

# Grupa Pracuj S.A. Group

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Management Board's Report on the activities  
of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group  
for the 6-month period ended on June 30, 2024

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## SELECTED FINANCIAL DATA

### Grupa Pracuj S.A. Group

Selected consolidated financial data for the six months ended 30 June 2024 and 2023 and selected items of assets, equity and liabilities as at 30 June 2024 and 31 December 2023.

#### Financial results

	PLN thousand		EUR thousand	
	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)
<b>Revenue from contracts with customers</b>	<b>389,595</b>	<b>369,718</b>	<b>90,230</b>	<b>80,146</b>
Operating profit	153,347	151,697	35,515	32,884
Profit before tax	134,988	135,739	31,263	29,425
<b>Net profit attributable to:</b>	<b>102,385</b>	<b>109,829</b>	<b>23,712</b>	<b>23,808</b>
Owners of the Parent	99,629	107,845	23,074	23,378
Non-controlling interests	2,756	1,984	638	430
<b>Total comprehensive income attributable to:</b>	<b>96,686</b>	<b>82,103</b>	<b>22,392</b>	<b>17,798</b>
Owners of the Parent	93,930	80,119	21,754	17,368
Non-controlling interests	2,756	1,984	638	430

#### Cash flows

	PLN thousand		EUR thousand	
	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)
Net cash flows from operating activities	149,624	173,507	34,653	37,612
Net cash flows from investing activities	(26,742)	(10,730)	(6,193)	(2,326)
Net cash flows from financing activities	(17,343)	(52,863)	(4,017)	(11,460)
<b>Total net cash flows</b>	<b>105,539</b>	<b>109,914</b>	<b>24,443</b>	<b>23,827</b>

#### Financial position

	PLN thousand		EUR thousand	
	30 June 2024 (unaudited)	31 December 2023	30 June 2024 (unaudited)	31 December 2023
Non-current assets	746,929	754,564	173,181	173,543
Current assets	379,970	274,145	88,099	63,051
<b>Total assets</b>	<b>1,126,899</b>	<b>1,028,709</b>	<b>261,280</b>	<b>236,594</b>
Equity attributable to owners of the Parent	327,093	363,145	75,839	83,520
Non-controlling interests	44	38	10	9
Non-current liabilities	252,570	285,530	58,560	65,669
Current liabilities	547,192	379,996	126,870	87,396
<b>Total equity and liabilities</b>	<b>1,126,899</b>	<b>1,028,709</b>	<b>261,280</b>	<b>236,594</b>

## Grupa Pracuj S.A.

Selected separate financial data for the six months ended 30 June 2024 and 2023 and selected items of assets, equity and liabilities as at 30 June 2024 and 31 December 2023.

### Financial results

	PLN thousand		EUR thousand	
	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)
<b>Revenue from contracts with customers</b>	<b>250,606</b>	<b>238,828</b>	<b>58,040</b>	<b>51,772</b>
Operating profit	128,312	137,089	29,717	29,718
Profit before tax	117,508	119,964	27,215	26,006
<b>Net profit</b>	<b>91,563</b>	<b>97,268</b>	<b>21,206</b>	<b>21,086</b>
<b>Total comprehensive income</b>	<b>90,228</b>	<b>97,268</b>	<b>20,897</b>	<b>21,086</b>

### Cash flows

	PLN thousand		EUR thousand	
	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)
Net cash flows from operating activities	114,648	146,803	26,552	31,824
Net cash flows from investing activities	(14,611)	(6,395)	(3,384)	(1,386)
Net cash flows from financing activities	(14,368)	(50,637)	(3,328)	(10,977)
<b>Total net cash flows</b>	<b>85,670</b>	<b>89,771</b>	<b>19,841</b>	<b>19,460</b>

### Financial position

	PLN thousand		EUR thousand	
	30 June 2024 (unaudited)	31 December 2023	30 June 2024 (unaudited)	31 December 2023
Non-current assets	793,497	798,316	183,978	183,605
Current assets	204,899	116,592	47,507	26,815
<b>Total assets</b>	<b>998,396</b>	<b>914,908</b>	<b>231,485</b>	<b>210,420</b>
Total equity	368,485	408,894	85,436	94,042
Non-current liabilities	227,735	260,969	52,802	60,020
Current liabilities	402,176	245,045	93,247	56,358
<b>Total equity and liabilities</b>	<b>998,396</b>	<b>914,908</b>	<b>231,485</b>	<b>210,420</b>

Selected financial data from the interim condensed consolidated financial statements and the interim condensed separate financial statements for the six months ended 30 June 2024 was translated into the euro as follows:

- items of assets, equity and liabilities in the interim condensed consolidated statement of financial position and in the interim condensed separate statement of financial position were translated at the exchange rate effective on the last day of the reporting period:
  - the exchange rate on 30 June 2024 was EUR 1 = PLN 4.3130, and
  - the exchange rate on 31 December 2023 was EUR 1 = PLN 4.3480;
- items of the interim condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the interim condensed separate statement of comprehensive income, and the condensed separate statement of cash flows were translated at the exchange rates representing the arithmetic mean of the euro exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period:
  - the average exchange rate for the six months ended 30 June 2024 was EUR 1 = PLN 4.3178, and
  - the average exchange rate for the six months ended 30 June 2023 was EUR 1 = PLN 4.6130.

## GENERAL INFORMATION ABOUT THE GROUP

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### About Grupa Pracuj

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

The Group is a leading HR technology platform that operates online job posting sites and offers various services to assist organisations in employee recruitment, retention, and development. The Group helps its users find the right employment to fulfil their potential, and develops world-class technologies shaping the future of the HR market.

The Group has been active for 24 years in Poland, 18 years in Ukraine, and, as of 2022, has expanded its operations to the DACH region (Germany, Austria and Switzerland), with a total workforce of approximately 1,100 employees. Its brands form an advanced digital ecosystem for the HR industry.

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

**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 Collars), strengthening its position on the market of job postings for manual workers (Blue Collars). The average number of job vacancies posted each month on the website is about 65.5 thousand, while close to 60.0 thousand employers, including major Polish and international companies, use paid services of the platform. Since 2021, Pracuj.pl has been supported by **the:protocol**, a recruitment website for IT professionals.

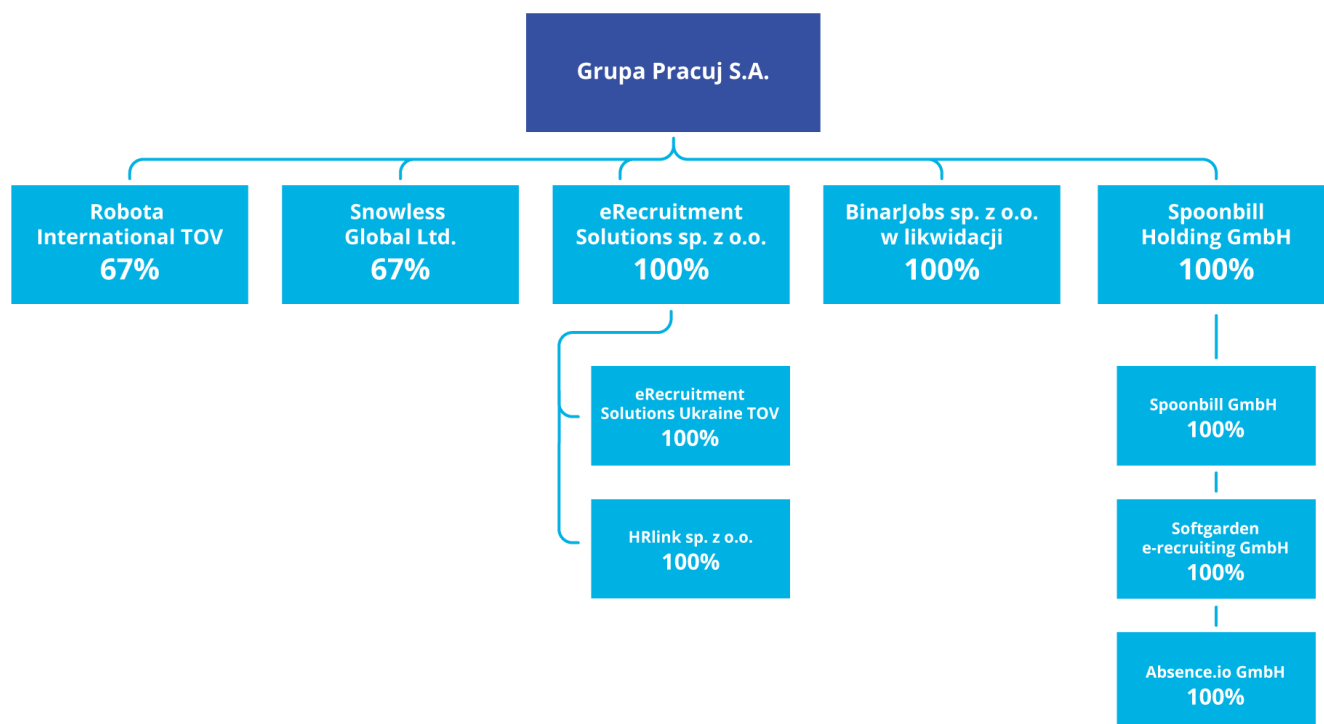
**Robota.ua** is a leading online job board on the Ukrainian market, with a universal profile, posting job adverts for both common jobs and specialist professions. It has been part of Grupa Pracuj since 2006. The average number of job postings for candidates accessible daily on the website in the six months to 30 June 2024 was about 99.9 thousand, with about 54.2 thousand customers actively using the website.

