrals represent another important avenue for talent acquisition within the Company.

The recruitment process at Grupa Pracuj is founded on standards that take into account the feedback from candidates and insights provided by Candidate Experience surveys. These surveys facilitate ongoing analysis of candidates' recruitment experiences, enabling swift adaptation to their needs and expectations by refining recruitment practices based on the findings. Additionally, data from these surveys support the biannual preparation of a report that suggests possible modifications and fresh approaches to the HR strategy for next year.

Providing feedback to all candidates involved in a recruitment process is a fundamental aspect of the Company's recruitment practices. The Group engages in numerous educational initiatives aimed at our customers, championing the provision of feedback as a practice that is beneficial to candidates and fosters positive relations with potential employees.

The recruitment process concludes when a candidate accepts the job offer, resulting in the signing of an employment or civil law contract.

Onboarding

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

At Grupa Pracuj, the onboarding process is crafted to equip every new employee with the crucial support, guidance and knowledge necessary to fully grasp their role and the Company's ethos. The 2023 evaluation score for the new employee onboarding process was 4.7 out of a possible 5, based on feedback from 113 participants.

At the Company, we categorise onboarding into four distinct types: Company-wide Onboarding, Managerial Onboarding, Position-Specific Onboarding and Quarterly Onboarding. The two-day Company-wide Onboarding, conducted in-person, allows newcomers to familiarise themselves with the functions of different business units and meet their representatives. Then the new hires participate in e-learning courses introduced in 2023, covering topics such as Personal Data Protection, Compliance, Information Security, and Health and Safety. In 2023, 113 individuals commenced roles within the Group's Polish companies, with 94% successfully completing their probationary periods. Upon completion, employees are welcomed to Quarterly Onboarding, designed to consolidate their understanding of the company gained thus far. This session also serves as a chance to engage with the Management Board and partake in workshops that explore the Company's culture, values, and communication techniques, leveraging individual Insights Discovery profiles.

Simultaneously, alongside the Company-wide Onboarding, Position-Specific Onboarding commences on the employee's first day. This segment is conducted by the immediate superior with assistance from a 'Buddy' – a mentor assigned to guide the new hire, typically a more seasoned colleague.

As part of the onboarding process for new employees stepping into formal managerial or supervisory roles, there is also a specific Onboarding for Managers and Coordinators. This includes selected meetings with representatives from HR and the business side, who introduce the new Manager or Coordinator to key topics and areas relevant to their role.

In softgarden, the entire onboarding process is organised online and divided into pre-boarding (immediately after signing the contract) and the proper onboarding. This approach fosters relationship-building from the moment of mutual commitment, making candidates feel engaged and welcomed even before they formally start their roles. In addition to getting acquainted with the entire HR team, they receive a package of essential information, an agenda for the first week and details about their onboarding partner. Beyond standard training sessions on data security or health and safety, they also participate in a 30-60-90 feedback session. Both team leaders and new employees complete feedback forms, aiming to fine-tune the onboarding experience and guarantee well-being for all parties involved. In 2023, 47 people were onboarded at softgarden, of whom 95.7% successfully completed their probationary period.

In 2023, Robota International TOV filled 83 vacancies. Of these, 13% were taken on by individuals who had worked for the company in the past. Despite the difficult situation, the organisation's employer brand remains strong, as evidenced in particular by the high eNPS score.

Diversity policy and respect for human rights**GRI 3-3**

One of the core values of Grupa Pracuj is Respect for Diversity. Guided by this principle, the Group strives to create a welcoming and inclusive work environment, believing that this approach will fully harness the potential arising from diversity.

Workforce structure in the segments by gender

Gender	2023			2022			2021	
	PL	UA	DE	PL	UA	DE	PL	UA
Women	59%	66%	35%	60%	60%	35%	58%	67%
Men	41%	34%	65%	40%	40%	65%	42%	33%

Percentage of women/men in the workforce structure, including managerial positions, as of 31 December 2023

Job category	2023						2022					
	% of women			% of men			% of women			% of men		
	PL	UA	DE	PL	UA	DE	PL	UA	DE	PL	UA	DE
Management (excluding the Management Board)	50%	56%	18%	50%	44%	82%	50%	55%	15%	50%	45%	85%
Other employees	62%	68%	38%	38%	32%	62%	62%	61%	38%	38%	39%	62%

GRI 405-1

The gender composition of the management and supervisory bodies as of 31 December 2023 is detailed in the Corporate Governance section, in the chapter 'Diversity policy for administrative, management and supervisory bodies' of this Management Report.

In Poland, a significant 72.1% of individuals who joined the Group were women, while in Ukraine, the figure stood at 64.5%. In the German subsidiaries, women constitute 35% of the workforce, a figure partly shaped by the company's technological focus. Nevertheless, the company is proactively launching initiatives aimed at promoting women within the IT sector and motivating female candidates to apply for positions. In 2023, women accounted for 43.9% of new hires.

The Group supports women in managerial positions in their development, which is why, for the past five years, it has participated in the LeadersIN mentoring programme coordinated by Vital Voices. The programme connects leaders selected through an internal recruitment process with experienced leaders from other corporations.

Given the significance of language in job adverts and role titles, the Group has been advocating for the inclusion of feminine forms in position names across the organisation since spring 2021. The process operates across three dimensions:

- Recruitment and job titles. All job postings include both masculine and feminine forms of the job title, unless the English title does not permit this;
- Job offer submissions. Candidates receive an offer containing all details, where they are invited to choose their preferred form of the job title;
- Changing the form of the job title for current employees. Each individual may change the form of their job title twice a year.

Diversity indicators in the segments

Diversity*	2023			2022			2021	
	PL	UA	DE	PL	UA	DE	PL	UA
% of women among new employees	72.1%	64.5%	43.9%	68.6%	42.1%	34.0%	75.0%	68.0%
% of men among new employees	27.9%	35.5%	56.1%	31.4%	57.9%	66.0%	25.0%	32.0%
% of employees with disabilities	1.7%	4.6%	1.1%	0.5%	5.6%	1.2%	0.4%	4.0%
% of female employees with disabilities	1.2%	2.5%	0.0%	0.2%	2.8%	0.0%	0.2%	3.0%
% of male employees with disabilities	0.5%	2.0%	1.1%	0.3%	2.8%	1.2%	0.2%	1.0%
% of employees under 30	32.8%	63.5%	20.3%	38.7%	70.8%	26.0%	37.3%	80.0%
% of employees aged 31-40	52.8%	32.5%	51.9%	48.6%	21.9%	46.0%	52.5%	16.0%
% of employees aged 41-50	13.3%	4.1%	19.3%	11.9%	3.9%	21.0%	9.7%	3.0%
% of employees aged 51-60	0.7%	0.0%	7.0%	0.5%	2.2%	5.0%	0.4%	1.0%
% of employees over 60	0.3%	0.0%	1.6%	0.2%	1.1%	2.0%	0.2%	0.0%
% of female employees under 30	35.5%	67.7%	23.1%	42.0%	77.6%	23.0%	38.9%	83.0%
% of female employees aged 31-40	51.7%	30.0%	55.4%	47.7%	16.8%	53.0%	52.2%	14.0%
% of female employees aged 41-50	11.9%	2.3%	15.4%	10.0%	2.8%	17.0%	8.6%	2.0%
% of female employees aged 51-60	0.6%	0.0%	4.6%	0.3%	1.9%	5.0%	0.3%	1.0%
% of female employees over 60	0.3%	0.0%	1.5%	0.0%	0.9%	2.0%	0.0%	0.0%
% of male employees under 30	28.9%	55.2%	18.9%	33.9%	60.6%	28.0%	35.0%	74.0%
% of male employees aged 31-40	54.5%	37.3%	50.0%	50.0%	29.6%	41.0%	53.0%	22.0%
% of male employees aged 41-50	15.3%	7.5%	21.3%	14.8%	5.6%	24.0%	11.1%	4.0%
% of male employees aged 51-60	0.9%	0.0%	8.2%	0.8%	2.8%	4.0%	0.5%	0.0%
% of male employees over 60	0.4%	0.0%	1.6%	0.4%	1.4%	3.0%	0.5%	0.0%
% of foreign employees	0.9%	0.0%	24.6%	0.7%	0.6%	24.0%	1.0%	0.8%
% of female foreign employees	0.3%	0.0%	8.0%	0.3%	0.0%	7.0%	0.4%	0.4%
% of male foreign employees	0.5%	0.0%	16.6%	0.3%	0.6%	17.0%	0.6%	0.4%

* Some of the data for 2022 and 2021 was adjusted due to uniform calculation at the Group level.

