



grupa pracuj

Grupa Pracuj S.A. Group

(formerly: Grupa Pracuj sp. z o.o.)

Management Board's Report on the activities
of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group
for the year ended 31 December 2021



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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD



Dear Sirs/Madams,

The year 2021 was unique in our history. On 9 December 2021, we opened a new chapter – after more than 20 years of presence on the market, we were newly listed on the Warsaw Stock Exchange and became a public company. I am convinced that this step will strengthen our presence in Central and Eastern Europe and support development in the coming years in line with our strategy. All those who decided to join the group of our shareholders I thank you for their great trust.

Last year, the Polish economy was still under the influence of the COVID-19 pandemic. However, already in the second half of 2020, a clear acceleration could be felt on the labor market. This has translated into a growing demand for online recruitment and modern technologies for HR, in which we specialize. In 2021, on the Pracuj.pl board employers used 512 thousand of recruitment projects, which is over 65.0% more than in the previous year. On the Group's websites, the key of which remains the largest job board in Poland Pracuj.pl, an average of 182 thousand of job offers were available every day. Nearly 1.6 thousand of enterprises used the eRecruiter system, the most commonly used tool of this type in Poland.

As a result, the total revenue of Grupa Pracuj S.A. Group from contracts with customers increased to a historical level PLN 475.1 million and were higher by nearly 59.0% compared to 2020. Net profit amounted to PLN 255.7 million, which means an increase of 139.0% year-to-year. Adjusted operating profit at EBITDA level increased by 73.4 % to PLN 257.3 million.

Recognizing the needs of our clients and candidates, we have launched two new services. Dryg.pl, a job board focused on blue-collar workers that is currently available in the Pomeranian voivodeship. The:protocol service, in turn, is gaining popularity among candidates looking for a job in the IT industry, especially those with more professional experience. These platforms complement the offer of the Group and our flagship brands: Pracuj.pl, Robota.ua and eRecruiter.

Today, it is difficult not to mention the current dramatic situation in Ukraine, where our Robota.ua job board has been operating for over 20 years. Our absolute priority is the safety of Ukrainian employees and their families. In addition, from the business side, we make every effort to ensure that Robota.ua can continue to operate, despite the extreme realities. In 2021, revenue from the Ukraine segment accounted for about 11.0% of the total revenue of Grupa Pracuj S.A. Group, while the share of this segment in the Group's operating profit amounted to 2.0% last year.

We already know that 2022 will be another challenging year. As a leader in the recruitment market in the region, we will systematically expand our offer addressed to various segments of employees. We strongly believe in solutions that support HR departments not only in their current work, but also in building employee's engagement and effective internal communication. In 2021, we launched a platform for creating an engaging organizational culture Worksmile, which is very popular among the Group's clients and among its users. In the future, we want to continue to invest heavily in the area of HR Tech and develop innovations within the Group, but we also do not exclude development through acquisitions.

I invite you to read the annual report, which we have prepared for the first time. Thank you again for your trust. I am convinced that as Grupa Pracuj we are in the perfect place and time to create the HR technology market in Central and Eastern Europe.

Przemysław Gacek
President of the Management Board

SELECTED FINANCIAL DATA

Grupa Pracuj S.A. Group

Selected consolidated financial data for the years ended 31 December 2021 and 2020.

Financial results

	in thous. PLN		in thous. EUR	
	2021	2020	2021	2020
Revenue from contracts with customers	475 113	299 308	104 023	67 337
Operating profit	227 508	136 114	49 811	30 623
Profit before tax	319 547	133 447	69 963	30 022
Net profit attributable to:	255 683	106 928	55 980	24 056
Owners of the Parent Entity	254 693	105 753	55 763	23 792
Non-controlling interests	990	1 175	217	264
Total comprehensive income attributable to:	255 369	107 268	55 911	24 132
Owners of the Parent Entity	254 379	106 093	55 694	23 868
Non-controlling interests	990	1 175	217	264

Cash flows

	in thous. PLN		in thous. EUR	
	2021	2020	2021	2020
Cash flows from operating activities	224 928	124 460	49 246	28 001
Cash flows from investing activities	(28 046)	(3 830)	(6 141)	(862)
Cash flows from financing activities	(146 814)	(70 817)	(32 144)	(15 932)
Total net cash flows	50 068	49 813	10 962	11 207

Financial position

	in thous. PLN		in thous. EUR	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Non-current assets	227 271	121 385	49 413	26 303
Current assets	272 434	184 670	59 233	40 017
Total assets	499 705	306 055	108 646	66 320
Equity attributable to owners of the Parent Entity	249 145	103 191	54 169	22 361
Non-controlling interests	12	(216)	3	(47)
Non-current liabilities	51 212	25 196	11 134	5 460
Current liabilities	199 336	177 884	43 340	38 546
Total equity and liabilities	499 705	306 055	108 646	66 320

Grupa Pracuj S.A. (Parent Entity)

Selected financial data for the years ended 31 December 2021 and 2020

Financial results

	in thous. PLN		in thous. EUR	
	2021	2020	2021	2020
Revenue from contracts with customers	398 361	240 604	87 218	54 130
Operating profit	215 553	120 844	47 194	27 187
Profit before tax	328 710	124 079	71 969	27 915
Net profit	266 261	100 245	58 296	22 553
Total comprehensive income	266 496	100 250	58 347	22 554

Cash flows

	in thous. PLN		in thous. EUR	
	2021	2020	2021	2020
Cash flows from operating activities	193 529	114 134	42 372	25 677
Cash flows from investing activities	(7 335)	(2 393)	(1 606)	(538)
Cash flows from financing activities	(140 996)	(66 504)	(30 870)	(14 962)
Total net cash flows	45 198	45 236	9 896	10 177

Financial position

	in thous. PLN		in thous. EUR	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Non-current assets	228 001	118 690	49 572	25 719
Current assets	224 171	142 285	48 739	30 832
Total assets	452 172	260 975	98 311	56 552
Equity	267 138	93 235	58 081	20 203
Non-current liabilities	32 280	21 256	7 018	4 606
Current liabilities	152 754	146 484	33 212	31 742
Total equity and liabilities	452 172	260 975	98 311	56 552

The translation of the selected financial data into euro has been carried out in accordance with the following table:

	The average rate in 2021	The average rate in 2020
The individual items in the statements of comprehensive income have been translated at the average euro (EUR) exchange rate over the period	4.5674	4.4449
	As at 31 December 2021	As at 31 December 2020
The individual items in the statements of financial position have been translated at the euro (EUR) exchange rate at the end of the period	4.5994	4.6148

The most important events and agreements in 2021 for the Parent Entity and the Group

In 2021, the following events were crucial for the Entity and the Group:

- A dynamic rebound from the pandemic – in 2021 Grupa Pracuj achieved record levels of sales and revenue from contracts with customers, which for the Group reached the level of PLN 475,113 thousand (+29.3% compared to the previous record 2019 year);
- January – launch of a new advertising campaign 'In the Pracuj.pl environment';
- May – start of the:protocol.it platform, a specialized job board focused on the IT industry;
- June – launch of the Dryg.pl platform, a solution focused on blue-collar workers;
- August – acquisition of shares in Fitqbe sp. z o.o. (the owner of the Worksmile platform);
- December – initial public offering of Grupa Pracuj S.A. on the Warsaw Stock Exchange,



Digital recruitment leader in Central & Eastern Europe

Grupa Pracuj is a leading HR technology platform in the CEE region supporting organizations in the recruitment, retention and development of their staff, helping people find the best job for them to maximize their full potential and developing world-class technology to shape the future of the HR market.

Grupa Pracuj owns: Pracuj.pl – the largest Polish job board, Robota.ua – a leading Ukrainian job board, and eRecruiter – a leading Polish SaaS recruitment platform supporting recruitment processes. In 2021 **the platforms owned by Grupa Pracuj were visited by an average of 8.3 million users per month, including 4.4 million in Poland and 3.9 million in Ukraine.** There are an average of about 182,000 job postings accessible every day on the platforms. The eRecruiter recruitment support platform is used by nearly 1,600 companies. Grupa Pracuj brands form an advanced digital ecosystem for the HR sector.

Grupa Pracuj has been operating for over 20 years in Poland and for 15 years in Ukraine. It employs over 800 people, including over 200 skilled specialists involved in development of products and technology. Over 52,000 employers in Poland and about 66,000 employers in Ukraine actively use Grupa Pracuj services.

In 2021, **Grupa Pracuj generated revenue from contracts with customers of PLN 475m–49% higher** than the full year 2020 (PLN 299m). The group earned a net profit of PLN 256m, as compared to PLN 107m in 2020.

The strategic objectives of Grupa Pracuj include delivering new tech solutions in the HR field, increasing product synergies between the group's leading brands, raising revenues through growth of the portfolio of products, and strengthening its position as the platform of first choice for job candidates and employers.

Grupa Pracuj in numbers

8.3

million
monthly users⁽¹⁾



4.4 million in Poland



3.9 million in Ukraine

182,000

job offers available for users every day on platforms of Grupa Pracuj⁽²⁾

~1,600

companies using the eRecruiter system

52,000

active customers (employers) of Pracuj.pl⁽²⁾

66,000

active customers (employers) of Robota.ua⁽²⁾

2.7 million CVs

sent via Pracuj.pl every month⁽¹⁾

PLN 475m

revenue from contracts with customers in 2021

PLN 256m

net profit in 2021

(1) figures for 2021
(2) as of the end of December 2021

Grupa Pracuj brands

Pracuj.pl is the largest Polish online job board, with a 64% market share in 2020 in terms of revenue (according to OC&C). It has a leading position on the market of job offers for specialists and managers (the white-collar segment), with a strong position on the market of offers for physical labourers (blue-collar segment). The average number of job postings available for users daily on the platform is about 80,000, while over 52,000 employers use the paid services of the platform (as of the end of December 2021), including the biggest Polish and international companies. Last year Pracuj.pl was visited by over 4.4 million users every month (according to Gemius).

The logo for Pracuj.pl, featuring the text "pracuj.pl" in white lowercase letters inside a dark blue rounded rectangle.

Robota.ua is a leading online job board on the Ukrainian market, with a universal profile, publishing postings for both popular and specialized professions, with a 37% market share in 2020 in terms of revenue (according to OC&C). It has been owned by Grupa Pracuj since 2006. The average number of postings accessible daily on the platform is about 102,000 (quarterly average as of the end of December 2021), while over 66,000 companies actively use the platform, including the largest Ukrainian enterprises and major international brands. In 2021 an average of 3.9 million users visited the platform every month.

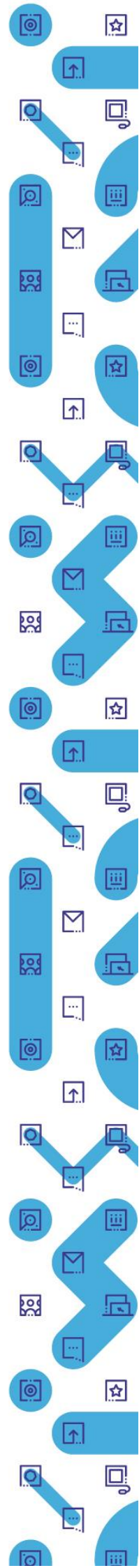
The logo for Robota.ua, featuring a red circle with a white lowercase "r" inside, followed by the text "robota.ua" in bold black lowercase letters.

eRecruiter is the leading Polish recruitment platform offered in an SaaS (software as a service) model. The eRecruiter system provides a single tool for managing the entire recruitment process, including publication of postings, management of the candidate database in compliance with the GDPR, and analysis of the experience of jobseekers.

The logo for eRecruiter, featuring two solid circles (one light blue, one dark blue) followed by the text "eRecruiter" in a dark blue sans-serif font.

Since 2021, the aforementioned main brands have been supported by two new brands: Dryg.pl, a solution focused on blue-collar workers, and **the:protocol**, a recruitment service devoted to IT specialists.

In 2021 Grupa Pracuj acquired a minority stake in **Worksmile**. This modern platform combines fringe benefits for employees with building an integrated corporate culture. Worksmile is a platform through which Grupa Pracuj is expanding its services beyond the field of recruitment.

The logo for dryg, featuring a dark blue square icon followed by the text "dryg" in a dark blue sans-serif font, with "Robi Robote" in a smaller font below it.The logo for the:protocol, featuring the text "the:protocol" in a light blue sans-serif font.The logo for worksmile, featuring the text "worksmile" in a dark blue sans-serif font with a yellow smiley face icon at the end.

OVERVIEW OF THE RESULTS FOR 2021

Market environment

Macroeconomic situation - Poland

The Group generates most of its revenue from operations in Poland, which are directly related to the domestic labour market. For this reason, the results of its operations are largely shaped by macroeconomic and other factors affecting the pace of development of the Polish economy and the domestic labor market.

Over the last five years, the Group's operations have been most influenced by macroeconomic trends and factors, including the real GDP growth, the investment rate, the level of inflation, the increase in average gross wages and salaries and the registered unemployment rate.

In recent years, the economy in Poland has been going better than the economies of most European Union member states. The economic recovery, visible in 2021, was mainly the result of a rebound from the low base of 2020, caused by the COVID-19 pandemic.

Table 1 Selected macroeconomic indicators for Poland

	As at 31 December		2019
	2021	2020	
Real GDP growth	5.7 ⁽¹⁾	(2.5)	4.7
Registered unemployment rate	5.4	6.3	5.2

⁽¹⁾ Preliminary estimate of the Statistics Poland (hereinafter 'GUS'), published on 31 January 2022

Source: GUS

According to the World Bank forecasts, the GDP of Poland in 2022 will reach 3.9%¹, while the International Monetary Fund estimates it at 4.6%².