**eRecruiter** is a leading Polish recruitment support system operating under the SaaS model. The system is regularly used by over 2,000 companies across various industries. eRecruiter offers a comprehensive tool for managing the entire recruitment process, including job postings publication, competency verification, candidate database management compliant with the data protection regulations and applicant competency research. The system enhances process optimisation and efficiency through activity automation and integration capabilities with multiple HR tools, positioning itself as the core of an effective and automated HR ecosystem within an organisation.

**softgarden** is a leading SaaS system in Germany, with a presence in other European markets as well. Part of the Grupa Pracuj S.A. Group since 2022, softgarden provides comprehensive solutions to support innovative recruitment, including tools for planning and managing recruitment processes, building career sites, generating employer reviews, and facilitating employee referrals. Additionally, softgarden provides employers with multiposting technologies for automated job listing publication across multiple recruitment sites. Softgarden services are already used by over 1,700 employers.

## Structure of the Group

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



### Structure of the Grupa Pracuj S.A. Group

Company	Registered office	Principal business	Ownership interest	
			30 June 2024	31 December 2023
<b>Parent:</b>				
Grupa Pracuj S.A.	Poland	web portals		
<b>Direct and indirect subsidiaries:</b>				
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. w likwidacji	Poland	web portals	100%	100%
Spoonbill Holding GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
Spoonbill GmbH	Germany	activities of holding companies excluding financial holdings	100%	100%
softgarden e-recruiting GmbH	Germany	IT services	100%	100%
absence.io GmbH	Germany	IT services	100%	100%
HRlink sp. z o.o.	Poland	IT services	100%	-
Robota International TOV	Ukraine	web portals	67%	67%
Snowless Global Ltd	Cyprus	licensing activities	67%	67%

As at 30 June 2024, the Group consisted of: (i) the Company, (ii) wholly-owned direct subsidiaries of the Company: eRecruitment Solutions sp. z o.o., BinarJobs sp. z o.o. w likwidacji, and Spoonbill Holding GmbH, (iii) wholly-owned indirect subsidiaries of the Company: eRecruitment Solutions Ukraine TOV and HRlink sp. z o.o. (through eRecruitment Solutions sp. z o.o.) as well as Spoonbill GmbH, softgarden e-recruiting GmbH and absence.io GmbH (through Spoonbill Holding GmbH), and (iv) 67%-owned subsidiaries of the Company: Robota International TOV and Snowless Global Ltd. The Company is the Parent of the Group.

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

After the reporting date, there were no changes in the Group's structure.

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## **Operating segments of the Group**

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The Group identified the following operating segments as at 30 June 2024:

- Segment Poland – the segment comprises entities that earn revenues in the Polish market. This segment includes the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HRlink sp. z o.o. and BinarJobs sp. z o.o. w likwidacji. The entities comprising this segment offer comprehensive recruitment and employer branding projects, as well as systems for managing recruitment processes in the SaaS (Software as a Service) model.
- Segment Ukraine – the segment comprises entities that earn revenues in 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 publication of recruitment ads on online portals (multiposting), predominantly within the DACH region.

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## **Business model**

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The Group 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 and HRlink in Poland and softgarden in the DACH region, operating under the SaaS model.

### **Online job boards (Poland and Ukraine)**

The Group's core business, 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. The Group'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 recruitment support systems;
- 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 Pracuj.pl website, candidates have access to a specially designed resume and profile builder and receive



additional tips for different stages of the recruitment process. The Robota.ua job board is available not only in its traditional form and mobile application but also through platforms like Telegram and Viber, making its content more accessible.

### **Sales channels**

Grupa Pracuj predominantly offers its services through channels tailored to meet the diverse requirements of its expanding customer base: the direct sales channel, the inside sales channel, the e-commerce channel (which enables self-publishing of individual job postings), and personnel consulting agency (PCA) services dedicated to recruitment agencies.

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

### **Customer characteristics**

The Group segments its customers primarily by the size of the workforce within the organisation. The current number of active customers – those who have engaged with products and services of the Group's job boards over the past 12 months – has reached approximately 159 thousand in total, encompassing a diverse array of customer categories. Importantly, these customers span all sectors, from finance and marketing to sales, administration, HR, IT, manufacturing, logistics, and construction. By working with customers across various industries, the Group is more resilient to sector-specific challenges. This diversification ensures that difficulties in one sector do not significantly impact the Group's overall operations.

### **User (employees and candidates) characteristics**

The HR market categorises employees and job candidates using 'collar terminology.' This classification originated in the United States and was initially intended to define the then existing social classes. Today, the colours of the collars are used to classify different groups of candidates and employees for HR purposes. The most commonly recognised categories are:

**White Collars** refer to professionals engaged in management, administration, and intellectual tasks that require higher education. These roles are typically found in fields such as sales, marketing and PR, IT, finance and banking, law and accounting, manufacturing and engineering, healthcare, culture and education, telecommunications, and business management. They are predominantly office-based.

**Pink Collars** are roles in the service sector that involve customer interaction and often do not require higher education. Typical positions include customer service in retail (excluding banking and telecommunications), beauty salons, various office and administrative tasks, as well as roles in the HoReCa industry (hospitality and food services).

**Blue Collars** generally refer to manual workers with specialised skills in industries such as transportation, manufacturing, and construction. This work is physical and skill-based, often taking place in factories, workshops, or on construction sites. Examples of these roles include drivers, vehicle mechanics, builders, welders, production line operators, and machine operators. This category encompasses skilled tradespeople who typically require specialised training and experience.

The classification of job postings and recruitment projects into White, Pink, or Blue Collar categories dictates the sales approach, tools, and additional products used to enhance their reach, ultimately influencing the average price. The method of labour market classification is a key factor in shaping the Company's business model.

### **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. Large customers in Poland 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 recruitment project credit expires. Revenue from the publication of a recruitment project or its expiration is recognised at the moment of job posting on the Pracuj.pl site or the expiration. For details of

relevant settlements with customers, see note 2.2 'Revenue from contracts with customers' in the interim condensed consolidated financial statements for the six months ended 30 June 2024. In addition, a freemium model is available in Ukraine, allowing every customer to publish one free job advertisement per month.

### **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).

#### **Customer characteristics**

TAS systems are used by corporate customers (employers). The Group segments its SaaS customers primarily based on two criteria: the number of employees at the given company and the average number of recruitment processes conducted over a specific period (usually a month or a year).

#### **Payments**

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

#### **Churn rate**

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

#### **Potential and development opportunities**

By offering high-quality products and services all in one location and continually enhancing them with new features, TAS-type platforms 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 in TAS systems 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.

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.

## **RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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### **Key developments, agreements and initiatives for the Company and the Group in the six months ended 30 June 2024**

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#### **Recruitment services**

- In line with the objectives of the second phase of the Pracuj 3.0 project, sub-pages on Pracuj.pl were launched in the first half of 2024, dedicated to specific candidate groups: blue-collar, IT, and sales. These changes are aimed primarily to personalise Pracuj.pl and cater to the specific needs of key user segments.
- Pracuj.pl also introduced new products aimed at expanding the reach of recruitment projects, both within the platform itself and beyond (including Zasięg + and Pracuj Booster), as well as enhancing candidate responsiveness. These product enhancements led to an average increase in job advertisement effectiveness of more than 25%.

- In February 2024, Robota.ua revised its product and service pricing, increasing the average recruitment project price while maintaining its position as the largest recruitment platform by the number of job advertisements posted.
- Additionally, during the first half of the year, extensive campaigns were conducted, along with trade fairs and direct meetings with customers and users, in both Poland (Jobicon) and Ukraine (HR365 and HR Day). These efforts contributed to strengthening the market position of the Group's individual recruitment websites.