Trade unions and respect for the freedom of association

GRI 2-30

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

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

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

Benefits and well-being

GRI 3-3, GRI 401-2

Since 2021, the Pracuj Group's employees in Poland have enjoyed the benefits of the Worksmile cafeteria system, receiving monthly financial contributions directly into their individual accounts. In addition, a one-time Christmas subsidy is provided in December. These funds can be used to access a wide range of benefits, including offerings from recognisable brands in sports, culture and entertainment, each tailored to individual preferences. The system also encourages engagement through gamification, fostering healthy competition that motivates physical activity and community engagement.

All employees have access to private healthcare, with the basic package fully covered by the Employer. Furthermore, they have the opportunity to enrol in group insurance at favourable terms and to join the Employee Pension Scheme (EPS), offering an additional avenue for voluntary group retirement savings.

Healthcare and mental well-being

From the onset of their first complete month of work, all employees within the Group in Poland benefit from a comprehensive private healthcare plan provided by Medcover, entirely paid for by the employer. This basic plan grants access to 47 different medical specialties, an extensive array of diagnostic tests, and dental care services. Additionally, employees have the opportunity to extend these medical coverage benefits to family members on preferential terms, enabling access to the same wide-ranging services.

In a dedicated effort to promote mental well-being and workplace comfort, the Group has permanently enhanced these healthcare benefits to include up to 15 complimentary consultations with a psychologist or psychiatrist each year. Furthermore, in November 2023, an online workshop was held for all staff members on addressing job burnout, titled 'Job Crafting – How to Protect Yourself from Job Burnout', featuring a researcher from SWPS University.

To promote physical well-being, all employees are offered the Multisport Plus card, granting access to a broad array of activities nationwide. The card's cost can be fully covered with points from the cafeteria system, thereby employees are offered the cards free of charge. Employees may also purchase extra cards for their family members at preferential rates. At year-end 2023, 288 employees from the Group's Polish companies were using the sports card. Additionally, the Worksmile platform enables staff to form groups based on different sports interests, where they can participate in gamification challenges, exchange their achievements and motivate each other.

Caring for the future

With an eye towards a secure future for our employees, the opportunity to enrol in the Employee Pension Scheme (EPS) is extended to all staff, requiring no financial contribution from the employee's side, and eligibility commences immediately after the probationary period. As of the close of 2023, 288 employees across the Polish subsidiaries participated in the EPS.

Additionally, to bolster a sense of security, we provide our employees with the option to join a group life insurance scheme. As of the end of 2023, 162 employees in Poland participated in the scheme.

Ukraine

In 2023, amid the challenging backdrop of the ongoing armed conflict in Ukraine and the shift towards a hybrid working model, the Group not only prioritised safety but also placed significant focus on supporting the mental health and well-being of its employees. A cornerstone of this effort was ensuring every employee had access to psychological support. The Company launched a psychological support programme, providing employees with the opportunity to confidentially consult with experienced psychologists. Designed for online delivery, the programme ensures ease of access for all employees, irrespective of their geographical location, underscoring the Company's commitment to employee mental health as both a priority and a fundamental aspect of its corporate culture.

Robota also encouraged team cohesion by promoting virtual interactions. Through online events, virtual meetings, and interactive games, the company fostered team bonds and maintained a sense of belonging, effectively narrowing the divide brought on by physical distance.

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Germany

softgarden extends a comprehensive benefits package to all its employees, which includes coverage under the company's pension scheme. Additionally, for those experiencing health issues, options such as part-time work are available. The company also provides access to mental health support via trusted partners and suppliers. In a commitment to maintaining a healthy work-life balance, all employees, regardless of gender, are allocated 30 days of annual leave.

Employee development at the Grupa Pracuj S.A. Group

GRI 3-3, GRI 404-2

Development has always been a key element in supporting the competitive edge of the Grupa Pracuj.

The Group is committed to ensuring that every employee has the opportunity for learning, receiving constructive feedback, and enhancing their skills, potential and competencies. Within the Training and Development area, a variety of initiatives are undertaken to improve skills and competencies, adhering to the 70/20/10 model. This approach facilitates personal development and encourages individuals to take responsibility for it through diverse activities. According to this model, 70% of learning comes from experience, 20% from others, and 10% from formal development activities such as participating in training sessions, conferences and courses.

Formal development initiatives for employees encompass a range of activities, such as internal and external training focused on both soft skills and technical expertise, participation in conferences, enrolment in postgraduate courses, participation in coaching sessions, involvement in mentoring programmes and meetings, purchase of specialist literature and periodicals, and language proficiency enhancement classes.

In 2023, 107 individuals (16%) employed in Poland participated in external training programmes. The subjects were selected after careful analysis of the data on:

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

Among the topics most frequently chosen by employees were Deep Work for personal work organisation, public speaking and presentations, design thinking and emotional intelligence. The NPS score for all 15 external training courses in 2023 was 4.8.

Furthermore, employees have the opportunity, as part of the development initiatives funded by the Group, to purchase access to an e-learning platform of their choice that supports the achievement of business objectives within their specific area of expertise. In 2023, 96 employees took advantage of this form of upskilling, selecting 30 different e-learning platforms and 31 different training topics.

Beyond conventional training methods, a variety of developmental initiatives are rolled out annually, including actions such as 'Your development in GP' and 'Sharing Knowledge in GP'. Our employee development plans take into account the analysis of employees' development needs and also address issues identified in the Work Environment Survey, as well as current market trends.

Within the Pracuj Group, a unified standard for development sessions has been introduced, harmonising knowledge and approaches, establishing frameworks and defining the responsibilities of both managers and employees concerning development.

A career development session is an individual meeting between an employee and their immediate supervisor, during which they discuss conclusions reached on the basis of information obtained from the 270- and 360-degree evaluation. Furthermore, they plan and record specific development goals and activities for the coming year (taking into account the employee's needs and the organisation's capabilities). The sessions are an opportunity to summarise and plan various development activities, which are then implemented and monitored over the year, including during ongoing one-on-one meetings between the employee and manager. Career development sessions are held on an annual basis.

The 270-degree and 360-degree evaluations cover all employees of the company after the onboarding period (the 360-degree evaluation is dedicated to managers, while the 270-degree evaluation is for employees who do not manage a team). During the process, employees receive feedback from a range of respondents, including their immediate superior,

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colleagues and subordinates. This helps them understand how their general and managerial competencies are perceived by others. The 270- and 360- degree evaluations not only facilitate professional development, but also foster a culture of open communication and constructive feedback.

A tool that supports building an organisation's culture based on open and honest feedback is Insights Discovery. The Insights Discovery model is employed both in projects involving individual development of employees and in initiatives designed to increase the effectiveness of entire teams. An in-house team of accredited Insights Discovery consultants ensures that each new employee is provided with a personal Insights Discovery report during the Quarterly Onboarding phase. The report helps them understand their operating style and how it affects their relationships with others in the workplace. Each person is offered an opportunity to have a one-on-one session to discuss their personal profile and make an in-depth analysis of their preferences regarding communication and cooperation with colleagues.

In 2023, Grupa Pracuj organised delivered 36 workshops based on Insights Discovery, covering four topics:

- Insights Discovery: Beginning the Journey (9 workshops);
- Team Effectiveness with Insights Discovery (25 workshops);
- Me and My Role (2 workshops).

All workshops were highly rated by the participants, at 4.8 (on a scale of 1 to 5).

Career paths

The Group continues to work on developing career paths for various areas within the organisation. By creating a clear tool that outlines development opportunities (both horizontal and vertical transitions within the organisation), the Company supports its employees in planning their individual career paths at the Group.

At present, 53% of employees in Poland have access to these newly established career paths. This is a crucial component of creating a work environment that supports employee development, especially as a significant portion of the workforce belongs to Generation Z, for whom development opportunities are particularly important.

Reskilling

Considering the current market trends towards increased employee mobility within organisational structures, as well as the needs voiced by employees who want to develop their careers, Grupa Pracuj is committed to offer reskilling opportunities within the organisation. In response to business requirements, Internal Recruitment initiatives incorporating reskilling were launched. Those choosing to pivot their career paths are provided with customised development measures designed to facilitate the acquisition of new skills and fill any competency gaps. This retraining support empowers employees to thrive in new professional capacities, reinforcing a culture of ongoing enhancement and learning. In 2023, the reskilling programme covered 27 employees.