In 2021, the situation on the labor market also improved – the registered unemployment rate as at 31 December 2021 was 5.4% (-0.9% y/y). The average salary in 2021 amounted to approx. PLN 5,662.53 (+3.0% y/y)³.

In 2021 a significant increase in prices was observed in Poland. The CPI inflation reached 5.1%, and in the fourth quarter alone it amounted to 7.7% per annum (in December 8.6%)⁴.

Macroeconomic situation - Ukraine

According to the estimates of the National Bank of Ukraine, in 2021 the Ukrainian economy grew by 3.0%⁵ compared to 2020.

At the end of December 2021 the CPI inflation amounted to 10.0% y/y⁶ and was caused by i.a.: an increase in prices of energy and food as well as increase in charges for utilities.

An average salary in Ukraine in 2021 amounted to UAH 14,014 and was by 20.9%⁷ higher in relation to the previous year. At the same time, the unemployment increased, which at the end of the 3rd quarter of 2021 amounted to 9.1%⁸, while in 2020 this rate was at the level of 8.2%.

¹ <https://www.worldbank.org/en/publication/global-economic-prospects>

² <https://www.imf.org/en/Countries/POL>

³ GUS; <https://stat.gov.pl/sygnalne/komunikaty-i-obwieszczenia/lista-komunikatow-i-obwieszczen/komunikat-w-sprawie-przecietnego-wynagrodzenia-w-gospodarce-narodowej-w-2021-roku,273,9.html> ; <https://stat.gov.pl/sygnalne/komunikaty-i-obwieszczenia/lista-komunikatow-i-obwieszczen/komunikat-w-sprawie-realnego-wzrostu-przecietnego-wynagrodzenia-w-2021-roku-w-stosunku-do-2020-roku,274,9.html>

⁴ GUS; <https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-grudniu-2021-roku,2,122.html>

⁵ <https://bank.gov.ua/en/news/all/natsionalny-bank-ukrayini-pidvischiv-oblikovu-stavku-do-10>

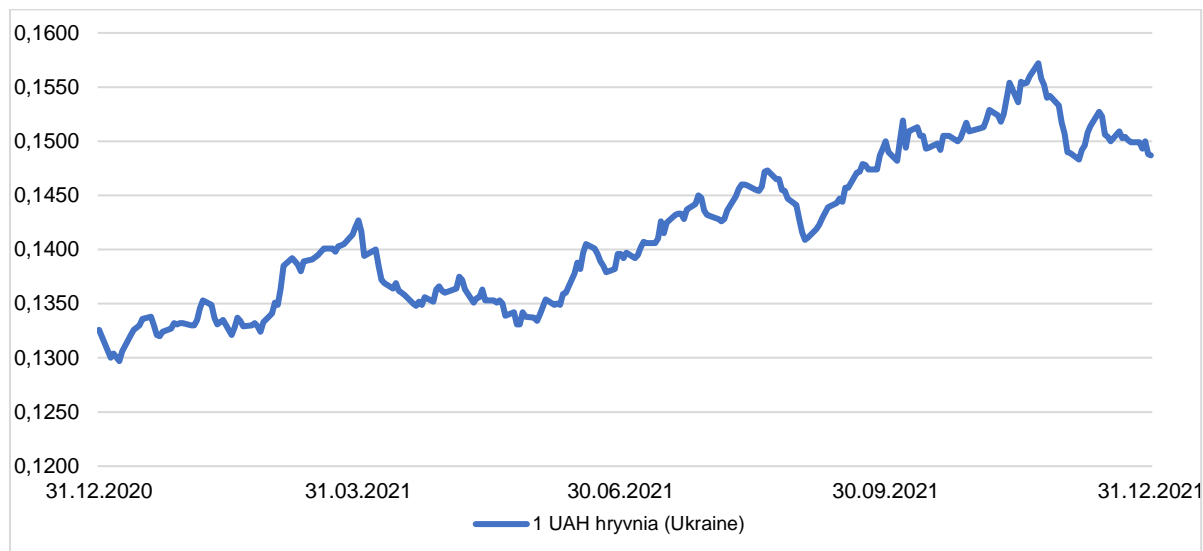
⁶ <https://bank.gov.ua/en/news/all/natsionalny-bank-ukrayini-pidvischiv-oblikovu-stavku-do-10>

⁷ <http://www.ukrstat.gov.ua/imf/pokaze.html>

⁸ <http://www.ukrstat.gov.ua/imf/pokaze.html>

In 2021 the Ukrainian hryvnia has been gradually strengthening against the Polish zloty. As at 31 December 2021, the exchange rate amounted to PLN 0.1487, which means an increase of 12% compared to the exchange rate as at 31 December 2020.

Chart 1 PLN exchange rates against UAH in 2021



Source: National Bank of Poland (NBP)

Operating results in 2021

The presented selected operating are estimates of the Entity and the Group and may not be the basis for comparison with other entities on the market, as well as forecasting its financial and operational condition.

Table 2 Selected operating indicators for the Group and the Entity

Operating ratio	Year ended 31 December		
	2021	2020	2019
Pracuj.pl⁽⁴⁾			
Number of Recruitment Projects (in thousands) ⁽¹⁾	512	310	401
Average Price of Recruitment Projects (PLN) ⁽²⁾	745	731	707
eRecruiter			
Number of Active Customers	1 594	1 436	1 397
Robota.ua			
Number of Recruitment Projects (in thousands) ⁽¹⁾	1 153	577	701
Number of Free Recruitment Projects (in thousands)	545	156	96
Number of Paid Recruitment Projects (in thousands)	608	421	605
Average price of a Paid Recruitment Project (UAH) ⁽³⁾	587	566	496
Average price of a Paid Recruitment Project (PLN) ⁽³⁾	83	82	74

Source: The Entity

Comments:

⁽¹⁾ The number of recruitment projects equals to the number of credits that were used to post job offers on Pracuj.pl or robota.ua. In the case of Pracuj.pl, 1 credit can be converted into multiple job offers (the offers will have the same title, but different locations - an average of 1.8), while in the case of robota.ua, 1 credit can be converted into only 1 job offer for a period of one month.

⁽²⁾ For Pracuj.pl defined as revenue from recruitment projects (used and overdue credits for posting job offers + additions) divided by the number of recruitment projects.

⁽³⁾ For robota.ua defined as revenue from sales to external customers in the Ukraine segment divided by the number of paid recruitment projects.

⁽⁴⁾ Related to the Entity.

Analysing the above table, there are clearly upward trends for all key operating KPIs for the Group entities:

a) Pracuj.pl (Grupa Pracuj S.A.):

- An effective sales strategy and market recovery after 2020 resulted in an increase in the number of recruitment projects by 65.3% y/y to 512 thousand;
- An average price of a recruitment project increased by 1.9% to PLN 745, which was mainly related to offering add-ons to recruitment announcements purchased by clients (matching the offer to individual customers' needs);

b) eRecruiter (eRecruitment Solutions sp. z o.o.):

- A number of active customers using the eRecruiter subscription increased by 11.0% y/y, mainly due to the effective work of sales teams, supported by a market research and customer segmentation project;

c) Robota.ua (Robota International TOV):

- A number of recruitment projects increased by 99.8% to 1,153 thousand in the whole 2021 year mainly due to an aggressive sales strategy based on the freemium model, which in 2021 was focused on increasing the market share of Robota.ua, which resulted in the acquisition of a significant number of new customers and an increase in the number of free recruitment announcements;
- An average price of a paid recruitment project increased by 1.4% to PLN 83.0, which was related to the increased customer interest in the offered add-ons to the recruitment announcements on the Robota.ua website.

The Group monitors financial indicators listed in the table below in order to assess the recurring operating results and determine the strategy for their improvement. The indicators selected by the Entity are not required by IFRS nor are prepared in accordance with IFRS. The Group applies the below definitions of the selected financial indicators:

- EBITDA defined as the operating profit/ (loss) adjusted by depreciation and amortisation (net profit plus income tax expense, loss on sale of shares in subsidiaries, finance costs, depreciation and amortization less share of profit of equity-accounted investees and finance income);
- Adjusted EBITDA defined as the operating profit/ (loss) plus depreciation and amortisation (including amortization of goodwill) adjusted by recognized as well as previously recognized and reversed impairment losses on assets in the Consolidated financial statements for the year and by costs of share-based payments programmes and initial public offering included in the consolidated statement of comprehensive income;
- The EBITDA margin for a given period defined as the ratio of EBITDA for the period to revenue from contracts with customers for the same period;
- The Adjusted EBITDA margin for a given period defined as the ratio of Adjusted EBITDA for the period to revenue from contracts with customers for the same period;

Table 3 Selected financial indicators for the Group

Financial indicators	2021	2020	2019
EBITDA	239 545	147 585	170 900
Adjusted EBITDA	257 338	148 316	174 819
EBITDA margin (%)	50%	49%	47%
Adjusted EBITDA margin (%)	54%	50%	48%

Source: (1) The Entity

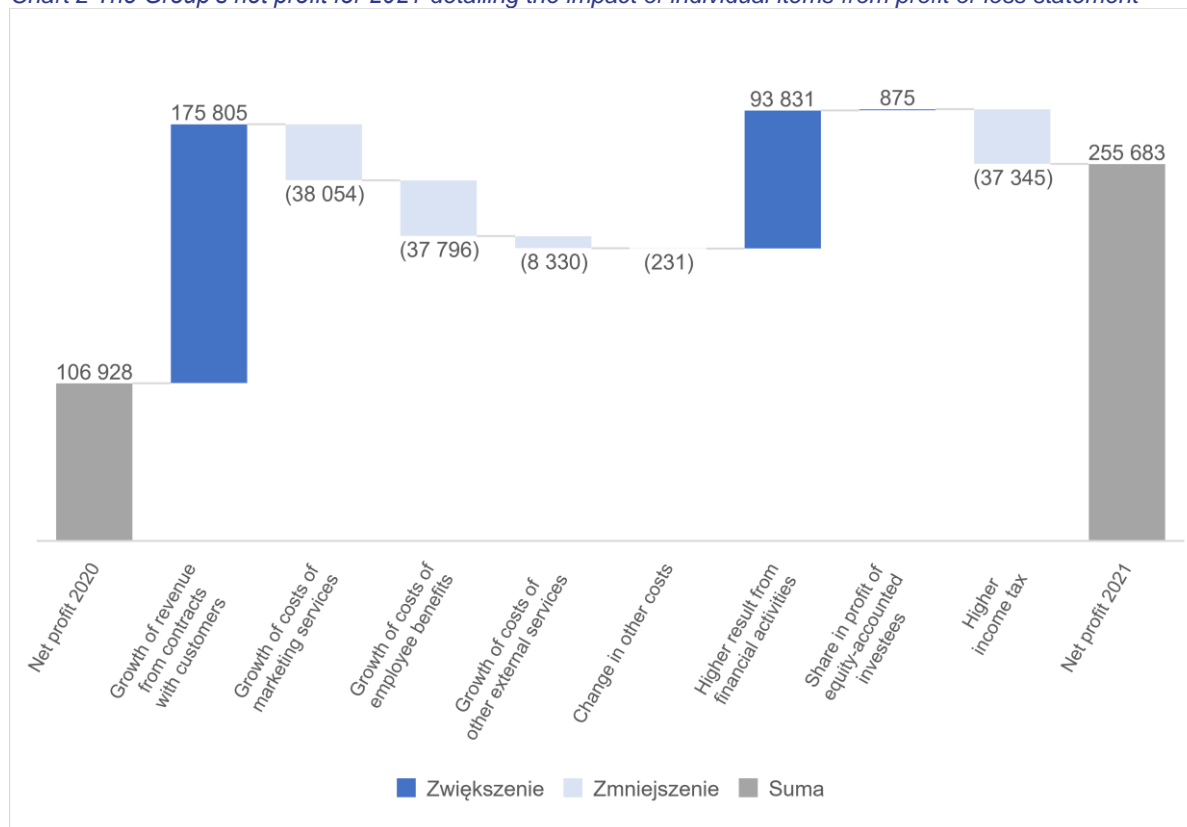
Financial results in 2021

Grupa Pracuj S.A. Group

In 2021, Grupa Pracuj S.A. Group generated a consolidated net profit of PLN 255,683 thousand, i.e. by 139.1% higher than in the previous year. The net profit attributable to the Owners of the Parent Entity amounted to PLN 254,693 thousand and was by 139.1% higher than in the previous year.

The Management Board of Grupa Pracuj S.A. have not issued forecasts of financial results for the Group for the year 2021.

Chart 2 The Group's net profit for 2021 detailing the impact of individual items from profit or loss statement



Source: The Entity, As Other expenses the Group presents the following items of the Consolidated statement of comprehensive income: 'Depreciation and amortisation', 'Other expenses', 'Other operating income', 'Other operating costs' and 'Expected credit losses'.