## HR Tech SaaS

- In January 2024, eRecruitment Solutions sp. z o.o. purchased 100% of the shares in HRlink sp. z o.o., offering an Applicant Tracking System to facilitate recruitment processes. The acquisition represents a stepping stone in expanding the SaaS product portfolio on the Polish market. Currently, eRecruiter is one of the most popular platforms for managing the recruitment process in Poland, which is also used by customers in other European countries.
- In June 2024, eRecruiter celebrated its 15th anniversary. When it first launched, job seekers still looked for opportunities in job posting sections of newspapers, handwritten cover letters were common, and the labour market was characterised by uncertainty due to the 2008 crisis. Today, eRecruiter is the ATS of choice in Poland, continuously enhancing its offerings with new features driven by advanced technologies, such as the AI Assistant, which recommends improvements to recruitment processes using partner services available on the eRecruiter Marketplace.
- In the first half of 2024, both eRecruiter in Poland and softgarden in the DACH region launched the sale of their preboarding and onboarding modules in the post-hire area, enabling customers to manage implementation processes for new employees more effectively.
- Both systems were recognised for consolidating their market position in the Fosway 9-Grid™ 2024 report, which evaluates and classifies suppliers of HR Tech solutions. Presenting a graphical market map that places suppliers on the grid based on their performance and potential, the report allows customers to quickly compare different suppliers, assessing them on criteria such as innovation, technological capabilities, customer satisfaction, and market impact.

## Overview of the Group's activities

- In the six months ended 30 June 2024, the Grupa Pracuj S.A. Group earned revenue of PLN 389.6 million, marking a 5.4% increase year on year.
  - Segment Poland recorded a 6.8% year-on-year revenue growth.
  - Segment Germany's revenue was PLN 90 million, a decrease of 2.8% compared to the first half of 2023, attributed to reduced activity from multiposting customers and EUR/PLN exchange rate movements. Revenue of Segment Germany is also affected by the recognition of revenue from the multiposting service either on a gross basis or a net basis, depending on the company's role as an agent or principal. Recognition on a net basis applies to purchases made based on the customer's specific orders, while revenue from purchases made at the company's own risk for resale is recognised on a gross basis. On a net basis (after deduction of the cost of advertisements sold), revenue of Segment Germany increased by 9.1% year on year.
  - Despite the ongoing armed conflict, revenue of Segment Ukraine saw a solid growth to PLN 24.9 million at the end of the first half of 2024, compared with PLN 19.9 million earned in the first half of 2023.
- The Group's EBITDA increased by 0.7% year on year in the six months ended 30 June 2024, to PLN 170.2 million. The Company also posted an increase in consolidated operating profit, which came in at PLN 153.3 million at the end of June 2024, up from PLN 151.7 million a year earlier, representing year-on-year growth of 1.1%.
- Adjusted EBITDA margin in the reporting period was 45.3%, compared to 46.8% a year earlier, which was primarily due to an increase in the Group's operating expenses.
- In the six months ended 30 June 2024, the Group generated consolidated net profit of PLN 102.4 million, a decrease of 6.8% on the same period last year. The Group's net profit adjusted for the effect of remeasurement of the fair value of Beamery Inc. shares increased by 5.5% in the reporting period to PLN 115.9 million.

## Market environment

### Economic situation and macroeconomic factors

#### Poland

Despite the economic slowdown in 2023, the Polish labour market has remained robust. The registered unemployment rate in Poland remains low. According to Statistics Poland (GUS)<sup>1</sup>, as at the end of June 2024, the jobless rate was 4.9%, down 0.2pp on the end of 2023 and year on year (5.1%). The number of the unemployed at the end of June 2024 was 762.2 thousand, representing a 3.3% decrease on the end of 2023 (788.2 thousand) and a 2.7% decrease on the end of June 2023 (783.5 thousand).

According to Eurostat<sup>2</sup>, Poland's unemployment rate, as measured by EU standards, was 3.0% in June 2024, unchanged from December 2023 and up from 2.8% in June 2023. This rate was among the lowest in the European Union, with only the Czech Republic reporting a lower rate at 2.7%. In June 2024, the average unemployment rate in the 27 EU countries was 6.0%, and in the Eurozone (20 countries) – 6.5%.

According to Statistics Poland<sup>3</sup>, the average gross monthly wage in the enterprise sector (entities employing more than nine people) increased nominally to PLN 8,168.67 (by 10.9% year on year) in the second quarter of 2024. In real terms, the increase in the average gross monthly wage in the enterprise sector was 8.1%.

In recent months, the inflation rate (CPI) has remained close to the National Bank of Poland's target of 2.5% (with a deviation range of +/-1 percentage point), while the average annual inflation rate for 2023 was 11.4%. According to Statistics Poland<sup>4</sup>, consumer goods and services prices increased by 2.6% year on year in June 2024. The Monetary Policy Council<sup>5</sup> anticipates that in the coming quarters, consumer prices will likely rise above the National Bank of Poland's inflation target, driven by an increase in energy prices. At its meeting on 2–3 July 2024, the Monetary Policy Council decided to keep interest rates unchanged, maintaining the primary reference rate at 5.75% since October 2023.

Preliminary figures from Statistics Poland<sup>6</sup> indicate that Poland's gross domestic product (GDP) grew by 2.0% in real terms in the six months ended 30 June 2024, compared with a 0.2% growth in 2023. According to a survey released in June 2024<sup>7</sup>, economists surveyed by the National Bank of Poland project Poland's real GDP growth to reach 3.0% in 2024 and 3.5% in 2025.

#### Germany

In the second quarter of 2024, the German economy recorded a 0.3% year-on-year increase in GDP<sup>8</sup>, after a 0.8% year-on-year decline in the first quarter of the year. According to the European Commission's May 2024 forecasts<sup>9</sup>, Germany's GDP is expected to grow by a tepid 0.1% in real terms this year and by 1.0% in 2025.

Germany's unemployment rate, like Poland's, is one of the lowest in the European Union. According to the Federal Statistical Office (Destatis), the jobless rate in Germany was 3.4%<sup>10</sup> in June 2024, up from 3.2% in December 2023 and 3.0% in June 2023.

Germany's year-on-year inflation rate for June 2024 was 2.2%<sup>11</sup>, down from an annualised rate of 5.9% in 2023. According to the European Commission's forecasts<sup>12</sup>, inflation in Germany is projected to be 2.4% throughout 2024.

#### Ukraine

According to estimates of the National Bank of Ukraine (NBU), the country's gross domestic product grew by 3.7% year on year<sup>13</sup> in the second quarter of 2024, compared with 5.3% for 2023 and a strong decline of 28.8% in 2022. The NBU forecasts that Ukraine's GDP will continue to grow by 3.7% for the whole of 2024 and 4.1% in 2025.

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

<sup>2</sup> <https://ec.europa.eu/eurostat>

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

<sup>4</sup> <https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-czerwcu-2024-roku.2.152.html>

<sup>5</sup> <https://nbp.pl/wp-content/uploads/2024/07/Komunikat-RPP-lipiec-2024.pdf>

<sup>6</sup> <https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/kwartalne-rachunki-narodowe/wstepny-szacunek-produktu-krajowego-brutto-w-i-kwartale-2024-roku.3.87.html>

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

<sup>8</sup> [https://www.destatis.de/EN/Press/2024/07/PE24\\_289\\_811.html](https://www.destatis.de/EN/Press/2024/07/PE24_289_811.html)

<sup>9</sup> [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2024-economic-forecast-gradual-expansion-amid-high-geopolitical-risks\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2024-economic-forecast-gradual-expansion-amid-high-geopolitical-risks_en)

<sup>10</sup> [https://www.destatis.de/EN/Press/2024/07/PE24\\_293\\_132.html](https://www.destatis.de/EN/Press/2024/07/PE24_293_132.html)

<sup>11</sup> [https://www.destatis.de/EN/Press/2024/07/PE24\\_266\\_611.html](https://www.destatis.de/EN/Press/2024/07/PE24_266_611.html)

<sup>12</sup> [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2024-economic-forecast-gradual-expansion-amid-high-geopolitical-risks\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2024-economic-forecast-gradual-expansion-amid-high-geopolitical-risks_en)

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

Ukraine's Centre for Economic Strategies<sup>14</sup>, based on estimates from the Info Sapiens research agency, reports that the unemployment rate in Ukraine was 13.1% in June 2024, down from 16.1% at the end of 2023 and up from 8.6% in February 2022, prior to the war. Since the onset of the armed conflict, Ukraine's state statistics office has ceased the publication of data on the unemployment rate.

The National Bank of Ukraine estimates the consumer price index (CPI) for June 2024 at 4.8%<sup>15</sup>, close to its target of 5.0% (+/-1 percentage point), relative to the annualised inflation rate of 12.9% in 2023. The NBU expects inflation to rise to 8.5% by the end of 2024.

## Labour market

Unemployment remains at low single-digit levels in both Poland and most countries across Europe. Despite global challenges such as high operating costs, wage increases, and HR shortages, Polish employers are exhibiting moderate optimism in their employment planning, as reflected in the Group's operational metrics.