Support for development of managerial skills

Every year, activities specifically dedicated to the managerial staff are also organised, such as:

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

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

Foreign language classes

GRI 3-3, GRI 404-2

In the Pracuj Group, foreign language learning is considered an essential component of the organisation's development strategy, recognised as a developmental activity driven by the specific requirements and skills necessary for an employee's role.

In 2023, employees were offered an opportunity to learn one of three foreign languages – English, German and Ukrainian. The course is divided into two semesters. All classes are held in an online format. Qualified lecturers conduct group classes for employees and individual classes for managers. In 2023, foreign language courses were attended by 243 employees and 39 managers of Grupa Pracuj in Poland.

The courses received highly positive feedback from participants, with 95% reporting that attending the courses contributed to enhancing their skills.

Number of foreign language learners	2023	2022	2021
All	282	296	154
Women	147	157	81
Men	135	139	73

A further initiative to bolster foreign language acquisition within the Pracuj Group was the 2023 launch of eTutor, an online language learning platform. The platform facilitates learning in three languages: English, German and Spanish. Overall, 314 employees availed themselves of the opportunity to study a foreign language.

Ukraine

In 2023, Robota embarked on implementing a corporate competency model aligned with its desired culture by conducting workshops to pinpoint 10 critical corporate competencies. Following the identification of these competencies, the company's managers underwent a 360-degree evaluation, leading to the initiation of Individual Development Plans for them.

Concurrently, employees were offered an array of training and workshops, designed with the challenging work conditions in mind. A key focus was enabling sales department personnel to access information from any location. To this end, sales training sessions were transformed into digital formats, offering sales teams the convenience and accessibility to enhance their sales techniques and product knowledge. Moreover, an engaging Ask Me Anything marathon was arranged, providing employees in the tech department with direct access to experts in their fields, thereby encouraging knowledge sharing and fostering a sense of community.

In 2023, Robota conducted a leadership training programme focused on effective team communication and non-violent communication techniques, aiming to cultivate a supportive and inclusive workplace. Additionally, training sessions were offered to bolster life skills and personal growth, addressing topics such as legal considerations in armed conflict, public speaking proficiency, and financial management during uncertain times. The company also held specialised sessions on preparing for crisis situations, including first aid techniques and strategies for understanding and mitigating nuclear threats, providing essential knowledge for navigating potential risks. These efforts demonstrate a commitment to equipping employees with the necessary skills, knowledge, and resilience for wartime, while still prioritising personal and organisational growth.

Germany

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In 2023, the Learning and Development (L&D) area saw transformative changes, with a focus on fostering knowledge development and enhancing team effectiveness and collaboration. Drawing from internal survey insights, a standardised process was introduced for the inclusion of all softgarden employees in a comprehensive development programme. A key objective was to bolster teamwork, prompting the organisation of several internal workshops on collaboration and communication. A strategy to establish career paths for every employee was also put in place.

English and German language courses are made available to all employees throughout the year.

Knowledge sharing

The Grupa Pracuj employees are highly skilled experts in their fields. The Company encourages team members to share their knowledge with others. As part of this initiative, various forms of meetings, webinars and training sessions are organised, where employees can share their expertise and experiences with colleagues, tailoring the content and topics to the business needs. Within this programme, in 2023 several such meetings took place, along with a series of six comprehensive training sessions for a group of 54 individuals. Leading such sessions allows speakers to hone their communication and presentation skills.

In 2023, the Pracuj Group initiated a series of meetings for managers and executives, titled 'Let's Talk'. These periodic meetings with leadership and decision-making experts provide a valuable opportunity for inspiration and learning about current market practices. Let's Talk meetings feature guest speakers and Q&A sessions.



The annual *GP Conference* is also an important initiative. At the invitation of the Management Board, world-class educators, mainly representatives of Harvard Business School, conduct thematic classes and workshops for the Group's executives.

The 2023 theme was corporate and business strategy, providing another opportunity for more than 100 people from Ukraine, Germany and Poland to meet. The workshops and lectures were also streamed live to allow people from Ukraine who could not leave the country to actively participate in the event.

Additionally, the Management Board organises annual Inspiration Day events, offering workshops and meetings where external guests share their knowledge, supporting the development and creativity of managers.

Employee engagement and culture surveys

Given that fostering an engaging work environment ranks among the top priorities for the Group, and insights gathered from employees contribute to ongoing improvement, an annual anonymous Work Environment Survey is conducted. In 2023, it was also conducted in Germany and Ukraine.

These surveys provided us with insights into employee satisfaction across various aspects of work within the Group, highlighting areas particularly valued by staff as well as those in need of improvement. Based on an analysis of the results at the level of individual businesses and departments, issues requiring attention were identified, leading to the launch of specific initiatives.

The employee participation rate in the 2023 survey conducted in Poland reached 91%, remaining consistent with the participation level observed in 2022. Participation rates in the survey were 80% for employees from Ukraine and 77% for those from Germany.

Overall employee satisfaction in Poland in 2023 was 75%, marking a 3 percentage point increase from the previous year's result. The increase in employee satisfaction ratings concerning the work environment compared to 2022 can be regarded as a success and recognition of the company's efforts by the employees. This achievement is particularly noteworthy considering the high inflation rates of the previous year, which posed challenges for many companies in maintaining attractive employment conditions. Employee satisfaction among Ukrainian staff reached a notably high level of 69%. In spite of the ongoing conflict in Ukraine, employees in the country valued the work environment and the conditions provided for their employment. A high level of employee satisfaction, 64%, was achieved in Germany.

An organisational culture survey was conducted in the Polish companies in 2020 and in the Ukrainian company in 2021, utilising a methodology developed from the research of Geert Hofstede and Michael Minkov. This study was repeated two years later, in December 2022 in Poland, in February 2023 in Ukraine, and towards the end of 2023 in German companies, to assess the progress in implementation of the planned changes and whether they have been acknowledged by the employees. In the German study, the objective was to gather insights from employees regarding their perception of the existing corporate culture compared with the culture they deem essential for facilitating the

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company's continued growth. The work environment survey highlights areas requiring enhancement and elements to preserve, whereas the culture study guides on the methodologies for enacting these adjustments and underscores the specifics that merit focused attention.

In the 2020 culture survey conducted for the Polish companies, both the management team and employees, including managers, identified the culture they observed as well as described the culture necessary for the Pracuj Group to deliver the long-term development strategy. Based on the feedback received, the key changes required to achieve a culture supporting further development of the Group were identified. These were:

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

Based on a survey conducted at the end of 2022, employees in the Polish companies indicated that, two years on from the previous survey, they observe that the set goals related to fostering a culture conducive to the company's continued development have been achieved. Particularly, they highlighted noticeable shifts in the approach to setting and accomplishing goals, marked by a stronger emphasis on result-oriented actions and expedited decision-making processes. Additionally, there was a reinforced commitment to fostering a culture of experimentation and the exchange of feedback. A visible change was also mentioned with respect to employee empowerment. It was emphasised that all employees are afforded the opportunity to assume responsibility for their actions, within an organisational culture that supports taking such initiative without the fear of judgment for mistakes, recognising these as a natural aspect of development.

A clear and transparent strategy and healthy communication are at the heart of creating a culture that gives employees a sense of stability and opportunities for dynamic action. At present, the factors most appreciated by Robota's employees include the company's social engagement, transparency regarding compensation and corporate strategy, the camaraderie among colleagues, and the opportunity to work for a well-established brand.

In Germany, employees highlighted the necessity for change to cultivate a similar culture to the one already being successfully developed in Poland and Ukraine. The emphasis was placed on the necessity for transparent processes, goals and priorities, while also fostering a dynamic operational environment. This includes prioritising employee empowerment, teamwork, the exchange of feedback and encouraging experimentation and knowledge sharing. Within the softgarden group, a focal point for improvement is the development of employees, especially managers, and achieving a balance between strategic planning and the imperative for rapid execution and experimentation.

A critical component solidifying further efforts in cultivating the culture within individual companies of the Pracuj Group was the development of shared group values, as discussed in the chapter 'Mission, Vision, Values' – page 8.