Table Financial results of the Group

	in thous. PLN		
	2021	2020	Change (y/y)
Revenue from contracts with customers, including:	475 113	299 308	58.7%
Segment Poland	424 579	264 776	60.4%
Segment Ukraine	50 534	34 532	46.3%
Depreciation and amortisation	(12 037)	(11 471)	4.9%
Marketing expenses	(54 134)	(16 080)	236.7%
Software as services	(5 099)	(6 132)	(16.8%)
Other external services	(24 543)	(16 213)	51.4%
Employee benefits	(146 676)	(108 880)	34.7%
Other expenses	(6 044)	(3 938)	53.5%
Other operating income	1 114	660	68.8%
Other operating costs	(328)	(583)	(43.7%)
Expected credit losses	142	(557)	(125.5%)
Operating profit, including:	227 508	136 114	67.1%
Segment Poland	222 718	131 234	69.7%
Segment Ukraine	4 790	4 880	(1.8%)
Finance income	90 922	1 946	4 572.3%
Finance costs	(2 016)	(6 871)	(70.7%)
Net finance income / (costs)	88 906	(4 925)	(1 905.2%)
Share of profit of equity-accounted investees	3 133	2 258	38.8%
Profit before tax	319 547	133 447	139.5%
Income tax	(63 864)	(26 519)	140.8%
Net profit	255 683	106 928	139.1%

Source: The Entity

Table 4 % share of operating income and expenses in the Group's revenue from contracts with Group customers

	2021	2020	Change (y/y)
Revenue from contracts with customers (in thous. PLN)	475 113	299 308	175 805
Depreciation and amortisation	2.5%	3.8%	(1.3%)
Marketing expenses	11.4%	5.4%	6.0%
Software as services	1.1%	2.0%	(1.0%)
Other external services	5.2%	5.4%	(0.3%)
Employee benefits	30.9%	36.4%	(5.5%)
Other expenses	1.3%	1.3%	-
Other operating income	(0.2%)	(0.2%)	-
Other operating costs	0.1%	0.2%	(0.1%)
Expected credit losses	0.0%	0.2%	(0.2%)
Operating profit margin	47.9%	45.5%	2.4%

Source: The Entity

The Group's financial result in 2021 was mainly impacted by the following:

- a dynamic rebound of revenue from contracts with customers (an increase of 58.7% to PLN 475,113 thous.) while maintaining a high operating margin; the increase in revenue from contracts with customers mainly due to a low unemployment rate in 2021 in Poland and strong employee labour market, particularly in the IT industry;
- an increase in marketing expenses by 236.7% to PLN 54,134 thousand as a result of greater marketing activity of the Group, including more intensive broad-range campaigns aimed at strengthening of the Group's competitive position in Poland and Ukraine;
- an increase in employee benefits of 34.7% to PLN 146,676 thousand due to an increased level of employment and higher bonuses for employees related to higher sales volumes;
- a higher income tax resulting primarily from the increase in revenue from contracts with customers in Poland.

In addition, in 2021 the following one-off events of an unusual nature occurred having a significant influence on the Consolidated financial statements:

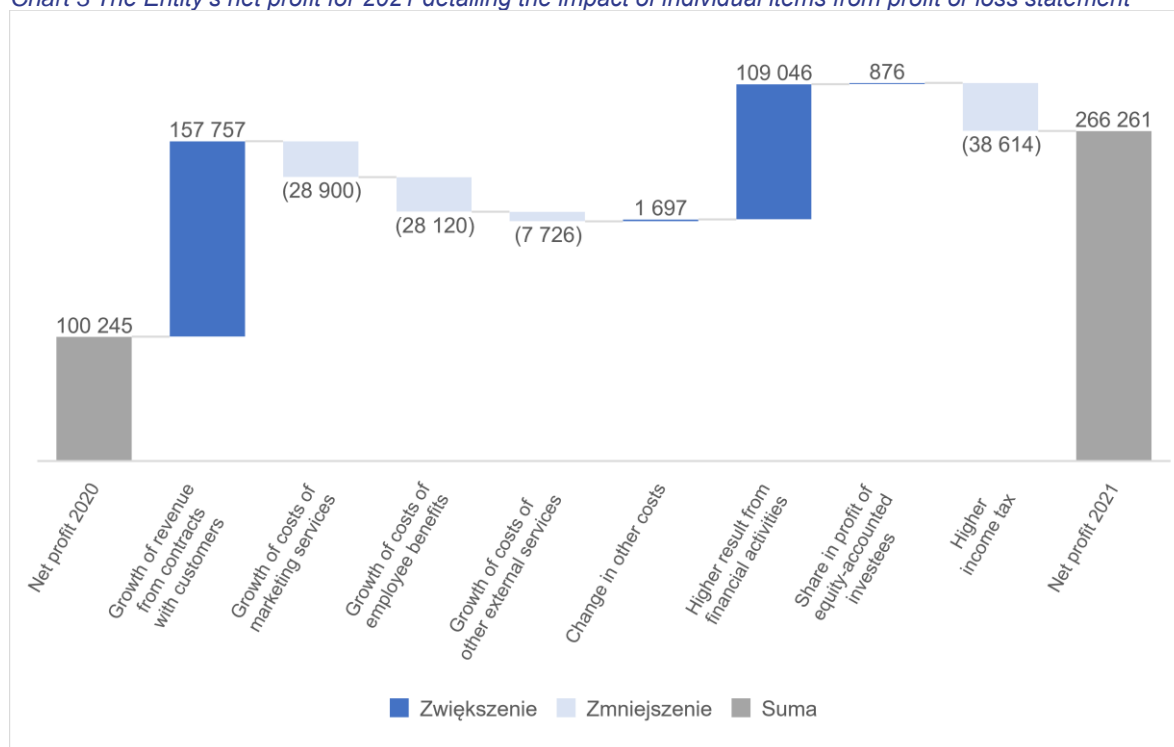
- expenses related to the initial public offering of the Entity's shares: PLN 5,222 thous.;
- an increase in the fair values of shares in Beamery Inc. of PLN 86,222 thous.

Grupa Pracuj S.A.

In 2021 Grupa Pracuj S.A. generated a net profit of PLN 266,261 thous., i.e. by 165.6% higher than in the previous year.

The Management Board of Grupa Pracuj S.A. have not issued forecasts of financial results for the Entity for the year 2021.

Chart 3 The Entity's net profit for 2021 detailing the impact of individual items from profit or loss statement



Source: The Entity, As Other expenses the Entity presents the following items of the statement of comprehensive income: 'Depreciation and amortisation', 'Other expenses', 'Other operating income', 'Other operating costs' and 'Expected credit losses'.

Table 5 Financial results of the Entity

in thous. PLN

	2021	2020	Change (y/y)
Revenue from contracts with customers	398 361	240 604	65.6%
Depreciation and amortisation	(8 168)	(7 995)	2.2%
Marketing expenses	(40 780)	(11 880)	243.3%
Software as services	(4 286)	(5 481)	(21.8%)
Other external services	(21 585)	(13 859)	55.7%
Employee benefits	(106 009)	(77 889)	36.1%
Other expenses	(2 938)	(2 374)	23.7%
Other operating income	1 001	710	40.9%
Other operating costs	(191)	(667)	(71.3%)
Expected credit losses	148	(325)	(145.4%)
Operating profit	215 553	120 844	78.4%
Finance income	112 337	7 519	1 394.1%
Finance costs	(2 313)	(6 542)	(64.6%)
Net finance income / (costs)	110 024	977	11 160.8%
Share of profit of equity-accounted investees	3 133	2 258	38.8%
Profit before tax	328 710	124 079	164.9%
Income tax	(62 449)	(23 834)	162.0%
Net profit	266 261	100 245	165.6%

Source: The Entity

Table 6 % share of operating expenses in revenue from contracts with the Entity's customers

	2021	2020	Change (y/y)
Revenue from contracts with customers (in thous. PLN)	398 361	240 604	157 757
Depreciation and amortisation	2.1%	3.3%	(1.3%)
Marketing expenses	10.2%	4.9%	5.3%
Software as services	1.1%	2.3%	(1.2%)
Other external services	5.4%	5.8%	(0.3%)
Employee benefits	26.6%	32.4%	(5.8%)
Other expenses	0.7%	1.0%	(0.2%)
Other operating income	(0.3%)	(0.3%)	-
Other operating costs	0.0%	0.3%	(0.2%)
Expected credit losses	0.0%	0.1%	(0.2%)
Operating profit margin	54.1%	50.2%	3.9%

Source: The Entity

The Entity's financial result in 2021 was mainly impacted by the following:

- a dynamic rebound of revenue from contracts with customers from the COVID-19 pandemic while maintaining a high operating margin;
- a low unemployment rate in 2021 in Poland and an employee labour market, particularly in the IT industry, contributed to an increase in revenue from contract with customers of 65.6% to PLN 398,361 thous.;
- an increase in marketing expenses by 243.3% to PLN 40,780 thous. as a result of greater marketing activity, including more intensive broad-range campaigns aimed at strengthening of the Entity's competitive position in Poland;
- an increase in employee benefits of 36.1% to PLN 106,009 thous. due to an increased level of employment and higher bonuses for employees related to higher sales volumes;
- a higher income tax resulting primarily from the increase in revenue from contracts with customers in Poland.

In addition, in 2021 the following one-off events of an unusual nature occurred having a significant influence on the Separate financial statements:

- expenses related to the initial public offering of the Entity's shares: PLN 5,222 thous.;
- an increase in the fair values of shares in Beamery Inc. of PLN 86,222 thous.

Financial position

Grupa Pracuj S.A. Group

Total assets increased by PLN 193,650 thous., i.e. by 63.3%, from PLN 306,055 thous. as at 31 December 2020 to PLN 499,705 thous. as at 31 December 2021.

As at 31 December 2021 and 31 December 2020, current assets accounted for 54.5% and 60.3%, respectively, of total assets, and non-current assets – for 45.5% and 39.7% of total assets.

Table 7 Assets of the Group

Assets of the Group	in thous. PLN		Change (y/y)
	31 December 2021	31 December 2020	
Non-current assets, including:	227 271	121 385	87.2%
Intangible assets	6 176	2 750	124.6%
Property, plant and equipment	9 910	11 214	(11.6%)
Right-of-use assets	20 854	24 922	(16.3%)
Equity-accounted investees	32 484	23 945	35.7%
Other financial assets	127 229	34 817	265.4%
Other non-financial assets	227	244	(7.0%)
Deferred tax assets	30 391	23 493	29.4%
Current assets, including:	272 434	184 670	47.5%
Trade receivables	55 739	30 175	84.7%
Other financial assets	25 060	15 082	66.2%
Other non-financial assets	6 799	4 186	62.4%
Cash and cash equivalents	184 836	135 227	36.7%
Total assets	499 705	306 055	63.3%

Source: The Entity

Non-current assets increased by PLN 105,886 thous., i.e. by 87.2%, from the level of PLN 121,385 thous. as at 31 December 2020 to PLN 227,271 thous. as at 31 December 2021. The change resulted primarily from an increase in other financial assets due to remeasurement to fair value of shares in Beamery Inc. Current assets increased by PLN 87,764 thous., i.e. by 47.5%, from the level of PLN 184,670 thous. as at 31 December 2020 to PLN 272,434 thous. as at 31 December 2021. The change was mainly due to an increase in trade receivables of PLN 25,564 thous. and cash and cash equivalents of PLN 49,609 thous. in the course of the Group's core business operations.

As at the end of 2021 the Group's equity amounted to PLN 249,157 thous. and was by 142.0% higher than at the end of the previous year. The increase in the equity attributable to the owners of the parent entity was mainly influenced by a net profit generated by the Group's entities for the year 2021 partially offset by a dividend payment for 2020. Changes in the Group's equity have been presented in the Consolidated statement of changes in equity (see: 'Consolidated financial statements for the year ended 31 December 2021').

Table 8 Equity and liabilities of the Group

Equity and liabilities of the Group	in thous. PLN		Change (y/y)
	31 December 2021	31 December 2020	
Equity, including:	249 157	102 975	142.0%
Equity attributable to owners of the Parent Entity	249 145	103 191	141.4%
Non-controlling interests	12	(216)	(105.6%)
Total liabilities, including:	250 548	203 080	23.4%
Non-current liabilities, including:	51 212	25 196	103.3%
Lease liabilities	17 135	23 647	(27.5%)
Other financial liabilities	13 481	-	-
Employee benefits	1 451	1 549	(6.3%)
Deferred tax liabilities	19 145	-	n/a
Current liabilities, including:	199 336	177 884	12.1%
Bank loans	-	29 294	(100.0%)
Lease liabilities	9 191	8 499	8.1%
Other financial liabilities	7 097	-	-
Employee benefits	14 860	20 306	(26.8%)
Trade payables	15 770	9 018	74.9%
Other payables	15 999	7 735	106.9%
Current tax liabilities	5 197	2 731	90.3%
Contract liabilities	131 222	100 301	30.8%
Total equity and liabilities	499 705	306 055	63.3%

Source: The Entity

Total liabilities increased by PLN 47,468 thous. to PLN 250,548 thous. at the end of 2021 and were higher by 23.4% y/y.

As at 31 December 2021 current liabilities accounted for 79.6% and, respectively, non-current liabilities for 20.4% of total liabilities. As at 31 December of 2020 current liabilities accounted for 87.6%, respectively, and non-current liabilities for 12.4% of total liabilities.

Current liabilities increased by PLN 21,542 thous., i.e. by 12.1%, from PLN 177,884 thous. as at 31 December 2020 to PLN 199,336 thous. as at 31 December 2021. The change resulted primarily from an increase in trade payables, an increase in other payables related to public-law settlements, liabilities due to acquisition of shares in an associate and contract liabilities (caused by higher sales) partially offset by repayment of a bank term loan.

Non-current liabilities increased by PLN 26,016 thous., i.e. by 103.3%, from PLN 25,196 thous. as at 31 December 2020 to PLN 51,212 thous. as at 31 December 2021. They increased mainly as a result of deferred tax liabilities related to investments measured at fair value and a put option liability estimated as at 31 December 2021 related to potential future payments to non-controlling shareholders of Robota International TOV.

Non-current put option liabilities relate to the estimated amount of the liability for potential future payments to non-controlling shareholders of Robota International TOV and have been described in the Consolidated financial statements for the year ended 31 December 2021 in note '5.3 Trade payables and other financial liabilities'.