According to the National Bank of Poland's Quick Monitoring Survey, 26% of respondents plan to increase their workforce in the third quarter of 2024, while only 8.0% intend to reduce it. Additionally, 33.0% of the surveyed companies plan to expand their workforce over the next 12 months, and only 9.0% plan to decrease it.

There is growing demand for professionals in services and industry, particularly in fields such as new technologies, electromobility, environmental technologies, and sustainability. Simultaneously, new investment projects are being developed, creating additional job opportunities.

The labour market is changing. Long correlated with the macroeconomic landscape, its behaviour now goes increasingly beyond conventional patterns. Demographic shifts such as the ageing populations, especially in Europe, are having a huge impact on the market. Low unemployment levels are expected to stay with us for longer, despite significant economic uncertainties.

The labour market in Germany is under pressure due to the economic slowdown but shows a degree of resilience. In Poland, the unemployment rate remains low and is expected to stay stable, although some signs of weakness may appear. High demand for qualified workers in sectors such as IT, engineering, and green energy can help mitigate some of the negative economic impacts. In both Germany and Poland, wage increases in these sectors are driven by the rising demand for skills related to new technologies and sustainability.

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

<sup>15</sup> <https://bank.gov.ua/en/news/all/komentar-natsionalnogo-banku-schodo-rivnya-inflyatsiyi-u-cherwni-2024-roku>

## Operating indicators

The selected operating indicators presented below are estimates from the Company and the Group and should not be relied upon to forecast the financial standing and operational performance or for peer comparisons.

	6 months ended		Change (y/y)	3 months ended		Change (y/y)
	30 June			30 June		
	2024	2023	2024	2023		
<b>Recruitment services</b>						
<b>Pracuj.pl</b>						
Number of recruitment projects (thousand) <sup>(1)</sup>	253.8	258.3	(1.7%)	127.1	125.3	1.4%
Average recruitment project price (PLN) <sup>(2)</sup>	935.1	879.6	6.3%	911.0	887.3	2.7%
<b>Robota.ua</b>						
Number of recruitment projects (thousand) <sup>(1)</sup>	654.1	403.4	62.1%	337.1	228.3	47.7%
Number of no-cost recruitment projects (thousand)	365.1	171.6	112.8%	185.4	99.4	86.5%
Number of paid recruitment projects (thousand)	289.6	231.8	24.9%	151.7	129.0	17.6%
Average paid recruitment project price (UAH)	863.9	691.8	24.9%	885.7	698.2	26.9%
Average paid recruitment project price (PLN) <sup>(3)</sup>	86.1	85.8	0.3%	84.3	79.2	6.3%
<b>HR Tech SaaS</b>						
<b>Number of active customers</b>						
Number of active eRecruiter customers	2040	1883	8.3%	2040	1883	8.3%
Number of active HRlink customers	241	N/A	N/A	241	N/A	N/A
Number of active softgarden customers	1720	1548	11.1%	1720	1548	11.1%
<b>Group MRR (PLN thousand)<sup>(4)</sup></b>						
Group MRR (in the last month of the reporting period)	11,614.6	9,302.9	24.8%	11,614.6	9,302.9	24.8%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

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

### Pracuj.pl:

- In the first six months of 2024, the number of recruitment projects on Pracuj.pl reached 253.8 thousand. In the second quarter of 2024 alone, 127.1 thousand recruitment projects were posted, marking a 1.4% year-on-year increase. This suggests a potential slow reversal of the downward trend seen in recent quarters; however, given the ongoing economic and geopolitical uncertainty, the Company remains cautiously optimistic. Despite the increase, it was not sufficient to fully offset the decline in recruitment projects during the first three months of the year.
- The average recruitment project price rose by 6.3% in the first half of 2024 and by 2.7% in the second quarter of the year. The growth rate of the average price in the second quarter was significantly influenced by a shift in the structure of job postings. During the period, the majority of recruitment projects were for Blue and Pink Collar roles, which typically have lower average prices. Conversely, the number of White Collar announcements, which generally command higher average project prices, saw a slight decrease.

### Robota.ua:

- The Ukrainian market is characterised by high employer activity, with companies increasingly experiencing candidate shortages. In the first half of 2024, the total number of recruitment projects on Robota.ua rose by 62.1% to 654.1 thousand, with paid recruitment projects growing by nearly 25.0%.
- Price adjustments for individual Robota.ua products introduced in March 2024 also contributed to a year-on-year increase in the average price (in UAH) of 24.9% in the first half and 26.9% in the second quarter of 2024.

### eRecruiter:

- The number of active customers using eRecruiter subscriptions rose by 8.3% year on year in the six months ended 30 June 2024, totalling 2,040 accounts by the end of June, mainly owing to the brand's strong market position. Despite moderate optimism in the labour market, companies are increasingly turning to TAS tools, which offer enhanced capabilities for managing recruitment and other HR functions.

### softgarden:

- The number of active softgarden customers has been consistently rising, reaching 1,720 by the end of the first half of 2024, representing a 11.1% increase year on year.

## Financial indicators

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.

	6 months ended		Change (y/y)	3 months ended		Change (y/y)
	30 June			30 June		
	2024	2023		2024	2023	
EBITDA	170,167	168,955	0.7%	86,529	87,045	(0.6%.)
EBITDA margin (%)	43.7%	45.7%	(2.0pp)	44.7%	47.2%	(2.5pp)
Adjusted EBITDA	176,686	173,054	2.1%	89,530	89,118	0.5%
Adjusted EBITDA margin (%)	45.4%	46.8%	(1.4pp)	46.2%	48.3%	(2.1pp)

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

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

## Financial results for the six months ended 30 June 2024

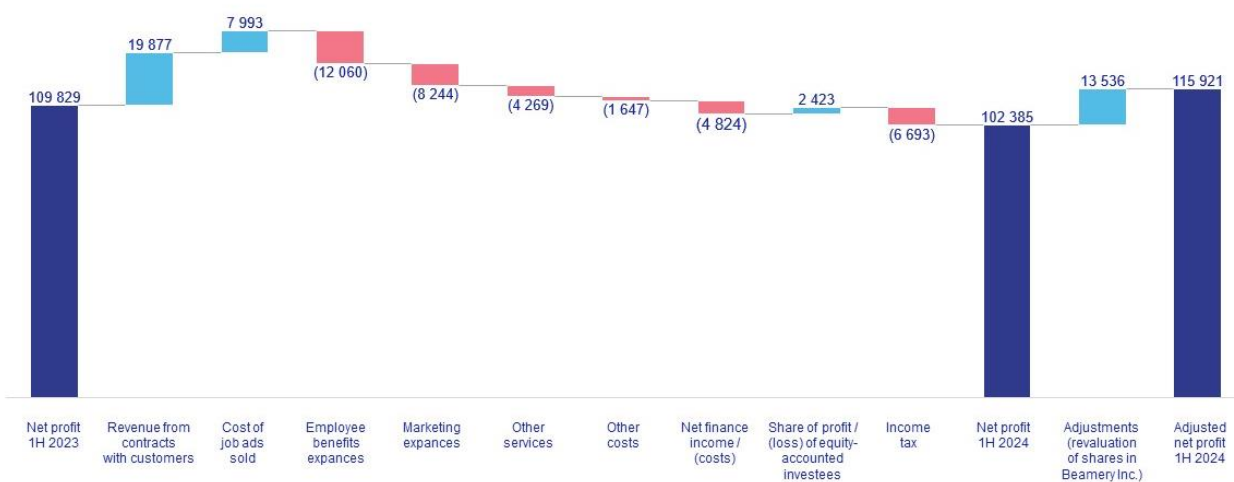
### Management Board's position on delivery of profit guidance

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

### Grupa Pracuj S.A. Group

In the six months ended 30 June 2024, the Grupa Pracuj S.A. Group reported a consolidated net profit of PLN 102.4 million, marking a 6.8% decrease from the previous year. This decrease primarily stemmed from the remeasurement to fair value of shares in Beamery Inc., of PLN 13.5 million (after accounting for the deferred tax asset). After adjusting for this development, net profit increased by 5.5% year on year, reaching PLN 115.9 million in the reporting period.