Employee turnover

GRI 401-1

Employee turnover in Polish companies in 2023 was 12.9%, marking a 0.4% decrease compared with 2022. All actions undertaken, especially in response to employee needs regarding work organisation, helped retain valuable staff within the organisation. The decision to continue allowing remote work for most technology positions and adopting a hybrid work model for the majority of other roles in Polish companies is highly valued by employees. This work arrangement not only facilitates team building and knowledge exchange but also creates better conditions for balancing professional and family life. The implemented work model necessitates a different organisation of meetings and corporate events, which are now also designed to serve an integrative function.

The turnover rate across the entire Group was 14.8%, reflecting the natural staff churn and facilitating the hiring of individuals from outside the organisation.

Internal communication

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Open and transparent communication is a cornerstone of the organisational culture at Grupa Pracuj. Consequently, significant emphasis is placed on this area across all Group companies, with a special focus on two-way communication and feedback.

Commencing in 2023, we instituted regular international quarterly online gatherings for all employees throughout the Group to review the performance and initiatives of each company. These meetings are a key tool for communicating the Company's strategy and objectives, as well as for fostering a better understanding of the actions of other companies, facilitating knowledge exchange and collaboration.

Additionally, country-level monthly meetings are held to provide updates on current issues, offering participants the chance to pose questions.

Annually, the Pracuj Group in Poland hosts meetings (online at the beginning of the year and offline mid-year) where summaries of to-date performance and plans for future activities initiatives are presented. These sessions not only serve a crucial motivational and team-building purpose but also encourage the Group to include additional activities designed for team bonding. In the German and Ukrainian subsidiaries, similar meetings and integration activities are held. A highlight of 2023 was the Week of Good Deeds at Robota.ua, organised to mark its operational milestone and centred around CSR initiatives that allowed for active employee participation. This project was recognised with an award at the international BEA World 2023 competition.

In line with the internal communication strategy of Grupa Pracuj, we employ modern communication tools focused on engaging employees, regularly posting updates relevant to the Company and the Group. Additionally, within Grupa Pracuj in Poland, we use an Intranet platform where all company processes, procedures, and mandatory documents are consolidated.

Two-way communication holds particular significance; hence, beyond regular meetings, themed working groups are organised. Within these groups, we collaboratively develop new solutions, exemplified by the international team that formulated new corporate group values. Furthermore, the Company engages with employee representatives, discussing with them the amendments necessitated by the Labour Code and other legal statutes.

Health and safety at work

GRI 3-3, GRI 403-1, GRI 403-5, GRI 403-9

Occupational health and safety (OHS) represent an important area of activity. Grupa Pracuj has implemented an OHS management system that includes comprehensive procedures, instructions, regulations and standards. In Pracuj Group S.A. and eRecruitment Solutions sp. z o.o., the fulfilment of OHS obligations is enhanced through the support of an external service provider. In the other companies, adherence to OHS principles is monitored by the management. All Group companies operate in strict conformity with OHS guidelines and statutory regulations, including the Labour Code and other pertinent legislations, and adhere to the principles outlined in the internal work rules. The collaboration of the Group companies with the external OHS consultant allows employees to continuously acquire knowledge and innovative solutions in this aspect of the activities.

Employees undergo regular training in health and safety procedures. In 2023, the OHS training was provided to:

- 137 employees in Poland (encompassing both Pracuj Group S.A. and eRecruitment Solutions sp. z o.o.),
- 126 employees in Germany, and
- 75 employees in Ukraine.

Employees of the Group also received first aid training in 2023. In light of the ongoing conflict, employees in Ukraine underwent training for nuclear attack scenarios. The Group adheres to its obligations in occupational safety and health, and monitors the number of workplace accidents. In 2023, there were no minor, serious, or fatal accidents within Grupa Pracuj, nor were there any occupational diseases identified. There were no reported cases of work-related illnesses among the employees of the Group.

Number of accidents	2023	2022	2021
Minor accidents	0	0	0
Serious accidents	0	0	0
Fatal accidents	0	0	0
Group accidents	0	0	0

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

GRI 403-3

Prior to employment, candidates are required to undergo preliminary medical examinations. They are also obligated to partake in regular periodic or control examinations in accordance with referrals that consider the nature of their work. These examinations are conducted by medical establishments that meet the requirements of the Act of 27 June 1997 on occupational medicine services.

Our Customers

GRI 3-3, GRI 418-1

Relations with customers and job candidates

Customers are one of the major groups of Grupa Pracuj's stakeholders. The Company's objective is to provide the highest quality products and services to its customers, with a particular focus on ensuring safety and accessibility of the services, especially for the vulnerable and those at risk of exclusion. At the heart of the Group's operations lies a commitment to being a responsible and trusted partner to all market participants, including employers, users and candidates. The Group companies publish policies outlining the terms and conditions for the use of their products and services, which cover aspects such as purchases, returns and complaints. Our customers can also contact the companies via designated user support channels.

The Group conducts all its activities with integrity and ethical standards. The high standards that employees of the Group adhere to in their relations with customers stem from both the values and the Code of Ethics:

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

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

Educating the market

GRI 3-3

For more than two decades, the Grupa Pracuj S.A. Group team has been actively involved in the development and support of initiatives focused on professional and modern recruitment, digital skills development, and counteracting inequality. Committed to fostering knowledge sharing and education, the Company has been enhancing market quality for years through active listening and understanding of needs, inspiring the market to base its recruitment processes on the highest standards. This approach leads to the effective matching of employers with candidates, allowing for the full realisation of their potential. It is important to ensure that recruitment processes respect the needs of both employers and candidates. The Company also promotes diversity, positive attitudes and the willingness to embrace change.

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

- 'Dream employer, where are you?'
- 'Changes in Polish HR through the eyes of HR professionals'.

Inspiration Academy

As part of its awareness raising activities, the Group runs the Inspiration Academy, i.e., a series of free webinars for HR professionals, industry supporters, business owners and managers, with hosts including industry experts, marketers, influencers and public speakers. The most interesting webinars in 2023 included:

- 'HR with a touch of UX – on building a positive candidate experience in recruitment'.

During the webinar, an in-house expert discussed topics concerning the design of a recruitment process, strategies to ensure a positive business impact through the recruitment experience, and methods for engaging the business in candidate communication, drawing insights from the Candidate Experience 2023 report.

- 'Changes in Polish HR through the HR Professional's Lens' – this webinar explored the key changes in Polish HR and featured prominent figures from the HR sector and business: Maciej Noga, Managing Partner at Pracuj Ventures Fund; Marta Pawlak-Dobrzańska, HR Strategist and Analyst at Great Digital; Agata Boroń, Director of HR and Internal Communications at DHL Parcel Poland.

During the webinar, the discussion centred on the changes in the HR landscape in Poland over the last two years, priorities and expectations for HR, and the current level of Work Tech within companies in Poland.

- 'Reaching for Happiness at Work – Secrets of Satisfaction and Success' – a webinar conducted by Maria Rotkiel.

What is happiness? Is it possible to achieve happiness at work, and if so, how? What strategies exist for cultivating and strengthening a sense of happiness in the workplace? What is the scope of HR initiatives in fostering and enhancing workplace happiness? What steps can each individual take to find happiness in their professional life?

- 'How to Take Care of Yourself: Does the Famous Work-Life Balance Really Make Sense?' – a webinar with Miłosz Brzeziński.

The webinar addressed the theme of work-life balance, a concept that resonates prominently in numerous communications today. The meeting discussed the importance of maintaining balance, preserving tranquillity, and tuning into the inner voice that resides within each of us, although we may not always have the space to heed it. The discussion explored distractions, as well as the dangers and benefits of becoming distracted.

Coffee with Pracuj.pl and Coffee with the:protocol

'Coffee with Pracuj.pl' and 'Coffee with the:protocol' is a series of complimentary business events with training elements for HR professionals. From May to October, 25 in-person meetings were held across 15 cities, along with four online events. Speakers, all experts in the HR and IT fields, were Urszula Zająć-Pałdyna, Marta Pawlak-Dobrzańska, Olga Żółkiewicz, Karina Pawłowska and Anna Grzywaczyk. In total, it engaged over 1,000 participants.

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Pracuj.pl locally

These are local initiatives aimed at market education. In 2023, more than 23 workshops or regional lectures were conducted to educate customers on labour market topics. Examples of workshop themes include:

- Building employee engagement and loyalty,
- Crafting effective job offers,
- IT recruitment – how we do it at the Pracuj Group.