Grupa Pracuj S.A.

Total assets increased by PLN 191,197 thous., i.e. by 73.3%, from PLN 260,975 thous. as at 31 December 2020 to PLN 452,172 thous. as at 31 December 2021.

As at 31 December 2021 and 31 December 2020, current assets accounted for 49.6% and 54.5%, respectively, of total assets, and non-current assets – for 50.4% and 45.5% of total assets.

Table 9 Assets of the Entity

Assets of the Entity	in thous. PLN		Change (y/y)
	31 December 2021	31 December 2020	
Non-current assets, including:	228 001	118 690	92.1%
Intangible assets	4 525	2 392	89.2%
Property, plant and equipment	6 363	7 521	(15.4%)
Right-of-use assets	13 464	16 955	(20.6%)
Investments in subsidiaries	21 486	12 447	72.6%
Equity-accounted investees	32 484	23 945	35.7%
Other financial assets	127 229	34 816	265.4%
Other non-financial assets	-	1	(100.0%)
Deferred tax assets	22 450	20 613	8.9%
Current assets, including:	224 171	142 285	57.6%
Trade receivables	45 987	24 664	86.5%
Other financial assets	31 801	18 493	72.0%
Other non-financial assets	4 568	2 007	127.7%
Cash and cash equivalents	141 815	97 121	46.0%
Total assets	452 172	260 975	73.3%

Source: The Entity

Non-current assets increased by PLN 109,311 thous., i.e. by 92.1%, from the level of PLN 118,690 thous. as at 31 December 2020 to PLN 228,001 thous. as at 31 December 2021. The change resulted primarily from an increase in other financial assets due to remeasurement to fair value of shares in Beamery Inc. Current assets increased by PLN 81,886 thous., i.e. by 57.6%, from the level of PLN 142,284 thous. as at 31 December 2020 to PLN 224,171 thous. as at 31 December 2021. The change was mainly due to an increase in trade receivables of PLN 21,323 thous. and cash and cash equivalents of PLN 44,694 thous. in the course of the Entity's core business operations.

As at the end of 2021 the Entity's equity amounted to PLN 267,138 thous. and was by 186.5% higher than at the end of the previous year. The increase in the equity attributable to the owners of the parent entity was mainly influenced by a net profit generated for the year 2021 partially offset by a dividend payment for 2020. Changes in the Entity's equity have been presented in the Statement of changes in equity (see: 'Financial statements for the year ended 31 December 2021'). The transactions of purchase and redemption of the Entity's own shares in 2021 have been described in the separate Financial statements in the note '4.9 Equity'

Table 101 Equity and liabilities of the Entity

Equity and liabilities of the Entity	in thous. PLN		Change (y/y)
	31 December 2021	31 December 2020	
Total equity	267 138	93 235	186.5%
Total liabilities, including:	185 034	167 740	10.3%
Non-current liabilities, including:	32 280	21 256	51.9%
Bank loans	-	-	n/a
Lease liabilities	11 804	17 121	(31.1%)
Employee benefits	1 331	1 419	(6.2%)
Deferred tax liabilities	19 145	2 716	604.8%
Current liabilities, including:	152 754	146 484	4.3%
Bank loans	-	29 294	(100.0%)
Lease liabilities	6 494	6 254	3.8%
Employee benefits	11 465	16 336	(29.8%)
Trade payables	14 685	12 291	19.5%
Other payables	12 253	5 917	107.1%
Other financial liabilities	7 097	-	n/a
Current tax liabilities	3 943	1 711	130.4%
Contract liabilities	96 817	74 681	29.6%
Total equity and liabilities	452 172	260 975	73.3%

Source: The Entity

Total liabilities increased by PLN 17,293 thous., i.e. by 10.3%, from PLN 167,740 thous. as at 31 December 2020 to PLN 185,034 thous. as at 31 December 2021.

As at 31 December 2021 current liabilities accounted for 82.6% and, respectively, non-current liabilities for 17.4% of total liabilities. As at 31 December of 2020 current liabilities accounted for 87.3%, respectively, and non-current liabilities for 12.7% of total liabilities.

Current liabilities increased by PLN 6,269 thous., i.e. by 4.3%, from PLN 146,484 thous. as at 31 December 2020 to PLN 152,754 thous. as at 31 December 2021. The change resulted from an increase in other payables related to public-law settlements, liabilities due to acquisition of shares in an associate and contract liabilities (caused by higher sales) partially offset by repayment of a bank term loan.

Non-current liabilities increased by PLN 11,024 thous., i.e. by 51.9%, from PLN 21,256 thous. as at 31 December 2020 to PLN 32,280 thous. as at 31 December 2021. They increased mainly as a result of deferred tax liabilities related to investments measured at fair value.

Cash flows

Grupa Pracuj S.A. Group

The Group generated positive net cash flows due to positive cash flows from operating activities.

Table 11 Cash flows of the Group

	in thous. PLN		
	2021	2020	Change (y/y)
Net cash flows from operating activities	224 928	124 460	80.7%
Net cash flows from investing activities	(28 046)	(3 830)	632.3%
Net cash flows from financing activities	(146 814)	(70 817)	107.3%
Total net cash flows	50 068	49 813	0.5%

Source: The Entity

Net cash flows from operating activities

Net cash flows from operating activities increased by PLN 97,335 thous. from cash inflows of PLN 124,460 thous. for the year ended 31 December 2020 to cash inflows of PLN 224,928 thous. for the year ended 31 December 2021. The changes in cash flows from operating activities resulted primarily from an increased inflows from contracts with customers due to a rebound from the COVID-19 pandemic, partially offset by an increase in income tax paid of PLN 17,259 thous. and changes in working capital caused by an increase in trade receivables of PLN 25,643 thous. (due to greater scale of the Group's activities), partially offset by an increase in contract liabilities of PLN 30,921 thous., mainly due to increased sales of recruitment projects.

Net cash flows from investing activities

Net cash flows from investing activities both for the year ended 31 December 2021 and for the year ended 31 December 2020 were negative. Cash outflows increased by PLN 24,198 thous. from cash outflows of PLN 3,830 thous. for the year ended 31 December 2020 to cash outflows of PLN 28,046 thous. for the year ended 31 December 2021. The increase resulted primarily from higher values of acquisitions of property, plant and equipment and intangible assets by PLN 5,746 thous. and higher values of acquisitions of financial assets (mainly bonds), partially offset by higher inflows from dividends received by PLN 2,496 thous.

Net cash flows from financing activities

In the period of 12 months ended 31 December 2021 the Entity recorded net cash outflows from financing activities amounting to PLN 146,814 thous., resulting mainly from dividends paid of PLN 106,789 thous. and repayment of bank loan of PLN 29,181 thous.

In the period of 12 months ended 31 December 2020 the Entity recorded PLN 70,817 thous. of net cash outflows from financing activities related mainly to dividends paid in the amount of PLN 61,790 thous.

Grupa Pracuj S.A.

The Entity generated positive net cash flows due to positive cash flows from operating activities.

Table 12 Cash flows of the Entity

	in thous. PLN		
	2021	2020	Change (y/y)
Net cash flows from operating activities	193 529	114 134	69.6%
Net cash flows from investing activities	(7 335)	(2 393)	206.5%
Net cash flows from financing activities	(140 996)	(66 504)	112.0%
Total net cash flows	45 198	45 236	(0.1%)

Source: The Entity

Net cash flows from operating activities

Net cash flows from operating activities increased by PLN 88,292 thous. from cash inflows of PLN 114,134 thous. for the year ended 31 December 2020 to cash inflows of PLN 193,529 thous. for the year ended 31 December 2021. The changes in cash flows from operating activities resulted primarily from an increased inflows from contracts with customers due to a rebound from the COVID-19 pandemic, partially offset by an increase in income tax paid of PLN 17,408 thous. and changes in working capital mainly caused by an increase in trade receivables of PLN 21,323 thous. due to greater scale of the Entity's activities. It was partially offset by an increase in contract liabilities of PLN 22,136 thous., through the increased sales of recruitment projects.

Net cash flows from investing activities

Net cash flows from investing activities for the year ended 31 December 2021 and for the year ended 31 December 2020 were negative. Cash outflows increased by PLN 13,839 thous. from cash outflows of PLN 2,393 thous. for the year ended 31 December 2020 to cash outflows of PLN 7,335 thous. for the year ended 31 December 2021. The increase resulted primarily from higher values of acquisitions of property, plant and equipment and intangible assets by PLN 2,262 thous. and higher values of acquisitions of financial assets (mainly bonds, net change to PLN 20,041 thous.), partially offset by higher inflows from dividends received by PLN 10,385 thous.

Net cash flows from financing activities

In the period of 12 months ended 31 December 2021 the Entity recorded net cash outflows from financing activities amounting to PLN 140,996 thous., resulting mainly from dividends paid of PLN 103,675 thous. and repayment of bank loan of PLN 29,181 thous.

In the period of 12 months ended 31 December 2020 the Entity recorded net cash outflows from financing activities amounting to PLN 66,504 thous. related mainly to dividends paid in the amount of PLN 61,790 thous.

Capital expenditures of the Group

Capital expenditures of the Group and the Entity are mainly financed with own sources stemming from operating activities. Capital expenditures are defined as additions to property, plant and equipment and intangible assets, total capital expenditures are included in the Consolidated financial statements and described in the notes: '6.1 Intangible assets' and '6.2 Property, plant and equipment' and in the separate Financial statements in the notes: '4.1 Intangible assets' and '4.2 Property, plant and equipment'.

Table 13 Capital expenditures of the Group

in thous. PLN			
Capital expenditures	12 months ended 31 December 2021	12 months ended 31 December 2020	Change (y/y)
Additions: Intangible assets	4 719	1 530	208.4%
Additions: Property, plant and equipment	2 922	1 735	68.4%
Total capital expenditures	7 641	3 265	134.0%

Source: The Entity

In the period of 12 months ended, respectively, 31 December 2021 and 2020 the Group's capital expenditures related to purchases of intangible assets (expenditures on development works, computer software and licences) amounted to PLN 4,719 thous. and PLN 1,530 thous., respectively. The fluctuations in the analysed periods resulted mainly from the increased expenditures on development works in 2021, i.e. development of new functionalities and new products of the Group. In an area of research and development, in 2021 the Group carried out development works related to i.a. development of graphic design products, new modules in eRecruiter and building the protocol.it website.

In the period of 12 months ended 31 December 2021 and 2020, respectively, the Group's capital expenditures related to purchases of property, plant and equipment amounted to PLN 2,922 thous. and PLN 1,735 thous., respectively, and related mainly to purchases of computer hardware.

The share of the Group's capital expenditures in the Group's revenue from contracts with customers for the year ended 31 December 2021 and 2020 amounted to 1.6% and 1.1%, respectively.

Table 14 Capital expenditures of the Entity

in thous. PLN			
Capital expenditures	12 months ended 31 December 2021	12 months ended 31 December 2020	Change (y/y)
Additions: Intangible assets	3 267	1 080	202.4%
Additions: Property, plant and equipment	1 832	1 469	24.8%
Total capital expenditures	5 099	2 549	100.1%

Source: The Entity

The share of the Entity's capital expenditures in the Entity's revenue from contracts with customers for the year ended 31 December 2021 and 2020 amounted to 1.3% and 1.1%, respectively.

The Management Board does not anticipate any problems with the financing of the Group's and the Entity's capital expenditures for 2020, which it plans to finance from its own funds.

Assessment of the management of financial resources

In 2021 the Group had full capacity to timely settle its liabilities. The operating, investing and acquisition activities were financed mainly from own funds.

Litigation

As at the date of this Report there have been no significant proceedings before a court, arbitration body or public administration body related to liabilities or receivables of the Entity or the Group's entities.

Bank loans

As at 31 December 2021 the Group and the Entity had no liabilities due to bank loans. On 12 April 2021 the term loan from mBank S.A., DNB Bank Polska S.A. and PKO Bank Polski S.A. was fully repaid. The Parent Entity was not in breach of any loan covenants under which it was obliged to repay its debt early.

Sureties and guarantees

As at 31 December 2021, there were no sureties nor guarantees granted or received by the Entity and its subsidiaries that would significantly affect the Group's financial position, except for bank guarantees securing lease payments resulting from office space lease agreements in which the Group is a lessee. They have been described in the Consolidated financial statements in the note '7.7 Contingent liabilities'.

Information on liabilities arising from pensions and other benefits of a similar nature for former managers or supervisors

The Group has not paid and has no obligation to pay pensions and benefits of a similar nature to former managers and supervisors.

Related party transactions

In 2021 the Entity and its subsidiaries did not concluded transactions with related parties on other than market terms. Transactions between related parties take place on terms equivalent to those applicable to transactions concluded on market terms. All transactions with related parties have been described in the Consolidated financial statements in the note '7.2 Related party transitions' and in the separate Financial statements in the note '7.1 Related party transactions'.

THE GROUP'S STRATEGY AND DEVELOPMENT DIRECTIONS

Mission and values of Grupa Pracuj

The mission of Grupa Pracuj is to support organizations in recruitment processes, retention and development of employees and to help people in finding them the best job and using their professional potential. The Group uses modern and the most effective technologies for this purpose.



The purpose of our entities is a dynamic development while maintaining the values that accompany us in everyday work, relationships with all stakeholders and with ourselves.



These values are core to development strategy of Grupa Pracuj. Since the beginning of its activities the Entity has focused on a dynamic model of organizational culture. This successfully translates into the business activity of the whole Group, improving implementing of innovative solutions and motivating for further development.

Strong brand awareness of the Group and its market position help to attract the most talented. Qualified employees has been the Group's strongest point for years, which translates into the results achieved.