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





*Financial results of the Group*

	6 months ended			3 months ended		
	30 June (unaudited)		Change (y/y)	30 June (unaudited)		Change (y/y)
	2024	2023		2024	2023	
<b>Revenue from contracts with customers, including:</b>	<b>389,595</b>	<b>369,718</b>	<b>5.4%</b>	<b>193,587</b>	<b>184,348</b>	<b>5.0%</b>
<b>Segment Poland</b>	<b>274,648</b>	<b>257,183</b>	<b>6.8%</b>	<b>135,133</b>	<b>127,607</b>	<b>5.9%</b>
<b>Segment Ukraine</b>	<b>24,940</b>	<b>19,899</b>	<b>25.3%</b>	<b>12,784</b>	<b>10,222</b>	<b>25.1%</b>
<b>Segment Germany</b>	<b>90,007</b>	<b>92,636</b>	<b>(2.8%)</b>	<b>45,670</b>	<b>46,519</b>	<b>(1.8%)</b>
Depreciation and amortisation	(16,820)	(17,258)	(2.5%)	(8,382)	(8,567)	(2.2%)
Cost of job ads sold	(17,841)	(26,502)	(32.7%)	(8,487)	(12,756)	(33.5%)
Employee benefits expense	(135,531)	(123,471)	9.8%	(66,650)	(60,705)	9.8%
Marketing expenses	(30,595)	(22,351)	36.9%	(11,941)	(8,145)	46.6%
Software as service	(7,271)	(6,511)	11.7%	(3,686)	(3,405)	8.3%
Other services	(22,126)	(17,189)	28.7%	(12,670)	(9,191)	37.9%
Other costs	(5,692)	(4,649)	22.4%	(3,569)	(2,551)	39.9%
Other income	910	1,337	(31.9%)	323	509	(36.5%)
Other expenses	(577)	(1,670)	(65.4%)	(492)	(1,199)	(58.9%)
Expected credit losses	(705)	243	(390.1%)	114	139	(18.0%)
<b>Operating profit, including:</b>	<b>153,347</b>	<b>151,697</b>	<b>1.1%</b>	<b>78,147</b>	<b>78,478</b>	<b>(0.4%)</b>
<b>Segment Poland</b>	<b>135,912</b>	<b>143,914</b>	<b>(5.6%)</b>	<b>68,753</b>	<b>73,294</b>	<b>(6.2%)</b>
<b>Segment Ukraine</b>	<b>7,408</b>	<b>5,405</b>	<b>37.1%</b>	<b>3,398</b>	<b>3,094</b>	<b>9.8%</b>
<b>Segment Germany</b>	<b>10,026</b>	<b>2,378</b>	<b>321.7%</b>	<b>5,996</b>	<b>2,090</b>	<b>186.9%</b>
Finance income	7,832	4,019	94.9%	3,297	2,016	63.5%
Finance costs	(30,984)	(22,347)	38.6%	(24,633)	(10,070)	144.6%
<b>Net finance income / (costs)</b>	<b>(23,152)</b>	<b>(18,328)</b>	<b>26.3%</b>	<b>(21,336)</b>	<b>(8,054)</b>	<b>164.9%</b>
Share of profit / (loss) of equity-accounted investees	4,793	2,370	102.2%	2,395	1,465	63.7%
<b>Profit before tax</b>	<b>134,988</b>	<b>135,739</b>	<b>(0.6%)</b>	<b>59,207</b>	<b>71,889</b>	<b>(17.6%)</b>
Income tax	(32,603)	(25,910)	25.8%	(16,509)	(12,579)	31.2%
<b>Net profit</b>	<b>102,385</b>	<b>109,829</b>	<b>(6.8%)</b>	<b>42,698</b>	<b>59,310</b>	<b>(28.0%)</b>

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

	6 months ended			3 months ended		
	30 June (unaudited)		Change (y/y)	30 June (unaudited)		Change (y/y)
	2024	2023		2024	2023	
<b>Revenue from contracts with customers</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
Depreciation and amortisation	(4.3%)	(4.7%)	0.4pp	(4.3%)	(4.6%)	0.3pp
Cost of job ads sold	(4.6%)	(7.2%)	2.6pp	(34.4%)	(6.9%)	2.5pp
Employee benefits expense	(34.8%)	(33.4%)	(1.4pp)	(4.4%)	(32.9%)	(1.5pp)
Marketing expenses	(7.9%)	(6.0%)	(1.8pp)	(6.2%)	(4.4%)	(1.8pp)
Software as service	(1.9%)	(1.8%)	(0.1pp)	(1.9%)	(1.8%)	(0.1pp)
Other services	(5.7%)	(4.6%)	(1.0pp)	(6.5%)	(5.3%)	(1.2pp)
Other costs	(1.5%)	(1.3%)	(0.2pp)	(1.8%)	(1.4%)	(0.5pp)
Other income	0.2%	0.4%	(0.1pp)	0.2%	0.3%	(0.1pp)
Other expenses	(0.1%)	(0.5%)	0.3pp	(0.3%)	(0.6%)	0.4pp
Expected credit losses	(0.2%)	0.1%	(0.2pp)	0.1%	0.1%	(0.0pp)
<b>Operating profit margin</b>	<b>39.4%</b>	<b>41.0%</b>	<b>(1.7pp)</b>	<b>40.4%</b>	<b>42.6%</b>	<b>(2.2pp)</b>

### **Revenue from contracts with customers:**

- The Group's revenue in the three and six months ended 30 June 2024 rose by 5.0% and 5.4% year on year, respectively. This was due mainly to the steadily growing average recruitment project price on Pracuj.pl, and increasing number of subscriptions at softgarden and eRecruiter, which operate under the software-as-a-service (SaaS) model.
- The rise in the average recruitment project price on Pracuj.pl (6.3% year on year) offset a lower number of recruitment projects (253.8 thousand in the six months ended 30 June 2024 compared with 258.3 thousand in the same period the year before, a 1.7% year-on-year decrease), which helped increase revenue levels relative to the previous year.
- Two-digit growth in the number of paid recruitment projects on Robota.ua (289.6 thousand in the six months ended 30 June 2024 compared with 231.8 thousand in the same period last year, marking a 24.9% year-on-year increase), combined with an increase in the average recruitment project price, contributed to revenue growth reported by Segment Ukraine.
- Despite an increase in the number of active softgarden customers (up by 11.1% year on year, to 1,720), revenue for the six months ended 30 June 2024 fell by 2.8% year on year. The decline was attributable to subdued customer activity in using the multiposting service, coupled with a change in the EUR/PLN exchange rate (-6.4%). Revenue of Segment Germany is also affected by the recognition of revenue from the multiposting service either on a gross basis or a net basis, depending on the company's role as an agent or principal. Recognition on a net basis applies to purchases made based on the customer's specific orders, while revenue from purchases made at the company's own risk for resale is recognised on a gross basis. On a net basis (after deduction of the cost of advertisements sold), revenue of Segment Germany increased by 9.1% year on year.

### **Operating expenses:**

- The 9.8% increase in employee benefits expense in the six months ended 30 June 2024 was mainly driven by a year-on-year workforce addition combined with steadily rising average salaries and wages across the Group.
- The 36.9% increase in marketing expenses resulted from higher investments in enhancing brand awareness on the Polish market through wide-ranging marketing campaigns and promotion of the protocol website. The faster growth in expenses in the second quarter of the year (46.6%) was driven by intensified marketing activities in the Ukrainian market.
- The 30.9% decrease in cost of advertisements sold was due to a reduced number of advertisements posted by customers using multiposting services and fluctuations in the EUR/PLN exchange rate.
- The 23.9% increase in costs of other services was primarily due to higher costs of services provided by third parties, including under ongoing projects focused on improving efficiency and ensuring compliance with applicable laws and regulations, such as adapting to new legal requirements under the CSRD, AI Act, and Data Act.

### **Finance income and costs:**

- The change in net finance income/costs was primarily due to a PLN 16.7 million remeasurement of Beamery Inc. shares, the remeasurement of derivative financial instruments under contracts hedging the Group against interest rate risk, and lower interest expenses on a credit facility resulting from overpayments made in 2023.

## Grupa Pracuj S.A.

### Financial results of the Company

	6 months ended			3 months ended		
	30 June (unaudited)		Change (y/y)	30 June (unaudited)		Change (y/y)
	2024	2023		2024	2023	
<b>Revenue from contracts with customers</b>	<b>250,606</b>	<b>238,828</b>	<b>4.9%</b>	<b>122,823</b>	<b>118,078</b>	<b>4.0%</b>
Depreciation and amortisation	(7,070)	(5,521)	28.1%	(3,573)	(2,816)	26.9%
Marketing expenses	(23,331)	(17,312)	34.8%	(7,982)	(5,844)	36.6%
Software as service	(3,138)	(3,297)	(4.8%)	(1,581)	(1,647)	(4.0%)
Other services	(14,986)	(10,966)	36.7%	(8,333)	(5,774)	44.3%
Employee benefits expense	(71,024)	(62,565)	13.5%	(35,180)	(31,036)	13.4%
Other costs	(2,102)	(2,346)	(10.4%)	(1,275)	(1,271)	0.3%
Other income	418	790	(47.1%)	123	284	(56.7%)
Other expenses	(283)	(399)	(28.9%)	(205)	(76)	169.7%
Expected credit losses	(778)	(123)	532.5%	(185)	(151)	22.5%
<b>Operating profit, including:</b>	<b>128,312</b>	<b>137,089</b>	<b>(6.4%)</b>	<b>64,632</b>	<b>69,747</b>	<b>(7.3%)</b>
Finance income	15,064	2,628	473.2%	11,586	1,326	773.8%
Finance costs	(30,661)	(22,123)	38.6%	(24,552)	(9,500)	158.4%
<b>Net finance income / (costs)</b>	<b>(15,597)</b>	<b>(19,495)</b>	<b>(20.0%)</b>	<b>(12,966)</b>	<b>(8,174)</b>	<b>58.6%</b>
Share of profit / (loss) of equity-accounted investees	4,793	2,370	102.2%	2,395	1,465	63.5%
<b>Profit before tax</b>	<b>117,508</b>	<b>119,964</b>	<b>(2.0%)</b>	<b>54,061</b>	<b>63,038</b>	<b>(14.2%)</b>
Income tax	(25,945)	(22,696)	14.3%	(11,715)	(10,436)	12.3%
<b>Net profit</b>	<b>91,563</b>	<b>97,268</b>	<b>(5.9%)</b>	<b>42,346</b>	<b>52,602</b>	<b>(19.5%)</b>