Educating and encouraging activity of job candidates

The Group also focuses on educating candidates, leveraging its position to bridge both sides of the market, thereby offering unique opportunities to understand the needs of both. The mission of the Group is to support users of recruitment services at every stage of their professional development journey, assisting in finding their dream job that enables them to spread their wings and fully realise their potential.

Grupa Pracuj regularly engages in initiatives with media partners, through which we educate on the importance of being active in the job market, seeking better employment opportunities, and advancing one's career. The Company's messages are centred on candidates in today's labour market, their needs, and also on economic, social, and legislative changes affecting the current market situation.

In 2023, topics such as remote work, gender equality and diversity in the workplace were addressed. Socially significant issues were discussed, including the impact of inflation on professional matters and occupational burnout. The past year also saw active commentary on legislative changes affecting the job market, which had tangible effects on employers and employees. This discussions also covered the European Union's directive on work-life balance, which mandates an incremental nine weeks of non-transferable paternity leave, exclusively designated for fathers. To raise awareness of these changes and prepare service users for what lies ahead, a series of press articles and a report were created, reaching a combined audience of 8.6 million recipients.

Porady.pracuj.pl

The advisory platform porady.pracuj.pl provides an array of career guidance and complimentary resources for job seekers to support their journey through the recruitment process, including a salary calculator and a CV builder. The website offers a diverse collection of articles and interviews with industry experts, addressing topics not only pertaining to the recruitment process and job search but also professional life, interactions with employers and colleagues, as well as challenges arising from current labour market trends. The service is divided into five main sections: resume and cover letter, job interview, college students, career and development, professional life, training courses, and *Поради* in Ukrainian. In 2023, porady.pracuj.pl generated 3,079,141 page views and attracted 1,318,001 new users.

Online courses for job candidates

The online courses are free resources available to candidates through the Pracuj.pl YouTube channel and the Pracuj.pl website. These resources encompass a variety of subjects, including work organisation and self-presentation, communication skills, the intricate art of both offline and online public speaking, as well as efficient work organisation. Pracuj.pl's online courses have so far garnered 7,900 views on Youtube.

GOOD JOB podcast series

Good Job is a podcast that explores the highs and lows of professional careers. We invite inspiring guests who share their knowledge and experiences, offering valuable insights on navigating the job market, managing personal career path, and achieving work-life balance. The interviews are available on YouTube and other popular streaming platforms. In 2023, the fifth season of the podcast was produced, consisting of seven episodes. In total, the podcast has produced 27 episodes, which have collectively garnered over 1.4 million streams.

ZAROBKI.PRACUJ.PL campaign

In 2023, the Pracuj.pl team undertook a series of educational initiatives as part of the campaign 'Everything You Wanted to Know About Earnings, But Were Afraid to Ask'. The campaign featured the creation of the website zarobki.pracuj.pl, which houses a range of educational materials. Visitors can learn how to effectively negotiate a raise and understand why finances remain a taboo subject both at home and in the workplace. Additionally, five interviews with experts were recorded, covering topics such as budget planning, raise negotiation techniques and savings management. The brand also produced three commercials that were utilised in display campaigns and on social media platforms.

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Community engagement and relations with local communities

GRI 413-1

Zwolnieni z Teorii

The year 2023 marked the fifth edition of the collaboration between the Pracuj Group and the Zwolnieni z Teorii (*Exempt from Theory*) Foundation, during which the Group reached 1,350 schools and tens of thousands of students. Together, we develop young people's skills that are essential in the labour market, supporting them in the implementation of social projects. In an effort to level the playing field for the youth in the labour market, we also support the group of Teachers Exempt from Theory (nearly 1,000 people), who are committed to fostering practical skills in students and inspiring them to take action for the benefit of their environment. Participants in the programme develop their competencies, engage in training workshops, and have access to an educational platform offering resources, including lesson scripts on crafting effective resumes and excelling in job interviews. In 2023, the Company participated in the Grand Finale of Zwolnieni z Teorii, during which we assisted project teams in developing plans for future social initiatives. The event was attended by more than 2,500 people. As Pracuj.pl, we also established a unique sponsorship programme with Zwolnieni z Teorii, titled 'Pathway to Good Job', which supports social projects related to the labour market. The supported projects achieve an audience of 2.5 million.

The year 2023 also marked the inaugural year of collaboration between the Pracuj Group and Zwolnieni z Teorii aimed at supporting educators teaching the newly introduced school subject of Business and Management. Together, we developed what is known as the 'Toolkit', where teachers could find resources to aid in lesson delivery. Among these resources, Pracuj.pl supplied lesson plans focused on CV writing and job interview techniques.

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

For the past eight years, Grupa Pracuj S.A. has supported young technological talents through the Scholarship Fund of the Stefan Batory Foundation. Since our establishment, we have been providing support to young people from underprivileged backgrounds who were admitted to their first year of tertiary studies in the field of computer science or emerging technologies. Scholarships are granted to high school graduates who have demonstrated outstanding social engagement and aspire to pursue careers in fields crucial to the future of the job market. In 2023, scholarships were awarded to 10 students. Beyond providing financial assistance, a series of newsletters containing inspirational materials was also developed, aimed at further encouraging the scholarship recipients to attain academic and professional achievements.

Support for Teach for Poland Foundation

Since 2022, the Group has been partnering with the Teach for Poland Foundation, jointly working to enhance the quality of the education system so that children in Polish primary schools can discover their potential during their formal education and be prepared for the current and future demands of the job market. The support provided by Grupa Pracuj facilitates involvement in a two-year mentoring initiative, referred to as the EduLeaders programme, which is aimed at empowering individuals to drive positive change within their school communities. Each EduLeader supports approximately 400 children and 4,000 people in their community. Recently, experts from Pracuj.pl have contributed to the development of the programme's recruitment process, delivered a workshop focused on assertiveness for teachers, and consistently produced informative materials that are made available to educators via newsletters.

Employee volunteering – support for 15 non-profit organisations

As part of the employee volunteering programme 'Help with W@W effect', now in its 11th edition, the Company encourages employees to apply for grants for social projects. Every year, dozens of people volunteer to support organisations that pursue causes they are passionate about. In 2023, we completed 15 projects that involved as many as 42 employees, among the beneficiaries were: young individuals facing homelessness, foster home residents, hospice patients, animals in shelters and sanctuaries, children from foster families, and individuals with autism.

‘E’ FOR ENVIRONMENT: Natural environment

Management of environmental impacts

The growing awareness of the risks associated with environmental degradation is reflected in the daily decisions of both organisations and consumers. Consequently, the Company conducts its business activities with respect for the natural environment, aiming to significantly reduce the negative impact of its market presence. Within the Group, eco-friendly solutions are implemented, and actions supporting sustainable development in the environmental sector are pursued.

Creating a sustainable work environment is a crucial element of the organisation's strategy and modern operational approach, especially for technology companies whose activities are predominantly office-based. Consequently, a significant proportion of the Group's office spaces – nearly 70% of the total – are housed in buildings certified by BREEAM (Building Research Establishment Environmental Assessment Method) or LEED (Leadership in Energy and Environmental Design).

The buildings have been constructed using environmentally friendly construction and finishing materials, which are free from or emit only negligible amounts of volatile organic compounds. This results in improved air quality within the buildings, contributing to the well-being of our employees.

The Group also operates a sustainable procurement policy, which includes selecting office and household products that are PEFC- (Programme for the Endorsement of Forest Certification) or Rainforest Alliance-certified. This indicates that their production and life cycle have minimal impact on the natural environment.

Only natural products that do not adversely affect local forests, soils, rivers, or wildlife can receive the Rainforest Alliance Certified seal. This emblem also ensures that individuals employed in production are treated fairly and that their families have access to education and healthcare. Providers of cleaning services to the Group utilise biodegradable and eco-friendly products.

The organisation has not yet established a formalised environmental protection management system. Across the Group, environmental protection tasks are carried out autonomously by each company. Each is responsible for conducting its operations in compliance with environmental protection legislation. In the Company's organisational structure, the Investor Relations and ESG Department has introduced the role of ESG Specialist. This position is tasked with coordinating and collaborating with various organisational units across the Group to ensure adherence to environmental regulations. The ESG Specialist is also responsible for overseeing the execution of environmental initiatives, analysing the environmental risks associated with the Group's business, and evaluating their impact on critical business decisions pertaining to environmental sustainability and sustainable development.