In 2021 the Entity undertook actions to ensure its development in the subsequent years. Grupa Pracuj intends to continue its dynamic development both through organic growth as well as through acquisitions. The main strategic assumptions for particular segments are presented below.

Main strategic assumptions

The Group's most important strategic goals for 2022 and the following years are, inter alia:

- ***Further strengthen our position as the first-choice destination for white-collar jobs in Poland***

According to the Entity's data, for 48% of respondents, the Pracuj.pl brand is the first indicated brand (top of mind) among brands related to recruitment from the white-collar segment (data from December 2021). The spontaneous and aided awareness rates for the Pracuj.pl brand at the time were 79% and 91%, respectively. The reach of the Pracuj.pl platform, thanks to the increasing number of employers and employees using the Pracuj.pl platform, makes the platform the first choice website in Poland.

By implementing the assumed strategy, the Management Board of Grupa Pracuj strives to strengthen its position by systematically expanding its offer with new functionalities and products and focusing on providing the employers and users with the best experience.

- ***Broaden candidate reach beyond white-collar and in market niches***

The Group's market position in the white-collar segment allows it to expand into other areas. The Group have launched many initiatives to accelerate its expansion beyond its core market and expects these to continue to be a focus in the future.

As for the segment involving blue-collar workers, the Group has developed its own unique content for employers through the Dryg.pl platform. Additional supporting functionalities include 'Easy Buy' and 'Easy Apply'. 'Easy Buy' enables employers to easily purchase new job advertisements and 'Easy Apply' allows candidates to apply in a simple way for one or several job offers simultaneously, in turn increasing resume response rate on the Group's platform. Attractive price offer and ease of use makes e-commerce an important sales channel when recruiting blue-collar workers.

The business model of Grupa Pracuj allows for flexible matching of the platform's offer to the needs of various customer groups, both B2B and B2C, including effective building of the Group's position in the blue-collar segment.

In 2021 Grupa Pracuj launched a dedicated solution for the IT segment, which is characterized by high profitability. the:protocol.it is a niche portal that offers a target group a tailored offer with additional functionalities, such as dedicated filtering and detailed industry information about the job position. With a coherent sales strategy, Grupa Pracuj strives to increase an average revenue ARPU from its current customers and reach new client segments. the:protocol.it is an acquisition platform to attract the most valuable candidates.

Further expansion in the segment of specialized recruitment portals, such as the:protocol.it or the Dryg.pl platform, will allow the Group to increase its presence in various market segments, provide specialized products and services, and thus contribute to its growth through increased penetration and higher ARPC.

▪ ***Increase revenues through development of product portfolio***

The Group intends to further increase its revenue from contracts with customers through new product development and bundling offered to customers.

The factor which differentiates the Group on market is, i.a. offering products for business customers in the project model, the so-called 'recruitment projects'.

The Group's recruitment project consists of (i) a job ad; (ii) specific add-ons building the reach and increasing the number of resumes sent by candidates; and (iii) a free tool for viewing applications (Strefa Pracuj).

Currently, the Group is developing new products aimed at supporting their revenue from contracts with customers. The products are based on algorithms that analyse the ability to effectively match the information collected in databases received from both from clients and job seekers. We are also planning to use AI-based solutions for our extensive resume database to further improve the Group's matching capabilities.

The market leadership, the breadth and depth of choice the Group provides to both candidates and employers, the strong product offering and unbeatable customer service make Grupa Pracuj has significant potential to further increase its revenue from contracts with customers.

▪ ***Increase product synergies between eRecruiter and the Entity to maintain the position of the first choice ATS in Poland***

As a core part of the Grupa Pracuj offering, the eRecruiter platform has a unique market position. Leveraging the solid client relationships established through its recruitment services, the Group is able to offer the functionalities of the eRecruiter platform to those clients who need them the most, i.e., the most active employers.

The Group's aim is to continue developing current and additional functionalities within the eRecruiter platform in order to further build on its competitive advantage. This includes both core functionalities and other innovations such as candidate accounts and data-powered products. Moreover, eRecruiter offers its clients a number of HR solutions of external providers in the 'marketplace' model. All these elements translate into an increase in user engagement and thus into strengthening the position of a comprehensive provider of tools for HR departments in Poland.

The Group wants to further increase the scope of its offer to become the recruitment process center for all organizations, offering the highest level of user experience, self-service capabilities and best-in-class technology. The development of the eRecruiter platform will increase the completeness of the Entity's offering, while providing recurring cash flows with high margin.

▪ ***Strengthen the HR ecosystem with an additional offering in HR technology***

The Group plans to fully leverage the experience gained from building the eRecruiter platform and investments made by the Fund. So far, directly or through the Fund, the Entity have already invested

in several HR tech companies, including Fitqbe, the owner of the Worksmile platform dealing with building an engaging organizational culture and providing benefits, conducting internal communication, including appreciating and caring for employees.

▪ ***Shape company culture to achieve company goals and engage people***

The Group's success is based on a strong mission and clear values, which include among others: (i) putting the customer at the center; (ii) responsibility for work and company objectives; (iii) respect for diversity; (iv) courage in action and the ability to learn from mistakes; and (v) joy at work. The Group wants these values to underpin its strategy for the future.

Factors which, in the opinion of the Management Board, will have an impact on the financial results achieved by the Entity and the Group in subsequent periods

In the opinion of the Management Board, the following aspects will have an impact on operations of the Group and the Entity:

- An armed conflict in Ukraine. The ongoing armed conflict may have a long-term impact on the operational and financial results of companies operating in Ukraine. The biggest risk may be a deteriorating economic situation in Ukraine and a long-term decline in the revenues of Ukrainian entities from the Group.

The Management Board of the Entity monitors the development of the situation in Ukraine on an ongoing basis and assesses that as at the balance sheet date at which this report was prepared, there was no evidence that would indicate a possible loss of the Group's ability to continue its operations in Ukraine. Detailed data on the shares of the Ukraine Segment in the structure of the Group is presented in the Note 7.8 of the Consolidated financial statements;

- The economic situation in Poland, in particular the uncertainty on the market related to the geopolitical situation in the region;
- Rising inflation and an increase in interest rates;
- The ability to acquire, ensure development and retention of key employees, which will allow for further successful management of its operations, and therefore the Group offers competitive remuneration packages and employee benefits;
- Changes in applicable law regulations and related costs - the Entity operates in the recruitment industry, which is subject to many regulations in the field of among others personal data protection, intellectual property rights and marketing.

RISK FACTORS AND RISK MANAGEMENT

Risk management

In each financial year, the Entity's Management Board prepares its own assessment of the effectiveness of the risk management systems. The Supervisory Board makes its assessment on the basis of Audit Committee recommendations.

The Entity maintains risk management and supervision systems appropriate for the size of the Entity and the type and scale of its operations. In 2021 the Entity does not have a separate organisational unit responsible for risk management and internal audit.

The Management Board is responsible for implementing and maintaining an effective risk management system. The persons responsible for risk management have the possibility to report directly to the Supervisory Board and the Audit Committee.

The Supervisory Board, as part of its ongoing supervision of the Entity's activities, monitors all key risk areas through regular and scheduled meetings as well as ad hoc contacts and teleconferences. The monitoring is based on information, reports, presentations and materials and opinions periodically provided to the Board by the Entity's Management Board or persons responsible for key areas.

The Entity's key risk areas include: i) liquidity risk; ii) data protection risk; iii) business downtime and IT system failure risk; iv) risk associated with the failure of equipment used in the Entity's operations; v) competition risk; vi) intellectual property rights claims risk; vii) risk associated with failure to execute the Entity's strategy.

As part of its internal risk management system, the Entity conducts ongoing assessment of the level of risk associated with the factors listed above. The level of liquidity risk is examined as part of internal management reporting based on observation of standard liquidity measures. Due to the fact that the remaining key risks associated with the Entity's operations are difficult to measure, the risk management system with respect to these factors relies to a large extent on the internal incident reporting system and ongoing analysis of the macroeconomic situation in Poland and abroad.

Relevant risk factors

Risk factor relating to the deterioration of the macroeconomic situation in Poland and the condition of the labour market

The Group principally conducts its operations in Poland. Any deterioration in Poland's economic conditions or in the global economy may adversely affect the Group's financial condition, business, as well as results of operations or prospects. The results of our business operations are dependent on employment demand and the condition of the labour market. A good economic situation is conducive to increasing employment and encourage customers to add more job postings for new candidates. At the same time, users visit our websites to search for more attractive offers. On the other hand, any financial crisis or economic downturn as well as fluctuations in the financial markets might result in a higher unemployment rate and reduced disposable income as well as lower consumption, which may lower the number of job postings and users' willingness to look for another employer. If the financial condition of the Group's customers deteriorates, that will result in a lower number of job postings. In particular, reducing expenses for additional services provided by the Group, which are important in expanding the Group's business over the long term.

Risk factor relating to deterioration of the political or economic situation in Ukraine

The Group conducts operational activities on the territory of Ukraine (through the Robota.ua service). This investment, after the armed conflict on its territory, which began on 24 February 2022, can be identified as high risk. In addition to the huge humanitarian consequences, the conflict may lead to the loss of a significant part of Ukraine's production potential, and consequently to a significant decline in gross domestic product, which in turn will have a negative impact on the labour market, along with the related loss of tax revenues and increased military and social spending.

Some of the Entity's contractors, operating on the Polish market, conduct or conducted business in the area covered by hostilities (Ukraine) or in countries subject to international sanctions (Russia, Belarus), which may have a negative impact on their financial situation and adversely affect their recruitment plans. As at the date of signing this report, the Management Board of the Entity is not able to determine the impact of the armed conflict in Ukraine on the financial situation of the Group entities.

Risk factor relating to increasing market competition

A permanent element of the Group's activity is the monitoring of the activities of competitors on markets in Poland and Ukraine. The Group's entities try to reduce the risk associated with the activities of competitors through properly planned sales, marketing and investment activities.

The recruitment services market in Poland is highly competitive, as a number of entities providing recruitment services are present on it, both via the Internet and in a traditional way. Analysing the recruitment services market the Group uses market research reports provided by external entities. The key indicators of the market position of a given entity are the number of job postings and the number of users using a given website. The Group's main direct competitors in the field of recruitment via the Internet there are online recruitment services, as well as professional social networking sites. In addition, with relatively low barriers to entry, the Group believes that it may face new online competitors as well as new categories of competitors on the online recruitment market, such as social networking services (e.g., Facebook), which have recently been gaining popularity as recruitment tools.

Risk factor relating to escalation of the coronavirus disease (COVID-19) or other communicable diseases

In the Entity's opinion, the level of vaccination of the Polish society is so high that the threat of a potential lockdown or other drastic economic restrictions is identified by the Management Board as unlikely.

Risk related to the development strategy of the Group and the Entity

The industry in which the Group operates is characterized by rapid technological development and new technological developments may increase competitive pressure. The Group's success depends on its ability to continuously improve its technology platform in order to remain competitive.

Strategic risk is related to the possibility of negative business and financial consequences in connection with the Management Board's erroneous decisions based on an incorrect assessment of the strategic directions of the Group's development, e.g.:

- failure to notice or underestimate the importance of the newly introduced technology and not using it in the conducted business may make the Group's services less attractive to current or potential customers of the Group, which in consequence may result in a loss of market share in favour of competitors, who have noticed new trends and invested in given technologies;
- inadequate assessment of competitive phenomena in the future, e.g. changes in the business models of main competitors or the emergence of new players in key markets and the behaviour and preferences of customers and candidates;
- risks associated with entering new markets or new business segments in the future.

Risk factor relating to cybersecurity, physical attacks or other critical disruptions in the Group's technical or information infrastructure

The Group works with advanced information technology infrastructure to operate its business and deliver its services to its clients. Any interruption or disruption of the operation or sudden loss of any of these systems caused by a cyberattack, physical attacks or another critical disruption caused by third parties may prevent the Group from carrying out its business operations successfully and effectively or even result in temporary disruption of the provision of its services, if restoring them to full working condition may not be possible, be time-consuming or prolonged, or may require significant financial outlays.

Risk factor relating to loss of experienced and talented management and skilled employees of IT, sales and customer care departments

The Group operates in an industry in which human resources and employee skills constitute one of the important factors for success, in particular due to the limited number of suitable persons available on the labour market, specifically highly skilled IT, sales and customer care specialists with a sufficient educational background and expertise. The departure of some of the employees of the product development, technology, sales and customer care departments without timely replacement may slow down the Group's operating activities and may delay the Group's response to problems reported by its clients, and therefore may have an adverse effect on the operations of the Group.

Risk factor relating to loss of the Group's ability to provide its services due to deterioration of the quality and unreliability of the technology provided by the Group's technology partners and service providers

The success of the Group's business in the online recruitment market depends in part on its ability to provide high-quality and reliable services, which in part depends on the proper functioning of the Group's IT platforms, facilities and equipment (including appropriate hardware and software and technological applications) provided by third parties. Due to the nature of the business Group could not resign from cooperation with external technology providers and thus eliminate the risk of service unavailability in the future.

In addition, any increases in the costs of IT services provided by third parties have a direct effect on the Group's operating costs. The Group's suppliers of information technology services are large multinational corporations which, due to the scale of their operations, are in a position to impose and increase the rates of services offered to customers and the Group's negotiating power in this respect is limited especially due to a limited number of other suppliers. The costs of IT services and licences are subject to a number of factors, most of which are beyond the Group's control or which it cannot predict, including changes in regulations and the telecommunications market as well as competitive factors, for example, the concentration and bargaining power of IT suppliers. The increase in the costs of these essential services could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Liquidity risk

The level of liquidity risk is examined as part of internal management reporting based on the observation of standard liquidity measures. The business model of the Entity and other entities from the Group makes the risk of losing financial liquidity is assessed as low. The Entity is not able to guarantee that due to factors beyond the Group's control or which it is unable to forecast, this situation will not change in the long term. Due to this fact, the Entity monitors these liquidity measures.