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

	6 months ended			3 months ended		
	30 June (unaudited)		Change (y/y)	30 June (unaudited)		Change (y/y)
	2024	2023		2024	2023	
<b>Revenue from contracts with customers</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
Depreciation and amortisation	(2.8%)	(2.3%)	(0.5pp)	(2.9%)	(2.4%)	(0.5pp)
Marketing expenses	(9.3%)	(7.2%)	(2.1pp)	(6.5%)	(4.9%)	(1.5pp)
Software as service	(1.3%)	(1.4%)	0.1pp	(1.3%)	(1.4%)	0.1pp
Other services	(6.0%)	(4.6%)	(1.4pp)	(6.8%)	(4.9%)	(1.9pp)
Employee benefits expense	(28.3%)	(26.2%)	(2.1pp)	(28.6%)	(26.3%)	(2.4pp)
Other costs	(0.8%)	(1.0%)	0.1pp	(1.0%)	(1.1%)	0.0pp
Other income	0.2%	0.3%	(0.2pp)	0.1%	0.2%	(0.1pp)
Other expenses	(0.1%)	(0.2%)	0.1pp	(0.2%)	(0.1%)	(0.1pp)
Expected credit losses	(0.3%)	(0.1%)	(0.3pp)	(0.2%)	(0.1%)	(0.0pp)
<b>Operating profit margin</b>	<b>51.2%</b>	<b>57.4%</b>	<b>(6.2pp)</b>	<b>52.6%</b>	<b>59.1%</b>	<b>(6.4pp)</b>

**Revenue from contracts with customers:**

- Revenue generated by the Company in the six months ended 30 June 2024 rose by 4.9% year on year, to PLN 250.6 million. Key reason behind this increase were higher average recruitment project prices (up +6.3% year on year), partly offset by a lower number of recruitment projects posted (253.8 thousand in the six months ended 30 June 2024, compared with 258.3 thousand in the previous year, down by 1.7% year on year). In the three months ended 30 June 2024, the number of recruitment projects posted increased by 1.4% year on year, while the average recruitment project price rose by 2.7% year on year.

**Operating expenses:**

- The rise in employee benefits expense in the reporting period reflected mainly the workforce addition combined with steadily rising average salaries and wages at the Company.
- The 34.8% increase in marketing expenses resulted chiefly from higher investments in enhancing brand awareness on the Polish market through wide-ranging marketing campaigns and promotion of the:protocol website.
- The increase in depreciation and amortisation expense to PLN 7.1 million was due in part to the completion last year of development work on projects that expanded the functionality of offered services.
- The 36.7% increase in costs of other services was primarily due to higher costs of services provided by third parties, including under ongoing projects focused on improving efficiency and ensuring compliance with external regulations, such as adapting to new legal requirements under the CSRD, AI Act, and Data Act.

**Finance income and costs:**

- The change in net finance income/costs was primarily due to a PLN 16.7 million remeasurement of Beamery Inc. shares, the remeasurement of derivative financial instruments under contracts hedging the Company against interest rate risk, and lower interest expenses on a credit facility resulting from overpayments made in 2023.

## Financial position

### Grupa Pracuj S.A. Group

#### Assets of the Group

	30 June 2024 (unaudited)	31 December 2023	Change (y/y)
<b>Non-current assets, including:</b>	<b>746,929</b>	<b>754,564</b>	<b>(1.0%)</b>
Intangible assets	89,728	88,677	1.2%
Property, plant and equipment	12,708	12,359	2.8%
Right-of-use assets	30,055	31,780	(5.4%)
Goodwill	449,599	446,128	0.8%
Equity-accounted investees	25,776	30,725	(16.1%)
Other financial assets	99,175	103,810	(4.5%)
Other non-financial assets	789	840	(6.1%)
Deferred tax assets	39,099	40,245	(2.8%)
<b>Current assets, including:</b>	<b>379,970</b>	<b>274,145</b>	<b>38.6%</b>
Inventory	2,738	1,891	44.8%
Trade receivables	63,686	68,312	(6.8%)
Other financial assets	131	191	(31.4%)
Other non-financial assets	44,124	39,995	10.3%
Cash and cash equivalents	269,291	163,756	64.4%
<b>Total</b>	<b>1,126,899</b>	<b>1,028,709</b>	<b>9.5%</b>

Non-current assets went down to PLN 746.9 million compared with the amount booked as at 31 December 2023. The change in goodwill relative to 31 December 2023 was attributable to provisional accounting for the acquisition of HRlink sp. z o.o., with an excess of the price paid over the value of the acquired net assets recognised at PLN 7.5 million. As at the reporting date of 30 June 2024, the Group had not yet completed the process of purchase price allocation. Therefore, the fair value of the acquired assets, liabilities and goodwill recognised on the acquisition of HRlink sp. z o.o. may change within 12 months of taking control over the company. The increase was partially offset by a decrease in goodwill recognised from the acquisition of Spoonbill Holding GmbH compared with 31 December 2023, due to the remeasurement of goodwill in foreign currencies following a lower EUR/PLN exchange rate. Other financial assets decreased due to the remeasurement of the fair value of Beamery Inc. shares by PLN 16.7 million. The decrease was partly offset by a cash contribution of PLN 7.6 million provided to Pracuj Ventures spółka z ograniczoną odpowiedzialnością ASI sp.k. Pracuj Ventures) and a PLN 5.8 million increase in dividends receivable.

The 38.6% increase in current assets compared with 31 December 2023 was primarily driven by an increase in cash resulting from positive net cash flows generated in the first half of 2024. Other non-financial assets rose, partly due to higher incremental costs of obtaining contracts for recruitment process management systems under the SaaS model in the Segment Germany, which are accounted for based on the average contract term. The increase was partly offset by a decrease in trade receivables, which rose at the end of 2023 due to higher sales in December.

#### Equity and liabilities

	30 June 2024 (unaudited)	31 December 2023	Change (y/y)
<b>Equity, including:</b>	<b>327,137</b>	<b>363,183</b>	<b>(9.9%)</b>
Equity attributable to owners of the Parent	327,093	363,145	(9.9%)
Non-controlling interests	44	38	15.8%
<b>Total liabilities, including:</b>	<b>799,762</b>	<b>665,526</b>	<b>20.2%</b>
<b>Non-current liabilities, including:</b>	<b>252,570</b>	<b>285,530</b>	<b>(11.5%)</b>
Bank borrowings	207,554	239,295	(13.3%)
Lease liabilities	21,532	23,595	(8.7%)
Other financial liabilities	18,864	16,768	12.5%
Employee benefit obligations	1,838	1,838	-
Deferred tax liabilities	2,782	4,034	(31.0%)
<b>Current liabilities, including:</b>	<b>547,192</b>	<b>379,996</b>	<b>44.0%</b>
Bank borrowings	55,561	23,543	136.0%
Lease liabilities	10,898	10,472	4.1%
Other financial liabilities	4,079	8,076	(49.5%)
Employee benefit obligations	27,734	29,785	(6.9%)
Trade payables	35,998	35,650	1.0%
Other non-financial liabilities	18,041	15,385	17.3%
Dividend liabilities	136,530	-	n/a
Current tax liabilities	5,264	15,432	(65.9%)
Contract liabilities	253,087	241,653	4.7%
<b>Total</b>	<b>1,126,899</b>	<b>1,028,709</b>	<b>9.5%</b>

As at the end of June 2024, the Group's equity stood at PLN 327.1 million, down 9.9% from 31 December 2023, primarily due to the approval of a PLN 136.5 million dividend for the previous financial year. This decrease was partially offset by the net profit generated in the six months ended 30 June 2024.

Non-current liabilities declined mainly due to the reclassification of certain bank borrowings to current liabilities.