In 2024, the Group intends to review its business practices and environmental interactions to identify key environmental aspects of its activities. This identification will allow for more effective and informed management of these aspects, aiming to further mitigate the organisation's environmental impact.

Furthermore, the Group plans to commence the development of an environmental management policy, detailing its commitments to handling environmental issues. Implementation of this policy across all Group companies will follow.

Biodiversity

GRI 304-2

The activities of the Group companies have a minimal impact on biodiversity and areas of natural value. The Group does not conduct any activities in protected areas.

Climate impacts

GRI 3-3

Grupa Pracuj is aware of its impact on the climate. Therefore, in 2022, it began collecting data and calculating the magnitude of greenhouse gas emissions for Scope 1 and Scope 2. This emissions analysis helped ascertain the Group's partial environmental and climatic impact. A detailed description of the methodology and the results for 2023 is presented in the 'Greenhouse gas emissions' section. In 2024, the Group intends to calculate its greenhouse gas emissions, taking into account all three scopes. Also in 2024 the Group plans to identify climate-related risks and opportunities in accordance with the European Sustainability Reporting Standards (ESRS).

Education

The IT industry is responsible for 3% of worldwide greenhouse gas emissions, matching the yearly emissions from aviation fuels. By 2040, this share is expected to rise to as much as 14%. Despite this, discussions on digital ecology –

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the strategies to reduce the technological impact on the environment – are still inadequate. With the belief that factual insights can shift the IT industry's engagement with technology, in June 2023 Grupa Pracuj published Poland's first report 'The Digital Footprint of Technology. Digital Ecology in the Lives of Poles'.

The primary goal of the publication was to raise awareness among various stakeholder groups about the importance of understanding digital ecology in the context of climate change, necessary regulations, and the growing grassroots pressure that businesses will face in terms of climate responsibility.

The report highlights the growing impact of digital ecology on the personal and professional lives of respondents. Interest in sustainable technology utilisation is evident among stakeholders, yet a knowledge void persists due to the absence of detailed analyses on digital ecology practices within Poland's IT sector. Respondents surveyed by the Group reported in questionnaires that they forgo sleep in favour of screen time, engage in compulsive streaming, and have noted an increase in children's data consumption. The study also highlighted a notably low level of awareness regarding the fundamental concepts addressed by the Group in the survey.

The report is based on the findings of a survey conducted by ARC Market and Opinion on behalf of the: protocol between December 2022 and January 2023. Digital footprint calculations were prepared by the Plan Be Eco foundation, based on the survey results. The sample included a group of 311 IT sector employees, comprising, among others, programmers, testers, designers and computer network specialists. The estimated reach of the report was an audience of 6 million in the first six months of its release.

For a detailed discussion of the results of the survey, see <https://blog.theprotocol.it/do-pobrania>

The Group plans to release the second part of the report in 2024.

Fuel and energy consumption

One significant aspect of the Group's operations impacting the environment is fuel and energy consumption. At Pracuj Group, fuels are used by the vehicle fleet for business purposes and for heating.

Electricity is purchased for office operations, server power, and electric vehicle charging, while thermal energy is used to maintain optimal office heating. Procurement of electricity and thermal energy is managed through contracts with utility providers by the entities that manage the office spaces leased by the Group. The Warsaw office holds a certificate for the origin of electricity from renewable energy sources.

Additionally, servers belonging to Pracuj Group S.A., eRecruitment Solutions Ltd., and some of the hardware used by softgarden e-recruiting GmbH are powered by electricity generated from renewable sources. However, given that the Group primarily leases both its office spaces and data centre facilities, it does not have direct control over the electricity supply contracts for all properties it uses. Despite this, the Group is committed to enhancing the energy efficiency of the leased data centre and office spaces. Consequently, the Group aims to increase the proportion of electricity sourced from renewable sources. In this context, the type of electricity supplied to the properties is a criterion in the selection of new office and data centre locations.

In 2023, the total energy consumption from all sources within the Group was 2,525.2 MWh, compared with 2,819.7 MWh in 2022, with 59.4% attributed to the electricity content in purchased energy. A substantial part of this purchased energy was thermal energy, used for heating purposes. The decrease in total energy consumption over the previous year was primarily due to reduced fuel consumption for heating and a reduction in the amount of purchased electricity.

In 2023, the energy used by the Group primarily originated from non-renewable sources. The percentage share of energy from renewable sources in 2023 increased by 56.7% compared with 2022.

GRI 302-1, GRI 302-3
Fuel and energy consumption in Grupa Pracuj

	2023	2022	Change (y/y)
Fuels consumed (MWh), including:	1,025.9	1,000.2	2.6%
Gasoline	853.5	841.9	1.4%
Diesel oil	107.3	107.2	0.1%
Natural gas	65.1	51.1	27.4%
Purchased energy (MWh), including:	1,499.3	1,819.5	(17.6%)
Purchased electricity	653.3	666.2	(1.9%)
Purchased thermal energy	846.0	1153.3	(26.6%)
Total consumption of energy from all sources (MWh)	2,525.2	2,819.7	(10.4%)

Energy from renewable and non-renewable sources in Grupa Pracuj

	2023	2022	Change (y/y)
Energy from all renewable sources (derived from fuel and purchased energy) (MWh)	403.9	257.7	56.7%
Percentage of energy from renewable sources (%)	16.0	9.1	6.9pp
Energy from all non-renewable sources (derived from fuel and purchased energy) (MWh)	2,121.3	2,562.0	(17.2%)
Percentage of energy from non-renewable sources (%)	84.0	90.9	(6.9pp)
Total energy from all sources (MWh)	2,525.2	2,819.7	(10.4%)

In 2023, the consumption of electricity from all renewable and non-renewable sources per PLN 1 million of the Group's revenue was 0.90. Compared with 2022, there was a slight 0.19pp decrease in the indicator. Additionally, intensity indicators per employee and per square metre of usable space were calculated. In 2023, the consumption of energy from all sources per employee slightly decreased from the previous year, despite a 3% increase in the headcount.

Electricity intensity indicators in Grupa Pracuj

	2023	2022	Change (y/y)
Energy from all renewable sources per PLN 1 million of revenue (MWh/PLN 1 million)	0.56	0.42	33.3%
Energy from non-renewable sources per PLN 1 million of revenue (MWh/PLN 1 million)	0.34	0.67	(49.3%)
Energy from all renewable and non-renewable sources per PLN 1 million of revenue (MWh/PLN 1 million)	0.90	1.09	(17.4%)
Energy from all renewable and non-renewable sources per employee (MWh/1 employee)	0.61	0.63	(3.2%)
Energy from all renewable and non-renewable sources per m ² floor area (MWh/1 m ²)	0.06	0.06	-

Greenhouse gas emissions

GRI 3-3

A materiality assessment of ESG issues conducted within the Group in 2023 identified greenhouse gas emissions as one of the more critical aspects. Consequently, for the first time, Scope 1 and Scope 2 greenhouse gas emissions were calculated for the 2022, and these calculations were continued in 2023.

The analysis was performed for companies of the Pracuj Group. Results were consolidated based on operational control at the Company level, thereby accounting for 100% of emissions originating from the analysed locations.

The scope of reported emissions included: Scope 1 (direct emissions) and Scope 2 (indirect emissions). Scope 1 includes emissions from facilities used by the Group, i.e., from fuel combustion in vehicles and buildings. Scope 2 represents the emissions generated by the Group's purchased electricity and heat.

Greenhouse gas emissions were calculated in accordance with The Greenhouse Gas Protocol Corporate Accounting and Reporting Standards.

Indicators included in the DEFRA database of the UK Government's Department for Environment, Food and Rural Affairs were used to calculate Scope 1 greenhouse gas emissions.

For Scope 2, emissions resulting from purchased electricity were assessed using both location-based and market-based methodologies. The first method involves the quantitative determination of greenhouse gas emissions based on emission factors for specific locations. The second method quantifies greenhouse gas emissions based on the emissions produced by the electricity supplier from whom the Group purchases its electricity. For the location-based approach, the average emissions factor for Poland was used, while the market-based method incorporated a hierarchy of value-used indicators according to the GHG Protocol. For the calculations, residual mix indicators for the given country were utilised, as presented in the AIB report. In 2023, there were no losses of refrigerants reported.

To assess emission intensity, an intensity indicator relative to PLN 1 million of the Group's revenue is used. Additionally, intensity indicators per employee and per square metre of leased space were also determined.