Risk factor relating to the infringement of the General Data Protection Regulation, governmental regulations and other legal obligations relating to privacy as a result of the processing, storage and use of personal data

The Group is subject to expansive regulations regarding the use of personal data. The Group receives, stores and processes personal information and other customer data, and it enables its customers to share their personal information such as name, address, age, and other personal data with third parties, including in the cloud on servers located in the EU, and therefore it must comply with data protection and privacy laws. Due to increased regulation, the Group's actual or perceived failure to comply with applicable regulations or other legal obligations could harm its reputation among its customers and increase its costs, as well as adversely affect its business, financial condition, results of operations or prospects. Any leakage of sensitive data stored by the Group might result in regulatory penalties and negatively affect the Group's credibility.

Currently, the most important act regarding data privacy in the European Union is the General Data Protection Regulation (the "GDPR"). It increased the regulatory burden on the Group, as well as third party providers on which the Group relies, in processing personal data of customers, employees and other data in the conduct of its business. GDPR may also increase the potential sanctions for breach as the GDPR includes significant financial penalties up to the higher of 4% of the annual worldwide turnover of company groups or EUR 20 million.

Data protection laws generally impose certain requirements on the Group in respect of the collection, retention, use and processing of such personal information. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs. The Group seeks to ensure that procedures are in place to comply with the relevant data protection regulations by its employees and any third-party service providers, and also to implement security measures to help prevent cyber-theft. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of applicable data protection laws. In addition, the Group may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with growing threats.

Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the Internet and IT platforms are coming under increasing scrutiny, and claims alleging liability for breaches of data privacy could be brought against the Group in the future.

It is possible that the obligations to comply with all applicable laws, policies and industry codes of conduct relating to privacy and data protection may be interpreted and applied in a manner that is inconsistent and may conflict with other rules or the Group's practices. Any failure or perceived failure by the Group to comply with its privacy policies, its privacy-related obligations to its customers or its privacy related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in government enforcement actions, litigation or adverse publicity against the Group and could cause its customers to lose trust in the Group, all of which could have an adverse effect on its business. In addition, if third parties with which the Group works violate applicable laws or the Group's policies may also put the Group's customers' information at risk and could in turn have an adverse effect on the Group's business, financial condition, results of operations or prospects. Any failure to implement or breach of applicable governmental regulations or other legal obligations concerning the collection, use, disclosure or security of statutorily protected personal data, as well as any failure to comply with applicable anti-spam regulations, may lead to a loss of confidence by the Group's customers, candidates or other web users in its services, which would adversely affect the Group's business. In addition, if any new regulations increase significantly the scope of obligations and restrictions on the Group concerning data privacy matters, the Group's compliance costs, as well as the financial and reputational consequences of a breach of such obligations and restrictions, it may adversely affect the Group's business, financial condition, results of operations or prospects.

Risk factor relating to the Group's potential legal liability from both employers and job seekers with respect to its job matching suggestions and other human resource related services

The Group is exposed to potential claims associated with the recruitment process, including claims by customers seeking to hold it liable for recommending a candidate who subsequently proves to be unsuitable for the position filled, claims by current or previous employers of candidates alleging interference with employment contracts, claims by candidates against the Group alleging its failure to maintain the confidentiality of their employment search or alleging discrimination or other violations of employment law or other laws or regulations by its customers, and claims by either employers or candidates alleging the failure of its business process outsourcing services to comply with laws or regulations relating to employment, employee's insurance or benefits, individual income taxes or other matters.

The Group may also be subject to claims or regulatory sanctions connected with actions by third parties beyond its control, such as misrepresentation of information, misuse of personal data or other inappropriate or unlawful actions by candidates or customers using its platform. In the Group's user agreements and customer contracts, it has specific clauses where it explicitly denies any responsibility for actions by third parties or for the accuracy of information they provide to the Group, and it is a violation of its terms and conditions to misuse its services. The Group does not maintain insurance coverage for liabilities arising from claims by employers, candidates or third parties.

Risk factor relating to failure to protect or enforce the Group's intellectual property rights, including trademarks and domain names for its sites

The Group believes the Group's user data (as a part of the Group's trade secrets and databases), copyrights, trade secrets, proprietary technology and similar intellectual property are critical to the Group's success, and the Group relies on trademark, copyright and trade secret protection, agreements and other methods with the Group's employees and others to protect the Group's proprietary rights.

A large part of the Group's intellectual property rights could be challenged or invalidated through administrative processes or litigation, and the Group cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights.

In addition, the Group may consider revising its current intellectual property policies, especially concerning its intellectual property strategy outside of Poland. Some of the Group's intellectual property rights are generated by its employees. The Group does not exclude the possibility that some of the provisions in the employment contracts with such employees, which relate to the transfer of intellectual property to the Group, will prove to be invalid or insufficient to provide an adequate level of protection for the Group. Employees of the Groups may also object to changes to existing intellectual property protection provisions in their employment contracts.

Furthermore, the regulations governing domain names and laws protecting marks and similar proprietary rights could change in ways that block or interfere with the Group's ability to use the relevant domains or the Group's current brand. In addition, the Group might not be able to prevent third parties from registering, using or retaining domain names that interfere with the Group's consumer communications or infringe or otherwise decrease the value of the Group's marks, domain names and other proprietary rights.

The Group might be required to spend significant resources to monitor and protect its intellectual property rights. The Group may not be able to discover or determine the extent of any infringement, misappropriation or other violation of the Group's intellectual property rights and other proprietary rights. The Group may initiate claims or litigation against others for infringement, misappropriation or violation of the Group's intellectual property rights or proprietary rights or to establish the validity of such rights. Despite the Group's efforts, the Group may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating the Group's intellectual property rights and other proprietary rights. Any litigation, whether or not it is resolved in the Group's favour, could result in significant expense to the Group and divert the efforts of the Group's technical and management personnel.

CORPORATE GOVERNANCE

A set of corporate governance rules and the scope of their application

The Entity seeks to ensure the fullest transparency of its operations, proper communications with investors and protection of shareholders' rights, also with regard to issues not regulated by law. Therefore, the Entity has embarked or will be embarking of the required efforts to comply to the fullest extent possible with the rules contained in the 2021 Best Practice for GPW Listed Companies, adopted in 2021 by the Exchange Supervisory Board pursuant to § 29 Section 1 of the Warsaw Stock Exchange Rules (the '2021 Best Practice for GPW Listed Companies').

The 2021 Best Practice for GPW Listed Companies is a set of recommendations and rules of procedure relating to disclosure policies and communication with investors, the corporate bodies of listed companies, internal systems and functions, the general meeting of the company and relations with shareholders, conflict of interest and transactions with affiliated entities, and remuneration.

Recommendations and Corporate Governance rules, which were not applied by the Management Board in 2021 together with the justification, are presented in the table below:

Principle/Recommendation	Entity's comment
1. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS	
1.1. Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.	The Entity publishes information which is relevant for investors on the corporate website devoted to investor relations. The Entity does not publish all documents set out in the Guidelines of the Corporate Governance Committee, specifically, it is not capable of compiling all comparable financial data of the Entity for the past five years due to the change of standards underlying the financial statements to IFRS, which took place on 1 January 2018. The Entity asserts that it complies with principle 1.1 to the fullest extent.
1.3. Companies integrate ESG factors in their business strategy, including in particular: 1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;	The Entity has no formal business strategy in place and therefore there is no formal document to integrate ESG factors, including environmental factors. In the opinion of the Entity, considering the type of activity pursued, the Entity's impact on the environment is relatively small. The Entity takes ongoing measures to reduce its impact on the environment.
1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.	The Entity has no formal business strategy in place and therefore there is no formal document to integrate ESG factors, including social and employee matters. Nevertheless, the Entity takes all efforts to ensure gender equality, appropriate work conditions, respect for employee rights and ensures good relationships with customers and takes ongoing measures to achieve those goals.
1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.	The Entity has no formal business strategy in place. If adopted, the Entity undertakes to publish it and post necessary information required under principle 1.4 on the Entity's website.
1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;	The Entity has no formal business strategy in place to incorporate the matters referred to in principle 1.4.1.

Principle/Recommendation	Entity's comment
1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.	The Entity has no formal business strategy in place and therefore it does not keep statistics of the issues referred to in principle 1.4.2. Nevertheless, the Entity offers fair pay to its employees and associates and equal access to career development opportunities, regardless of gender etc. Specifically, the Entity's employees and associates are compensated accordingly to their skills, taking into account market rates and the competition environment in the industry, not gender.
1.5. Companies disclose at least on an annual basis the amounts expended by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.	The Entity does not intend to apply principle 1.5 as it does not engage extensively in sponsoring activities. If sponsoring activities become an important element of the capital group, the Entity undertakes to disclose the expenses referred to in principle 1.5.
2. MANAGEMENT BOARD AND SUPERVISORY BOARD	
2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.	The Entity has not defined diversity goals with regard to the composition of the Management and Supervisory Board, but focuses solely on the quality of management. In future, a balanced proportion of women and men in the Management and Supervisory Boards will be accounted for, depending on the scope of tasks to be performed, availability of appropriate candidates to fill a vacancy and the size of the Management and Supervisory Boards.
2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.	The Entity has not defined diversity goals with regard to the composition of the Management and Supervisory Board, but focuses solely on the quality of management. In future, a balanced proportion of women and men in the Management and Supervisory Boards will be accounted for, depending on the scope of tasks to be performed, availability of appropriate candidates to fill a vacancy and the size of the Management and Supervisory Boards.
2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.	In accordance with the Entity's internal regulations, the Supervisory Board adopts resolutions in an open ballot. Secret ballots are used on request of a member of the Supervisory Board when members of the Audit Committee or chair of the Supervisory Board are elected, if personal rights of Entity's Shareholders have expired. Members of the Entity's Management Board vote openly.

Principle/Recommendation	Entity's comment
<p>2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.</p>	<p>The Entity has no regulations in place which would require members of the Entity's Management Board to seek the approval of the Supervisory Board to sit on corporate bodies of entities outside the capital group. However, in accordance with the Entity's Articles of Association, a member of the Management Board may not engage in competitive interests or participate in a competitive venture as a partner in a civil law partnership, partnership or a member of a governing body in a company, or participate in a competitive entity as a member of its governing body without a prior consent of the Supervisory Board. This prohibition applies also to participation in a competitive company, if a member of the Management Board holds more than 10 percent of shares or the right to appoint at least one member of the management board.</p>
<p>2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: 2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;</p>	<p>Following the admission of the Entity's shares to trading in December 2021, the Supervisory Board has not yet filed the annual report to the General Meeting of Shareholders and thus it has not provided information about the fulfilment of independence criteria by members of the Supervisory Board. Such information has been included in the Entity's prospectus. The Supervisory Board will file its annual report on the next General Meeting of Shareholders, in accordance with principle 2.11.1.</p>
<p>2.11.2. summary of the activity of the supervisory board and its committees;</p>	<p>Following the admission of the Entity's shares to trading in December 2021, the Supervisory Board has not yet filed the annual report to the General Meeting of Shareholders and therefore has not prepared a summary of the activity referred to in the principle. The Supervisory Board will file its annual report on the next General Meeting of Shareholders, in accordance with 2.11.2.</p>
<p>2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;</p>	<p>Following the admission of the Entity's shares to trading in December 2021, the Supervisory Board has not yet filed the annual report to the General Meeting of Shareholders and therefore has not performed an assessment of the systems referred to in the principle. The Supervisory Board will file its annual report on the next General Meeting of Shareholders, in accordance with 2.11.3.</p>
<p>2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;</p>	<p>Following the admission of the Entity's shares to trading in December 2021, the Supervisory Board has not yet filed the annual report to the General Meeting of Shareholders and therefore has not performed the assessment referred to in the principle. The Supervisory Board will file its annual report on the next General Meeting of Shareholders, in accordance with 2.11.4.</p>

Principle/Recommendation	Entity's comment
2.11.5. assessment of the rationality of expenses referred to in principle 1.5;	Currently, the Entity does not intend to apply principle 1.5, as the capital group does not engage extensively in sponsoring activities, and therefore the Supervisory Board does not perform the assessment of the rationality of expenses referred to in principle 1.5. If sponsoring activity becomes relevant for the capital group, the expenses referred to in principle 1.5 will be assessed by the Supervisory Board.
2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.	The Entity has not defined diversity goals with regard to the composition of the Management and Supervisory Board, but focuses solely on the quality of management. In future, a balanced proportion of women and men in the Management and Supervisory Boards will be accounted for, depending on the scope of tasks to be performed, availability of appropriate candidates to fill a vacancy and the size of the Management and Supervisory Boards.
3. INTERNAL SYSTEMS AND FUNCTIONS	
3.1. Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.	<i>The principle is not applied.</i> Entity's comment: The Entity has efficient internal control systems in place. The Entity does not maintain a formal risk management and compliance system. Risks are identified on an ongoing basis, based on an analysis of external and internal factors affecting the probability that the risks will materialise. The Entity's has no separate internal audit function. It is now reviewing relevant policies and procedures in place and plans to implement changes in selected systems.
3.3. Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.	In 2021, the Entity had no separate role of an internal auditor. Considering the Entity's IPO in December 2021, such position was introduced in 2022.
3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.	The remuneration of persons in charge of risk management and compliance is fixed and based on the existing market practice. Incentive schemes in place at the Entity, available also to the persons in charge of risk management and compliance, depend in part on the annual financial performance of the capital group.
3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.	In 2021, the Entity's had no separate role of an internal auditor. Considering the Entity's IPO in December 2021, such position was introduced in 2022.
3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.	The Entity's subsidiaries, due to their size, have not appointed persons in charge of risk management, compliance or internal audit.