Current liabilities saw a significant increase at the end of June 2024 compared with 31 December 2023, primarily driven by the recognition of PLN 136.5 million in dividends payable and the reclassification of certain bank borrowings to current liabilities, as well as an increase in liabilities under contracts for services to be performed in subsequent months. This increase was partly offset by lower other financial liabilities following the remeasurement of derivative financial instruments under contracts hedging the Company against interest rate risk. Current tax liabilities went down relative to the end of the previous year reflecting the settlement and payment of income tax for 2023.

### Assets of the Company

	30 June 2024 (unaudited)	31 December 2023	Change (y/y)
<b>Non-current assets, including:</b>	<b>793,497</b>	<b>798,316</b>	<b>(0.6%)</b>
Intangible assets	21,325	17,636	20.9%
Property, plant and equipment	7,786	7,965	(2.2%)
Right-of-use assets	21,642	21,547	0.4%
Investments in subsidiaries	581,341	580,698	0.1%
Equity-accounted investees	25,776	30,725	(16.1%)
Other financial assets	98,352	102,991	(4.5%)
Other non-financial assets	603	646	(6.7%)
Deferred tax assets	36,672	36,108	1.6%
<b>Current assets, including:</b>	<b>204,899</b>	<b>116,592</b>	<b>75.7%</b>
Trade receivables	38,290	45,261	(15.4%)
Other financial assets	9,873	117	8,338.5%
Other non-financial assets	4,969	5,113	(2.8%)
Cash and cash equivalents	151,767	66,101	129.6%
<b>Total</b>	<b>998,396</b>	<b>914,908</b>	<b>9.1%</b>

Non-current assets went down to PLN 793.5 million compared with the amount booked as at 31 December 2023. The change in non-current assets was primarily driven by a decrease in other financial assets and equity-accounted investees. The decrease in other financial assets was mainly due to the remeasurement of the fair value of Beamery Inc. shares, resulting in a reduction of PLN 16.7 million. This was partially offset by an increase due to a cash contribution provided to Pracuj Ventures and an increase in dividends receivable. The increase in intangible assets was attributable to higher development expenditure on projects extending the service functionalities.

Current assets went up 75.7% compared with 31 December 2023, mainly as a result of an increase in cash and dividends receivable. The increase was partly offset by a decrease in trade receivables, which rose at the end of 2023 due to higher sales in December.

*Equity and liabilities of the Company*

	30 June 2024 (unaudited)	31 December 2023	Change (y/y)
<b>Equity</b>	<b>368,485</b>	<b>408,894</b>	<b>(9.9%)</b>
<b>Total liabilities, including:</b>	<b>629,911</b>	<b>506,014</b>	<b>24.5%</b>
<b>Non-current liabilities, including:</b>	<b>227,735</b>	<b>260,969</b>	<b>(12.7%)</b>
Bank borrowings	207,554	239,295	(13.3%)
Lease liabilities	15,737	15,978	(1.5%)
Employee benefit obligations	1,662	1,662	-
Deferred tax liabilities	2,782	4,034	(31.0%)
<b>Current liabilities, including:</b>	<b>402,176</b>	<b>245,045</b>	<b>64.1%</b>
Bank borrowings	55,561	23,543	136.0%
Lease liabilities	6,975	6,635	5.1%
Employee benefit obligations	14,403	13,735	4.9%
Trade payables	12,117	12,715	(4.7%)
Other non-financial liabilities	10,938	11,382	(3.9%)
Other financial liabilities	3,989	8,076	(50.6%)
Dividend liabilities	136,530	-	n/a
Current tax liabilities	1,284	11,030	(88.4%)
Contract liabilities	160,379	157,929	1.6%
<b>Total</b>	<b>998,396</b>	<b>914,908</b>	<b>9.1%</b>

As at the end of June 2024, the Company's equity stood at PLN 368.5 million, down 9.9% from 31 December 2023, primarily due to the approval of a PLN 136.5 million dividend for the previous financial year. This decrease was partially offset by the net profit generated in the six months ended 30 June 2024.

Non-current liabilities declined mainly due to the reclassification of certain bank borrowings to current liabilities.

Current liabilities increased to PLN 402.2 million as at the end of June 2024, primarily due to the recognition of dividends payable (the dividend was paid in July 2024) and the reclassification of certain bank borrowings to current liabilities. This increase was partly offset by lower other financial liabilities following the remeasurement of derivative financial instruments under contracts hedging the Company against interest rate risk. Current tax liabilities went down relative to the end of the previous year reflecting the settlement and payment of income tax for 2023.



## Cash flows

### Grupa Pracuj S.A. Group

#### Cash flows of the Group

The Group	6 months ended 30 June		Change (y/y)
	2024	2023	
Net cash flows from operating activities	149,624	173,507	(13.8%)
Net cash flows from investing activities	(26,742)	(10,730)	149.2%
Net cash flows from financing activities	(17,343)	(52,863)	(67.2%)
<b>Total net cash flows</b>	<b>105,539</b>	<b>109,914</b>	<b>(4.0%)</b>

#### Net cash flows from operating activities

Net cash flows from operating activities fell by 13.8% year on year due to slower changes in working capital and higher income tax payments. During 2023 income tax was paid in the form of expedient monthly advances, its settlement for the year and payment of the amount still owed made in the first quarter of 2024. Additionally, cash provided by operating activities during the period was impacted by lower working capital employed, despite maintaining pre-tax profit at a level similar to the corresponding period in the previous year. The change in working capital was mainly due to slower movements in contract liabilities in the six months ended 30 June 2024 compared with the same period the previous year, as the rate of publishing previously purchased job postings by customers outpaced the rate of sales growth.

#### Net cash flows from investing activities

In the six months ended 30 June 2024, net cash flows from investing activities were mainly influenced by outflows for the acquisition of HRlink sp. z o.o. shares, a cash contribution to Pracuj Ventures, and capital expenditures on the purchase of property, plant, and equipment, as well as investments in in-house software development.

#### Net cash flows from financing activities

In the six months ended 30 June 2024, the Group reported a negative net balance in cash flows from financing activities, primarily due to the payment of PLN 9.3 million in interest on a credit facility and ongoing payments of liabilities under lease contracts. The year-on-year decrease in net cash flows from financing activities is attributable to credit facility overpayments made in 2023.

## Grupa Pracuj S.A.

### Cash flows of the Company

Company	6 months ended 30 June		Change (y/y)
	2024	2023	
Net cash flows from operating activities	114,648	146,803	(21.9%)
Net cash flows from investing activities	(14,611)	(6,395)	128.5%
Net cash flows from financing activities	(14,368)	(50,637)	(71.6%)
<b>Total net cash flows</b>	<b>85,670</b>	<b>89,771</b>	<b>(4.6%)</b>

#### Net cash flows from operating activities

In the six months ended 30 June 2024, cash flows from operating activities fell by 21.9% year on year, to PLN 114.6 million due to slower changes in working capital and significantly higher income tax payments. In 2023, income tax was paid in the form of expedient monthly advances, with the settlement and payment of any remaining amount occurring in the six months ended 30 June 2024. The change in working capital was mainly due to slower movements in contract liabilities in the six months ended 30 June 2024 compared with the same period the previous year, as the rate of credit utilisation by customers outpaced the rate of sales growth.

#### Net cash flows from investing activities

In the six months ended 30 June 2024, net cash flows from investing activities were mainly driven by a cash contribution of PLN 7.6 million provided to Pracuj Ventures, as well as investments in in-house software development.

#### Net cash flows from financing activities

In the six months ended 30 June 2024, the Company reported a negative net balance in cash flows from financing activities, primarily due to the payment of PLN 9.3 million in interest on a credit facility and ongoing payments of liabilities under lease contracts. The year-on-year decrease in net cash flows from financing activities is attributable to credit facility overpayments made in 2023.

## Factors affecting the Group's financial and operating performance

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### Recruitment services

Despite a modest 1.4% year-on-year increase in the number of recruitment projects reported in Poland for the three months to 30 June 2024, the Management Board remains cautiously optimistic. They foresee two possible scenarios for the second half of the year, which will underpin the Group's cost management strategies:

- **Conservative scenario:** If companies are relatively hesitant to hire new employees and at the same time face greater challenges in finding highly skilled talent, the trend of very slow growth may persist. In this case, recruitment project volumes are likely to remain stable. The average project price would rise at a modest, single-digit rate, due to a higher share of Blue Collar and Pink Collar ads, which are priced lower than those in the White Collar segment.
- **Optimistic scenario:** If economic recovery accelerates, wage pressures persist, and companies increase their hiring, recruitment project volumes could grow faster in the coming quarters, reaching a year-on-year increase of 5–8%. This growth would reflect a rebound in White Collar ads, leading to higher average recruitment project prices.

Both scenarios depend on economic conditions and labour market dynamics, which will influence changes in the structure of job advertisements.