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

2022 was used as the base year, as it was the first period for which GHG emissions were calculated. The overall analysis of Scope 2 greenhouse gas emissions was conducted using the market-based method. In 2024, the Group plans to calculate the organisation's greenhouse gas emissions for all three scopes.

GRI 305-1, GRI 305-2

Scope 1 and Scope 2 greenhouse gas emissions of Grupa Pracuj

(tCO ₂ e)	2023	2022	Change (y/y)
Scope 1 emissions, including:	232.7	233.6	(0.4%)
vehicle fuel consumption	219.5	223.3	(1.7%)
fuel consumption in buildings	13.2	10.3	28.2%
Scope 2 emissions, location-based	559.2	695.2	(19.6%)
Scope 2 emissions, market-based, including:	440.5	682.6	(35.5%)
purchase of electricity	198.2	310.3	(36.1%)
purchase of heat energy	242.3	372.3	(34.9%)
Total Scope 1 + Scope 2 emissions, market-based	673.2	916.2	(26.5)

GRI 305-4*Greenhouse gas (GHG) emission intensity indicators in the Pracuj Group*

	2023	2022	Change (y/y)
GHG emissions per PLN 1 million revenue (tCO ₂ e/PLN 1 million)	0.9	1.5	(40%)
GHG emissions per employee (tCO ₂ e/1 employee)	0.6	0.9	(33.3%)
GHG emissions per m ² of floor space (CO ₂ e/1 m ²)	0.1	0.1	-

According to location-based (LB) calculations, the Group's greenhouse gas emissions for 2023 amounted to 791.9 tCO₂e. Emissions calculated using the market-based method were to 673.2 tCO₂e. The results obtained using the location-based method are 17.6% higher, which is attributable to the fact that the Group holds renewable energy certificates (RECs), accounted for in the market-based method, contributing to the reduction of greenhouse gas emissions.

The main source of emissions in the Group was heat, which accounted for 36.0% of greenhouse gas emissions. The second largest contributor to the Group's emissions was consumption of fuels used in vehicles, accounting for 32.6%. This is followed by the purchase of electricity (29.4%) and the consumption of fuels for heating purposes (2.0%).

Grupa Pracuj's emissions by Group company (market-based approach)

(tCO ₂ e)	2023	2022	Change (y/y)
Scope 1	232.7	233.6	(0.4%)
Grupa Pracuj S.A.	175.7	160.9	9.2%
eRecruitment Solutions sp. z o.o.	43.2	35.5	21.7%
Poland (total)	218.9	196.4	11.4%
Germany	10.6	34.0	(68.8%)
Ukraine	3.2	3.2	-
Scope 2	440.5	682.6	(35.5%)
Grupa Pracuj S.A.	254.1	320.7	(20.8%)
eRecruitment Solutions sp. z o.o.	30.6	178.9	(82.9%)
Poland (total)	284.7	499.6	(43.0%)
Germany	125.0	142.4	(12.2%)
Ukraine	30.8	40.6	(24.1%)
Scope 1 + Scope 2	673.2	916.2	(26.5%)
Grupa Pracuj S.A.	429.8	481.6	(10.7%)
eRecruitment Solutions sp. z o.o.	73.8	214.4	(65.6%)
Poland (total)	503.6	696.0	(27.6%)
Germany	135.6	176.4	(23.2%)
Ukraine	34.0	43.8	(22.4%)

Biogenic emissions resulting from the combustion of fuels containing biocomponents were also identified. Biogenic emissions in 2023 were 12.5 tCO_{2e}.

Grupa Pracuj's biogenic emissions by source

(tCO _{2e})	2023	2022	Change (y/y)
Gasoline – biogenic	11.0	7.5	46.5%
Diesel oil – biogenic	1.5	1.2	27.1%
Total	12.5	8.7	43.9%

Other environmental matters

Compliance with laws and regulations

GRI 2-27

To the best of our knowledge, in 2023, the Pracuj Group did not identify any non-compliance with the applicable environmental protection laws and regulations, nor were any penalties imposed for non-compliance with environmental laws and regulations.

Waste management

In the course of the Group's companies' operations, a small amount of waste from the disposal of used electrical and electronic equipment is generated. This waste is exclusively transferred to entities that hold valid waste management permits. Pracuj Group S.A. and eRecruitment Solutions sp. z o.o. participate in the national BDO (Database on Products and Packaging and Waste Management) system and fulfil all the resulting obligations. Given the quantity and type of waste produced, none of the Group's companies is to seek or hold a waste management permit. Other Group companies manage waste in accordance with the applicable country regulations.

Water consumption and sewage disposal

The Group uses water solely for sanitary and drinking purposes, and the water sourced from external suppliers. Domestic wastewater is discharged into the sanitary sewage system. The Group companies are striving to minimise water consumption by raising environmental awareness among employees.

Less Waste Office

Grupa Pracuj is actively pursuing emission reduction measures in several areas, also through the integration of circular economy principles. This strategy allows employees the option to purchase their company phones and laptops after a designated usage period, in line with our policies. In 2023, approximately 71% of such devices were purchased by employees of the Group's Polish companies.

The Group's company offices have also implemented waste segregation practices, effectively reducing the volume of municipal waste that is sent to landfills.

About the Report

Basis for preparation of the non-financial statement

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

The non-financial statement pertains to the Group and its parent Grupa Pracuj S.A. This document has been prepared based on the Global Reporting Initiative Standards (GRI Standards 2021). This non-financial statement has been prepared in accordance with the statutory non-financial disclosure requirements set out in Art. 49b.2–49b.8 and Art. 55.2b–55.2e of the Accounting Act.

In accordance with the GRI Standards 2021, the process of defining the scope of reported information (identification of material topics) involved the Group conducting a survey in 2023 among our external and internal stakeholders. The results of this survey are described in the section 'Dialogue with stakeholders and material ESG topics'.

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

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

The data it contains is for the period from 1 January to 31 December 2023 (unless stated otherwise). The figures used in this report have been sourced from internal reporting systems. The Group reports non-financial information on an annual basis. The Company has not sought external assurance for its non-financial information.

No information published in the 2022 non-financial statement that would require adjustment has been identified.

Contact

GRI 2-3

Non-financial statement 2023: contact information

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Compliance with disclosure requirements*Compliance with the Accounting Act*

Issue	Section in the Report	Page in the Report	Complied with?
Brief description of the company's business model	Non-financial statement	84	yes
Non-financial key performance indicators relevant to the company's business	Non-financial statement	78-124	yes
A description of the policies pursued by the company in relation to the social matters and the outcome of those policies	Non-financial statement	96	yes
A description of the policies pursued by the company in relation to the employee matters and the outcome of those policies	Non-financial statement	100	yes
A description of the policies pursued by the company in relation to the environmental matters and the outcome of those policies	Non-financial statement	117	yes
A description of the policies pursued by the company in relation to the respect for human rights and the outcome of those policies	Non-financial statement	96	yes
A description of due diligence processes, if implemented by the company in pursuance of its policies	Non-financial statement	78-124	yes
A description of the principal risks arising in connection with the company's operations which are likely to cause adverse impacts on non-financial matters and how they are managed	Non-financial statement	95	yes

Compliance with the GRI

Number of indicator	Name of indicator	Page in the Report / Comment on compliance
GRI 2-1	Organisational details	81
GRI 2-2	Entities included in the organisation's sustainability reporting	124
GRI 2-3	Reporting period, frequency and contact point	124
GRI 2-4	Restatements of information	124
GRI 2-5	External assurance	125
GRI 2-6	Activities, value chain and other business relationships	84
GRI 2-7	Employees	100
GRI 2-8	Workers who are not employees	100
GRI 2-9	Governance structure	91
GRI 2-10	Nomination and selection of the highest governance body	91
GRI 2-11	Chair of the highest governance body	91
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	94
GRI 2-13	Delegation of responsibility for managing impacts	94
GRI 2-14	Role of the highest governance body in sustainability reporting	124
GRI 2-15	Conflicts of interest	91
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GRI 2-18	Evaluation of the performance of the highest governance body	94
GRI 2-19	Remuneration policies	91
GRI 2-20	Process to determine remuneration	91
GRI 2-21	Annual total compensation ratio	The Company is currently in the process of analysing and harmonising the data collection process in this area at the Group level. Information regarding the remuneration of the Supervisory Board and Management Board members is disclosed.
GRI 2-22	Statement on sustainable development strategy	The Company does not currently have a formal business strategy or any other comparable document which would incorporate ESG factors. Nevertheless, the Company is making every effort to prepare for the process, currently

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		identifying the value chain and collecting data that will expand the scope of reporting in future years.
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GRI 302-3 (2016)	Energy intensity	120
Biodiversity		
GRI 304-2 (2016)	Significant impacts of activities, products, and services on biodiversity	118
Local communities		
GRI 413-1 (2016)	Operations with local community engagement, impact assessments, and development programs	116

TAXONOMY

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

Classification of activities

The Company has reviewed the Group's operations and has verified the financial information on turnover, capital expenditures and expenses. After gathering additional information from persons involved in the operational aspects of processes and services, three types of activities were identified, two of which did not meet the financial materiality criterion, which is PLN 3.5 million for the Group.