Principle/Recommendation	Entity's comment
3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.	Since the Entity's shares were admitted to trading in December 2021, the Management Board of the Entity has not yet presented the Supervisory Board with an assessment of the efficiency of the systems and functions referred to in principle 3.1 along with a relevant report. The Management Board of the Entity intends to incorporate such assessment into the annual report for the year 2021.
3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.	Since the Entity's shares were admitted to trading in December 2021, the Supervisory Board has not yet performed an annual assessment of the efficiency of the systems and functions referred to in principle 3.1, according to principle 2.11.3. The Supervisory Board will perform such assessment before the publication of the Entity's annual report for the year 2021.
3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.	In 2021, the Entity's had no separate role of an internal auditor. Considering the Entity's IPO in December 2021, such position was introduced in 2022. In future, the Entity intends to comply with the above requirement and appoint an entity to review the internal audit function.
4. GENERAL MEETING AND SHAREHOLDER RELATIONS	
4.1 Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.	The Entity has not summoned a General Meeting of Shareholders since the Entity's shares were admitted to trading in December 2021. The Entity intends to enable their shareholders to participate in a General Meeting by means of electronic communication, if it is in a position to provide secure and reliable technical infrastructure necessary for such General Meeting to proceed.
4.3 Companies provide a public real-life broadcast of the general meeting	The Entity cannot guarantee that the principle will be implemented, however, each time it will analyse the Entity's shareholding structure and the shareholders' expectations it is notified of, and it will verify whether ensuring public real-life broadcast of the General Meeting is justified.
4.4. Presence of representatives of the media is allowed at general meetings.	The Entity has not summoned a General Meeting of Shareholders since the Entity's shares were admitted to trading in December 2021. The Entity intends to allow representatives of the media to participate in General Meetings of Shareholders.
6. REMUNERATION	
6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.	The incentives schemes in place at the Entity rely both on achievement of short-term financial goals as well as long-term term value appreciation for the shareholders, dependent upon the achievement of long-term financial goals.

Principle/Recommendation	Entity's comment
6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.	The incentive stock-based scheme in place at the Entity depends on the achievement of ambitious financial and non-financial goals in the period from 2022 to 2024. The scheme will be settled after 31 March 2025 with an equity issue set to take place with shares at prices significantly lower than the share value at the time of approving the scheme.

Information policy and management of relations with stakeholders

The Entity conducts transparent communication with all stakeholder groups, making every effort to provide them with equal access to information through various communication channels and tools.

The Entity provides direct and personal contact with persons responsible for investor relations and Members of the Management Board.

As the Entity was newly listed on the Warsaw Stock Exchange in December 2021, works are currently underway to expand the investor relations' service. Corporate information is also shared in social media, on Entity communication channels, such as LinkedIn, Facebook or Instagram.

The Entity makes every effort to prepare and publish periodic reports as soon as possible after the end of the reporting period. Due to the IPO in December 2021, the Entity did not have a chance to meet with investors on the occasion of the publication of the last years' results.

Below the basic forms of contact with stakeholders are presented. In 2022, the Entity plans to conduct an analysis of the framework standards in the field of information and data management relations with key stakeholder groups.

Internal control and risk management systems regarding the processes of preparation of financial statements

The main features used in the Group in the field of internal control and risk management systems in relation to the process of preparation of separate and consolidated financial statements are based on the following law regulations and standards:

- International Accounting Standards and International Financial Reporting Standards, and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Reporting Committee ('IFRS');
- In area not regulated by IFRS: the Accounting Act ('UoR'; Accounting Act of 29 September 1994 (Polish Journal of Laws of 2021, item 217, as amended).

Supervision over the process of preparation of financial statements and periodic reports in the Group is the responsibility of the Financial Director (and his/her subordinate departments), who at the same time acts as a Member of the Management Board of Grupa Pracuj.

The Group entities are responsible for the organization of work related to the preparation of separate financial statements and the Entity is responsible for preparing the consolidated financial statements of the Group and the separate financial statements of the Entity. The consolidated and separate financial statements of the Group and of the Entity are submitted to the Financial Director for initial review, and then to the Management Board of the Entity for final review.

Consolidated and separate financial statements, prior to their publication, are also submitted to the Audit Committee, which consists of three members, of which at least two members, including the Chairman of the Audit Committee, meet the conditions of independence, at least one member has knowledge and skills in the field of accounting or auditing and at least one member has knowledge and skills in the field of industry, in which Grupa Pracuj S.A. Group operates. The appointed Audit

Committee meets the requirements of the Act on Statutory Auditors, Audit Firms and Public Oversight (the "Statutory Auditors Act").

The Entity keeps constant track of changes in the regulations regarding reporting of listed companies in order to properly fulfil information obligations.

The consolidated and separate annual and semi-annual financial statements of the Group and the Entity are subject to an independent audit and review of the Entity's statutory auditor, respectively. At least once a quarter, meetings of the Supervisory Board are held, during which the Management Board of the Entity provides information on financial data and key operating segment indicators.

Articles of Association

Grupa Pracuj S.A. operates on the basis of the articles of association, available on the website: <https://grupapracuj.pl/wp-content/uploads/2021/12/Statut-Grupa-Pracuj-S.A..pdf>.

An amendment to the Articles of Association requires the consent of the General Meeting of the Entity and an entry in the Register of Entrepreneurs in the National Court Register.

According to the Articles of Association, the Entity's governing bodies are:

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

General meeting

The manner of operation of the general meeting, together with the rights of shareholders and the manner of their exercise, is determined by the provisions of the Commercial Companies Code and the Regulations of the General Meeting, available on the Entity's website: <https://grupapracuj.pl/wp-content/uploads/2021/12/Regulamin-Walnego-Zgromadzenia-Akcjonariuszy-Grupa-Pracuj-S.A..pdf>.

The competences of the general meeting of Grupa Pracuj S.A. are defined in §14 of the Articles of Association. In accordance with the Articles of Association, General Meetings are held at the Entity's registered office.

Supervisory Board

Appointment rules

The members of the Supervisory Board are appointed for a joint term of three years. The term of office of Supervisory Board members expires upon approval of the financial statements for the last full financial year in which the term of office of Supervisory Board members expired. The terms of office of all members of the Supervisory Board shall also expire in the event of a death, resignation or dismissal of a member from the Supervisory Board. The mandate of a member of the Supervisory Board appointed before the end of a term of office expires simultaneously with the expiry of the mandates of all other members of the Supervisory Board. Members of the Supervisory Board might be appointed for subsequent terms of office.

The Supervisory Board is composed of no less than 5 (five) and not more than 8 (eight) members, appointed and recalled by a resolution of the General Meeting. If even one Supervisory Board member is elected through block voting (i.e., pursuant to Article 385 of the Commercial Companies Code), 6 (six) members of the Supervisory Board shall be elected in this manner.

The Articles of Association of the Entity provide for the following personal rights to appoint members of the Supervisory Board for Przemysław Gacek or Frascati Investments (or their legal successors under universal title) - depending on which of them holds the greater number of shares in the Entity - to appoint and recall:

- a) as long as Przemysław Gacek or Frascati Investments (or their legal successors under universal title) holds in aggregate at least 25% of the Entity's shares - majority of Supervisory Board members (including the Chairperson of the Supervisory Board);
- b) as long as Przemysław Gacek or Frascati Investments (or their legal successors under universal title) holds in aggregate at least 5% of the Entity's shares but less than 25% of the the Entity's shares – 2 (two) members of the Supervisory Board (including the Chairperson of the Supervisory Board);
- c) as long as Przemysław Gacek or Frascati Investments (or their legal successors under universal title) holds in aggregate less than 5% of the Entity's shares but at least 1% of the the Entity's shares – 1 (one) member of the Supervisory Board.

The General Meeting cannot recall any Supervisory Board member appointed by Przemysław Gacek or Frascati Investments (or their legal successors under universal title).

If the personal rights vested in Przemysław Gacek or Frascati Investments (or their legal successors under universal title) as described above have expired, the Chairperson of the Supervisory Board will be elected in a secret ballot, by an ordinary majority of the votes.

Pursuant to the Articles of Association, as long as TCV Luxco (or its legal successors under universal title) holds in aggregate at least 5% of the Entity's shares it is entitled to appoint 1 (one) member of the Supervisory Board.

Supervisory Board members can be recalled at any time by a resolution of the General Meeting, subject to individual rights referred to above. They are recalled in the same manner as they are appointed.

Competence of the Supervisory Board

Pursuant to the Commercial Companies Code and the Articles of Association, the Supervisory Board exercises an ongoing supervision over the affairs of the Entity with respect to all areas of its operations. In order to fulfil its obligations, the Supervisory Board may examine any Entity's documents, request the Management Board and Entity employees to present documents, reports and submit explanations, audit all the Entity's books and documents and check the Entity's inventory. The Entity is required to provide the Supervisory Board with the books and documents it may request and with reports and explanations as soon as practicable following the receipt of a legitimate request, but in no event later than within 14 (fourteen) days of the receipt of such a request.

The detailed rules and procedures of operation of the Supervisory Board are set out in the Regulations of the Supervisory Board adopted by the Supervisory Board, available on the Entity's website at: <https://grupapracuj.pl/wp-content/uploads/2021/12/Regulamin-Rady-Nadzorczej-Grupa-Pracuj-S.A..pdf>.

Meetings of the Supervisory Board are convened and chaired by the Chairperson of the Supervisory Board or, in his / her absence a person appointed by the Chairperson of the Supervisory Board or if such person is not appointed - by the oldest member of the Supervisory Board. The first meeting of the Supervisory Board of each term is convened by the Management Board within 30 (thirty) days of election of the Supervisory Board. The agenda of the first meeting will include the constitution of the Supervisory Board and, if the personal rights vested in Przemysław Gacek or Frascati Investments (or their legal successors under universal title) as described above has expired, the election of the Chairperson of the Supervisory Board.

Supervisory Board meetings are held as needed, but at least once a calendar quarter. The Chairperson of the Supervisory Board (or, as described above, a person appointed by the Chairperson of the Supervisory Board), convenes Supervisory Board meetings on its own initiative or upon the written request of the Management Board or the Supervisory Board member. The Chairperson or a person appointed by the Chairperson shall convene the meeting within 2 (two) weeks of submission of the relevant motion. If they do not convene it, the person who submitted the motion will be authorized to convene the Supervisory Board meeting.

Management Board members and other persons invited by the Chairperson of the Supervisory Board or, in his/her absence, by a person appointed by the Chairperson, may participate in Supervisory Board meetings, unless the agenda of the meeting includes matters directly concerning the Management Board or its members, in particular their revoking, liability or remuneration.

Supervisory Board meetings are convened by either (i) sending invitations by registered mail at least 14 (fourteen) days before the scheduled date of the meeting or (ii) sending invitations by electronic mail at least 7 (seven) days before the scheduled date of the meeting. However, in urgent matters the Chairperson of the Supervisory Board or a person appointed by the Chairperson, may command a different manner and terms for inviting Supervisory Board members to a meeting, in particular different terms than the terms described in the previous sentence. In both scenarios, an invitation should specify its place, date, hour and agenda. In addition, a Supervisory Board meeting can be also held without observing the described notification terms if all Supervisory Board members agree to hold the meeting in such a way and to the proposed agenda. There is also possibility of attending the Supervisory Board meetings with the use of electronic means of communication.

The Supervisory Board adopts resolutions by a simple majority of votes, if the meeting is attended by at least one-half of the Supervisory Board members (unless more stringent conditions of adopting such resolutions ensue from the peremptory provisions of the law or the Articles of Association) and all the members have been duly invited to the meeting. In the event of a tied vote, the Chairperson of the Supervisory Board has the casting vote. Subject to the terms set forth in the Commercial Companies Code, resolutions of the Supervisory Board may be adopted in writing or with the use of means of direct long-distance communication. A resolution adopted in compliance with this manner shall be valid only if all the members of the Supervisory Board have been notified of the content of the draft resolution and at least a half of the Supervisory Board members took part in adopting the resolution. Furthermore, subject to the terms set forth in the Commercial Companies Code, members of the Supervisory Board may participate in adopting Supervisory Board resolutions by voting in writing and delivering such a vote through the intermediation of another member of the Supervisory Board.

A Supervisory Board Member shall inform the Supervisory Board of any existing or threatened conflict of interests and shall not take part in the voting on a resolution on a matter in respect of which such conflict may arise with that Supervisory Board member.

The powers and duties of the Supervisory Board are set out in § 21 sec. 6 of the Articles of Association and include e.g. approving the performance of certain activities of the Entity, reviewing and reporting on the Entity's activities.