In Ukraine, the Management Board expects revenue to continue to grow at the current pace (above 20% y/y), assuming that the existing geopolitical situation does not change. Employer activity has remained high, driven by a shortage of job candidates. Acting through Roboto.ua, the Group is committed to supporting companies in finding employees, including by encouraging the activation of passive job candidates.

### Recruitment management systems

In recruitment management systems like eRecruiter and softgarden, the focus will shift towards tools that extend offerings to support employers after a candidate has been hired. The Group plans to develop features to optimise recruitment processes and enhance customer experience. Effective implementation of these features may, in turn, impact the average subscription price. The Management Board believes that the number of active HR Tech SaaS and MRR customers will continue to grow steadily, at least at the current pace.

## RISK FACTORS AND RISK MANAGEMENT

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### Risk management

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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 Group's business by efficiently identifying, classifying and evaluating risks, thereby ensuring stable conditions for ongoing development and the fulfilment of strategic objectives.

### Material risk factors

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***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***

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 of 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***

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,
- 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***

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***

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:

- employee development policy,
- established career paths,
- regular assessments of job evaluation and the suitability of salary structures in comparison to prevailing market standards,
- Regular identification of key positions and identification of potential successors.

### ***The Group' may be unable to continue its operations in Ukraine***

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***

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 recruitment services market is relatively competitive, with numerous providers 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 Group 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***

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:

- Maintaining an experienced legal and compliance team,
- Monitoring changes in legislation relevant to the Group,
- 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***

The Group's strategy is grounded in pursuing stable growth while prioritising the development of innovations to 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,
- Reporting process for new investments/acquisitions.

## OTHER INFORMATION

### Litigation

As at the issue date of this Directors' Report, no significant proceedings were pending before a court, arbitration body or public administration body related to liabilities or receivables of the Company or its subsidiaries.

### Related-party transactions

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

In the reporting period, there were no material transactions with related parties, as defined in the Procedure, which would require approval or be subject to a periodic review by the Supervisory Board. The Company and its subsidiaries did not conclude any related-party transactions on non-arm's length terms. Related-party transactions were made on terms equivalent to those applied in transactions with third parties.

### Management of financial resources

The Group's capital management objective is to ensure a secure and efficient financing structure that considers operational risks, capital expenditures, and the interests of shareholders and other stakeholders.

For a detailed description of the capital management policy, see note 4.1 to the interim condensed consolidated financial statements for the six months ended 30 June 2024. In the reporting period, the Group was fully capable of meeting its liabilities when due.

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

### Debt-to-equity ratio

	30 June 2024 (unaudited)	31 December 2023
Bank borrowings	263,115	262,838
Lease liabilities	32,430	34,067
Other financial liabilities	22,943	24,844
Dividend liabilities	136,530	-
Less: cash and cash equivalents	(269,291)	(163,756)
<b>Net debt</b>	<b>185,727</b>	<b>157,993</b>
Equity	327,137	363,183
<b>Leverage (net debt to equity)</b>	<b>0.57</b>	<b>0.44</b>



## **Borrowings**

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On 14 June 2022, the Management Board reported that the Company, as the borrower, entered into a credit facility agreement with BNP Paribas Bank Polska S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. (the 'Banks') as the lenders. Under the agreement, the Banks agreed to provide the Company with a term facility of up to PLN 400,000 thousand to finance general corporate purposes, including planned future investments and further growth of the Company. The facility repayment date is 14 June 2027. The facility bears interest at a variable rate plus the Banks' margin.

For details of the credit facility, see note 4.3 'Debt liabilities' in the interim condensed consolidated financial statements for the six months ended 30 June 2024.

## **Sureties and guarantees**

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As at 30 June 2024, 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 7.7 'Contingent liabilities' in the interim condensed consolidated financial statements for the period ended 30 June 2024.

## GOVERNING BODIES OF GRUPA PRACUJ S.A.

### Supervisory Board

#### **Composition**

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

First name and surname of Supervisory Board member	Position	Date of appointment to the Supervisory Board for the current term
Maciej Noga	Chairman of the Supervisory Board	2 August 2021
John Doran	Member of the Supervisory Board	2 August 2021
Wojciech Stankiewicz	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Przemysław Budkowski	Independent Member of the Supervisory Board Member of the Audit Committee	2 August 2021
Agnieszka Słomka-Gołębiowska	Independent Member of the Supervisory Board Chairman of the Audit Committee	11 August 2021
Mirosław Stachowicz	Member of the Supervisory Board	29 October 2021
Martina van Hettinga	Independent Member of the Supervisory Board	1 February 2023

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

## Management Board

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### Composition

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

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#### ***Przemysław Gacek, President of the Management Board***

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

His professional career began in 1997. He has served as CEO of Pracuj.pl since 2000, and today heads Grupa Pracuj. From 2012 to 2015, he served as CEO of eRecruitment Solutions sp. z o.o., and from 2013 to 2019, he was a Management Board member at Empla 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

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#### ***Gracjan Fiedorowicz, Member of the Management Board***

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

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

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

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

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#### ***Rafał Nachyna, Member of the Management Board***

Joined Grupa Pracuj in 2005, served as Sales Director at Pracuj.pl for five years. Currently responsible for the development of most of the Group's business areas. Oversees the operations of Pracuj.pl, eRecruiter and Robotia.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

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## 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	26.39%
Segment	Large company (capitalisation over EUR 250 million)
Sector	Internet
Indices	WIG, mWIG-40, WIG140, WIG-ESG, WIG-Poland, WIG-MEDIA, WIG, InvestorMS

### Issue dates of periodic reports

The Company makes every effort to ensure the shortest possible timeframe for preparing and releasing a periodic report after each reporting date, considering its complex equity structure.

4 April 2024	Consolidated and separate full-year report for 2023
23 May 2024	Consolidated report for the first quarter of 2024
28 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 2023***

On 18 June 2024, the Company's Annual General Meeting passed a resolution to pay a dividend of PLN 136.5 million, or PLN 2.00 per share, with 24 June 2024 set as the dividend record date and 5 July 2024 set as the dividend payment date.

## Shares and shareholding structure

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

As at 30 June 2024, 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 30 June 2024, the total number of voting rights in the Company was 68,265,026. One share carries one vote at the General Meeting. There are no restrictions on the exercise of voting rights in the Company other than those resulting from generally applicable laws.

All Company shares are ordinary bearer shares with no preference attached to them, in particular any preference giving special control powers. The Company's 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 30 June 2024:

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

\* 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 Organized Trading and Public Companies.

\*\* Entity controlled by Maciej Noga.

### Changes in the shareholder structure after the reporting date

To the best of the Management Board's knowledge, as at the issue date of this Directors' Report, the list of shareholders holding at least 5% of shares has remained unchanged since the date of issue of the previous interim report on 23 May 2024.

### **Shares held by management and supervisory personnel**

As at 30 June 2024, holdings of Company shares by its management and supervisory personnel were as follows:

<b>Management Board members</b>	<b>Number of shares / voting rights</b>	<b>Par value of shares (PLN)</b>	<b>Ownership/voting interest (%)</b>
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%
<b>Total</b>	<b>36,863,811</b>	<b>184,319,055</b>	<b>54.00%</b>

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

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

\*\* Indirectly through Fundacja Rodzinna MANageWell.

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

To the best of the Management Board's knowledge, as at the issue date of this Directors' Report there were no changes in the holdings of shares by the management and supervisory personnel relative to the issue date of the previous interim report on 23 May 2024.

### ***Information on agreements relating to changes in the shareholder structure***

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

#### **Incentive Scheme 1**

On 29 October 2021, the Extraordinary General Meeting of the Company passed a resolution establishing incentive scheme No. 1 ('Incentive Scheme 1') for members of the Management Board, the Supervisory Board and key personnel (persons employed under an employment contract or a mandate contract, regardless of the applicable law governing the contract). Incentive Scheme 1 is founded on shares issued under the authorisation granted to the Management Board to increase the share capital within the limits of the authorised share capital pursuant to Resolution No. 5 of the Extraordinary General Meeting of 22 October 2021.

Incentive Scheme 1 is being implemented in 2022-2024. A participant's entitlement to receive Bonus Shares 1 will be conditionally vested at the end of each calendar year during the term of Incentive Scheme 1 and will be subject to the fulfilment of the following conditions as determined by the Management Board:

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

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

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

For detailed information on the scheme, refer to note 7.1 'Share-based payments and employee incentive schemes' in the interim condensed consolidated financial statements for the six months ended 30 June 2024.

## **Authorisation of this Directors' Report**

This Directors' Report on the activities of Grupa Pracuj S.A. and the Grupa Pracuj S.A. Group for the six months ended 30 June 2024 was authorised for issue by the Management Board of Grupa Pracuj S.A. on 27 August 2024.

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

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

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





grupa pracuj