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

The services falling under this category are aimed at providing customers with access to systems that facilitate the management of HR areas and processes through various modules and functionalities within these systems. Additionally, these services enable the integration and automation of the systems with external applications. The services are provided in the SaaS (*Software-as-a-Service*) model, i.e., a subscription-based software distribution model where the user is granted access to software run by the service provider in a cloud infrastructure. The software is used online and the process does not involve multiplication of the source code. Cloud services are provided to the subsidiaries by an external service provider not related to the Group. Within this context, a system is understood as software owned by the Company and/or its subsidiaries. Revenue is generated from the moment a service becomes active. Additionally, if the service includes options for additional performances, revenue is also derived from these. The billing for these services is typically structured around a subscription model, where the customer is billed on a regular basis – most commonly monthly or annually.

Allocation of turnover, capital expenditures and operating expenditures

At this stage, turnover, capital expenditures and operating expenditures have been allocated to the services provided by the Group companies. Given the form of service provision, the service provision process was disaggregated (in accordance with the rules set forth in Article 1.2.2.3 of Regulation (EU) 2021/2178) into two parts: (1) provision by the Group of subscription-based services for its customers involving access to recruitment management systems, from which the Group earns revenue, and (2) cloud services (data centres) provided to the Group by third-party service providers, enabling provision of services by the Group companies. Under International Financial Reporting Standards endorsed by the European Union, the data centres do not qualify as an asset of the Group.

Verification of whether the technical screening criteria are met

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

The activity comprising the service of providing access to recruitment management applications has been classified as Taxonomy-eligible because of the model in which it is provided, while the technical screening criteria apply to specific assets that are outside the Group's control. The above approach warrants classification of the Group's activities comprising provision of these services as Taxonomy-compliant.

Verification of compliance with the minimum safeguard

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

The verification process has confirmed:

- The existence of due diligence procedures in the area of human rights, in particular in the areas of workers' rights, anti-corruption, taxes and fair competition;
- The absence of any court cases in the areas of human rights, including labour rights, involving corruption, taxes or unfair competition, and thus the absence of final judgments concerning those areas either with regard to the Group companies or members of the Management Board;

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- The absence of any reports concerning Group companies to the National Contact Point of the OECD for Responsible Business Conduct (NCP OECD), which was confirmed through the verification of the reports database available on the NCP's website;
- No reports submitted to the Business and Human Rights Resource Centre (BHRRC) in relation to Group companies, as confirmed by verifying the database of reports on the BHRRC website.

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

Reporting

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

Accounting rules

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

Turnover: based on the total consolidated revenue of the Group for 2023, as reported in the consolidated financial statements for the year ended 31 December 2023, in Note 2.2 'Revenue from contracts with customers'. The numerator is revenue from Taxonomy-eligible activity, that is revenue from the activity referred to in '8.1 Data processing, hosting and related activities', which includes revenue from the service of providing software and applications for comprehensive management of recruitment processes.

Capital expenditure (CapEx): based on the Group's capital expenditure, as reported in the consolidated financial statements for the year ended 31 December 2023, in Notes: 6.1. 'Intangible assets' and 6.2 'Property, plant and equipment', and '6.3. Right-of-Use Assets', including assets acquired in connection with the purchase of shares in Spoonbill Holding GmbH. The numerator is that portion of CapEx that relates to the Taxonomy-eligible activity, including expenditures on ICT infrastructure and intangible assets related to software and application development.

Operating expenses (OpEx) are primarily comprised of non-capitalised research and development costs and all expenses necessary for the routine management and maintenance of the Group's assets, including, but not limited to: personnel costs of individuals responsible for the maintenance and repair of the Group's assets, expenses related to the repairs and refurbishments of buildings, vehicles, equipment, systems, and software, cleaning costs, and fire protection-related expenses. The numerator is that portion of OpEx that relates to the Taxonomy-eligible activity, including expenses related to maintenance of the ICT infrastructure, hosting services and non-capitalised research and development expenses.

Other information

For the purpose of identifying EU Taxonomy-eligible activities, the Group adopted a materiality threshold of PLN 3.5 million, which represents 0.5% of revenue from contracts with customers of the Group and is in line with the Group's materiality threshold used in preparing financial statements.

The financial data received from individual Group companies was aggregated, and then exclusions and consolidation adjustments were made. The financial statements of all subsidiaries and associates were prepared for the same reporting periods, using consistent accounting policies. The consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the International Financial Reporting Standards endorsed by the European Union.

The reporting period applied in these disclosures is 1 January – 31 December 2023. Key performance indicators are presented at the Group level.

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

Turnover

Table 1: Percentage of turnover from products or services related to taxonomy-aligned activities

Economic activity (1)	Code or codes (2)	Turnover (absolute value) (3)	Percentage share of turnover (4)	Screening criteria for substantial contributions						Screening criteria for 'no significant harm'						Percentage of taxonomy-aligned turnover in 2023	Percentage of taxonomy-aligned turnover in 2022	Category (enabling activities or) (20)	Category (transitional activities) (21)			
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					Minimum safeguards (17)		
		PLN '000	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T		
A. Taxonomy-eligible economic activity																						
A.1 Types of environmentally sustainable activities (taxonomy-aligned activities)																						
Turnover from environmentally sustainable activities (taxonomy-aligned activities) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	0.0%				
A.2 Taxonomy-eligible but not taxonomy-aligned economic activities																						
Data processing, hosting and related activities	8.1	126,937	17,5 %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	----- unaudited -----						Y						
Turnover from economic activity that is taxonomy eligible but not environmentally sustainable (not taxonomy-aligned activities) (A.2)		126,937	17,5%														17,5%	11,3%				
Total (A.1 + a.2)		126,937	17,5%														17,5%	11,3%				
B. Taxonomy non-eligible economic activity																						
Turnover from taxonomy non-eligible economic activity (B)		597,461	82,5%																			
Total (A+B)		724,398	100,0%																			

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MANAGEMENT BOARD REPRESENTATION LETTERS

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

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

The Management Board of Grupa Pracuj S.A. represents that, to the best of its knowledge, the separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2023 and the consolidated financial statements of the Grupa Pracuj S.A. Group for the year ended 31 December 2023, along with the comparative data, have been prepared in compliance with the relevant accounting principles and provide an accurate, fair and clear picture of the financial and economic position of the Company and the Group, as well as their financial results. Furthermore, the Management Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the year ended 31 December 2023 provides a true and accurate view of the development and achievements, as well as the condition of the Company and the Group, including a description of the basic risks and threats.

Management Board of Grupa Pracuj S.A.:

Przemysław Gacek

President of the Management Board

Rafał Nachyna

Member of the Management Board

Gracjan Fiedorowicz

Member of the Management Board

Management representation on the selection of the audit firm

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

The Management Board of Grupa Pracuj S.A. represents that the selection of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa of Warsaw, entered in the list of qualified auditors of financial statements under No. 130, to audit the separate annual financial statements of Grupa Pracuj S.A. for the year ended 31 December 2023 and the consolidated financial statements of the Grupa Pracuj S.A. Group for the year ended 31 December 2023, has been carried out in compliance with the regulations governing the selection and appointment of audit firms. The selected audit firm and its team members have satisfied the necessary requirements to produce an impartial and independent report on the audit of the financial statements, in accordance with the applicable regulations as well as professional and ethical standards.

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

Management Board of Grupa Pracuj S.A.:

Przemysław Gacek

President of the Management Board

Rafał Nachyna

Member of the Management Board

Gracjan Fiedorowicz

Member of the Management Board



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