The full list of powers and duties of the Supervisory Board includes:

- reviewing the Management Board report on the activities of the Entity and the financial statements for each financial year in terms of their compliance with the Entity's books and documents as well as the actual state of affairs;
- evaluation of the Management Board's proposals concerning the distribution of profit or coverage of loss;
- preparing an assessment of the Entity's situation, taking into account an assessment of the internal control system and the system of management of risks material for the Entity;
- reporting annually in writing to the General Meeting on the results of the evaluations referred to the points above;
- approving the Management Board's bylaws;
- appointing and recalling or suspending members of the Management Board and liquidators, with the exception of appointing and recalling Management Board members appointed in the exercise of the personal right granted to Przemysław Gacek or Frascati Investments – depending on who holds more shares in the Entity;

- designating Supervisory Board members to perform on an interim basis the duties of Management Board members unable to perform their duties;
- granting consent to the establishment of enterprises, branches, representative offices and other institutions;
- reviewing and assessing drafts of the General Meeting resolutions and opinions on Management Board motions addressed to the General Meeting;
- granting consent to the Entity incurring liabilities for the amount exceeding the equivalent of 10% of the Entity's revenues for the last financial year, reported in the last available annual consolidated financial statements of the Entity, but not less than PLN 30,000,000;
- granting consent, at the request of the Management Board, for the acquisition or disposal right or interest in the ownership right or right of perpetual usufruct of real property for the amount exceeding the equivalent of 10% of the Entity's revenues for the last financial year indicated in the last available annual consolidated financial statements of the Entity, but not less than PLN 30,000,000;
- granting, at the request of the Management Board, consent to the disposal of assets with a value exceeding 10% of the Entity's revenues for the last financial year shown in the last available annual consolidated financial statements of the Entity, but not less than PLN 30,000,000;
- the establishment of encumbrances over the Entity's assets or issuing guarantees, sureties or bills of exchange to secure the liabilities of entities which are not Group members;
- determining the amount of remuneration of Management Board members, subject to the principles of remuneration of Management Board members adopted by the General Meeting;
- appointment or change of the Entity's audit firm;
- granting consent to members of the Management Board to engage in competitive business;
- preparing and submitting to the ordinary General Meeting its opinions, information, reports and other relevant documents to be prepared by the supervisory board of a company listed on a regulated market operated by the WSE (in particular, in accordance with the Best Practice for WSE Listed Companies);
- monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems and carrying out an annual assessment of the functioning of these systems, in particular on the basis of the principles laid down in the Code of Best Practice for WSE Listed Companies;
- giving consent for the Entity to enter into a material transaction with related parties, (within the meaning of Article 90h sec. 1 of the Public Offering Act), if required under Articles 90h et seq. of the Public Offering Act;
- development of a procedure for the periodic assessment of the Entity's transactions with related parties within the scope defined by the relevant legislation, in particular Article 90j of the Act on Public Offering;
- development and adoption of detailed rules for the holding of General Meetings by means of electronic communication;
- deciding on temporary suspension of the application of the remuneration policy for members of the Management Board and the Supervisory Board under the rules determined by the relevant legal regulations, in particular the Act on Public Offering; and

- preparation of a report on remuneration of the members of the Management Board and the Supervisory Board in accordance with the principles set out in the relevant legal regulations, in particular the Act on Public Offering.

Pursuant to the Articles of Association, in the period during which the Entity or the Supervisory Board remain subject to the applicable provisions of law concerning audit committees in public interest entities, in particular the provisions of the Act on Statutory Auditors, at least 2 (two) Supervisory Board members should satisfy the criteria for being independent arising from such applicable provisions of law. An independent Supervisory Board member shall deliver to the remaining Supervisory Board members and the Management Board a representation to the effect that he/she meets the independence criteria specified in the applicable provisions of law. If only one or none of the Supervisory Board members meets the independence criteria set out in the applicable provisions of law, but the Supervisory Board has the minimum number of Supervisory Board members required by the Articles of Association, the Supervisory Board is authorized to act and exercise its rights and obligations, in particular to pass resolutions. The loss of the status of an independent Supervisory Board member by a Supervisory Board member shall not affect the mandate of said Supervisory Board member.

A member of the Supervisory Board informs the Supervisory Board about any existing or likely conflict of interest and does not participate in voting on a resolution on a matter in which such a conflict may arise with that member of the Supervisory Board. A member of the Supervisory Board may not accept benefits that could affect his or her impartiality and objectivity in decision-making or adversely affect the assessment of the independence of his or her opinions and judgements.

Composition

The table below presents the functions performed by the members of the Supervisory Board as at the date of publication of this Report.

Table 15 Composition of the Supervisory Board of the Entity

First and last name of the member of the Supervisory Board	Position	Date of first appointment to the Supervisory Board
Maciej Noga	Chairman of the Supervisory Board	1 November 2018
John Doran	Member of the Supervisory Board	14 August 2017
Wojciech Stankiewicz	Independent Member of the Supervisory Board	
	Member of the Audit Committee	7 November 2016
Przemysław Budkowski	Independent Member of the Supervisory Board	
	Member of the Audit Committee	1 June 2020
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

Source: *The Entity*

On 25 October, 2021, Maciej Filipkowski resigned from the position of a member of the Supervisory Board with effect from 31 October, 2021 and as of 31 October, 2021 he ceased to be a member of this body. On 29 October 2021, Mirosław Stachowicz was appointed to the Supervisory Board in place of Maciej Filipkowski.

None of the entities included in the above table conducts competitive activities in relation to entities from the Group.

Audit Committee

On 8 September, 2021 the Supervisory Board adopted a resolution on the appointment of the Audit Committee of the Supervisory Board, as well as a resolution on the appointment of the chairman of the Audit Committee and other members of the Audit Committee of the Supervisory Board. All resolutions came into force upon adoption.

The Audit Committee is composed of at least three persons appointed by the Supervisory Board from among its members for an indefinite period. The frequency of meetings of the Audit Committee shall be determined as required. In 2021, one meeting of the Audit Committee was held. The Entity debuted on the Warsaw Stock Exchange on 9 December, 2021

The Audit Committee consists of the following persons:

- Agnieszka Słomka-Gołębiowska – Chairman of the Audit Committee,
- Wojciech Stankiewicz – Member of the Audit Committee,
- Przemysław Budkowski – Member of the Audit Committee.

On 8 September, 2021 the Entity's Supervisory Board adopted the bylaws of the Audit Committee.

The tasks of the Committee include in particular:

- monitoring the process of financial reporting;
- monitoring the effectiveness of internal audit systems and risk management systems, compliance and internal audits, including in the scope of financial reporting;
- monitoring the performance of financial audit activities, in particular the audit firm's performance of the audit, taking into account any conclusions and findings of the Audit Supervision Committee resulting from the audit carried out in the audit firm;
- inspecting and monitoring the independence of the statutory auditor and the audit firm, in particular if the audit firm provides services to the Entity other than auditing;
- informing the Supervisory Board of the results from audit and providing clarifications on the manner in which the audit contributed to the accuracy of the Entity's financial statements and the role the Audit Committee played in the audit;
- assessing the independence of a statutory auditor and giving consent to the statutory auditor's performance of permitted services other than auditing the Entity, after the Audit Committee assesses the risks and measures securing the statutory auditor's independence;
- submitting recommendations to ensure the accuracy of the financial reporting process in the Entity.

Management Board

Appointment rules

The Management Board is composed of 3 (three) members, appointed for a joint, five-year term-of-office. The tenure of a Management Board member expires on the date of approval of the financial statements for the last financial year in which he/she was in office. The tenure of all members of the

Management Board shall also expire in the event of the death, resignation or dismissal of a member of the Management Board from his or her function.

According to the Articles of Association, the Management Board can be composed of 1 (one) to 7 (seven) members, appointed and dismissed by the Supervisory Board in the form of resolutions adopted by a simple majority of votes in the presence of at least half of its members, for a joint, five-year term-of-office, subject to personal right granted to Przemysław Gacek or Frascati Investments (or their legal successors under universal title) - depending on which of them holds the greater number of shares in the Entity - to appoint and dismiss the President of the Management Board, as long as long as Przemysław Gacek or Frascati Investments (or their legal successors under universal title) holds in aggregate at least 25% of Entity shares.

Responsibilities of Board members

According to the Articles of Association, the Management Board manages the affairs of the Entity and represents the Entity vis-à-vis third parties.

Resolutions of the Management Board are adopted by a simple majority of votes. In the event of a tied vote, the President of the Management Board has the casting vote. The President of the Management Board acting individually, 2 (two) members of the Management Board acting jointly or one member of the Management Board acting jointly with a commercial proxy (prokurent) are authorized to represent the Entity and make statements on its behalf.

The Management Board deliberates and passes resolutions at meetings. Attendance at Management Board meetings is also possible with the use of electronic means of communication. In addition, resolutions of the Management Board may be adopted in writing or with the use of means of electronic communication. Additionally, members of the Management Board may also participate in the adoption of resolutions of the Management Board by voting by a signed ballot delivered by another member of the Management Board.

According to the Articles of Association, meetings of the Management Board are convened by the President of the Management Board or the person nominated by the President of the Management Board as his / her substitution. Such meetings should be held as-needed, but at least once in a calendar quarter. The person convening a meeting notifies the Management Board members of the convening, date, place and subject of the meeting by email, fax, courier mail, telephone or by a notice delivered directly to the Management Board members against receipt. In addition, a Management Board meeting can be held at any time, even without being formally convened, provided that all Management Board members attend the meeting and none of them has objected to holding the meeting or to its agenda.

Unless otherwise reserved for the General Meeting or the Supervisory Board by the provisions of the Commercial Companies Code or other applicable provisions of law or the Articles of Association, all matters related to the management of the Entity's affairs or representation of the Entity are within the powers of the Management Board.

Management Board members may appoint a commercial proxy, provided that all members of the Management Board agree to the appointment of the given person. A commercial proxy can be revoked by any member of the Management Board.

A member of the Management Board may not, without the consent of the Supervisory Board, engage in any activities competitive to the Entity's business, or participate in a competitive company as a partner in a civil law partnership, a partnership, or as a member of a body of a capital company, or participate in another competitive legal person as a member of its governing body. This restriction shall also apply to the participation in a competitive capital company in the event that a member of the Management Board holds more than 10% of shares in it or has the right to appoint at least one member of its management board. The Management Board may adopt its bylaws subject to the approval of the Supervisory Board. Article 5.1 of the Entity's Articles of Association regulates issues related to the right of the Management Board to decide on a new issue or redemption of shares.

Composition of the Management Board

The table below presents basic information about the members of the Management Board performing their functions as at the date of publication of the Report:

Table 17 Composition of the Entity's Management Board

First and last name of the member of the Management Board	Position	Date of first appointment to the Management Board
Przemysław Gacek	President of the Management Board	6 November 2015
Gracjan Fiedorowicz	Member of the Management Board	6 November 2015
Rafał Nachyna	Member of the Management Board	17 October 2016

Source: The Entity

Remuneration policy

On 22 October 2021, the Extraordinary General Meeting of the Entity passed a resolution on the adoption of a Remuneration policy for members of the Management Board and the Supervisory Board of the Entity, referred to in Article 90d(1) of the Act on Offering ("Remuneration Policy").

The rules for determining the remuneration of the Entity's employees, except for members of the Management Board and the Supervisory Board, are defined in accordance with internal remuneration regulations. The regulations differentiate the level of remuneration depending on the position held, the results of work and the competences possessed. Thanks to the variable part of remuneration, they provide flexibility and adaptation to the employer needs.

Total remuneration of Management Board members

Members of the Management Board of the Entity may receive remuneration on the basis of an employment contract, managerial contract, mandate agreement, resolution on appointment or other legal relationship of a similar nature between the Entity and a member of the Management Board.

The amount of remuneration of Management Board members is determined individually for a member of the Management Board by the Supervisory Board in the Legal Basis of Employment or on the basis of a separate resolution, taking into account the Remuneration Policy and the scope of responsibility of a member of the Management Board.

Table 16 Remuneration of the Management Board members due or paid in 2021 (in thous. PLN)

Member of the Management Board	2021		
	Total	Short-term employee benefits	Share-based payments
Przemysław Gacek	572	572	-
Gracjan Fiedorowicz	5 427	712	4 715
Rafał Nachyna	7 439	837	6 602
Total	13 438	2 121	11 317

Source: The Entity

Remuneration of Supervisory Board members

Members of the Supervisory Board perform their functions on the basis of appointment and receive remuneration for the performance of their duties. Remuneration for performing the function of a member of the Supervisory Board is not related to the Entity's results. The remuneration of a member of the Supervisory Board may be additionally granted in the form of financial instruments or other non-cash benefits, which may be linked to the Entity's results. The amount of the remuneration of a member of the Supervisory Board is determined by the General Meeting by way of a resolution. The total

remuneration of the Supervisory Board member may be established as a monthly salary or for the participation in each meeting.

A member of the Supervisory Board, who is also a member of the Audit Committee, receives additional remuneration in the form of a fixed, flat-rate monthly amount, determined by a resolution of the General Meeting.

Table 17 Remuneration of the Supervisory Board members due or paid in 2021 (in thous. PLN)

Member of the Supervisory Board	Year ended 31 December 2021		
	Total	Short-term employee benefits	Share-based payments
Maciej Noga	126	126	-
John Doran	-	-	-
Wojciech Stankiewicz	73	73	-
Przemysław Budkowski	65	65	-
Agnieszka Słomka-Gołębiowska (since 11 August 2021)	48	48	-
Mirosław Stachowicz (since 29 October 2021)	15	15	-
Maciej Filipkowski (until 31 October 2021)	69	69	-
Total	395	395	-

Source: The Entity

Appointment of an audit firm

On 11 April 2022 the Entity concluded an agreement with Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw at Rondo ONZ 1 Street, entered in the list of entities authorized to audit financial statements under the number 130, for the audit of the financial statements of the Entity and the consolidated financial statements of Grupa Pracuj S.A. Group for the financial year ended 31 December 2021 and for the financial years ending 31 December 2022 and 31 December 2023, respectively. The subject of the agreement is also the review of the condensed financial statements of the Entity and the condensed consolidated financial statements of the Group for the periods ending on 30 June 2021, 30 June 2022 and 30 June 2023 together with the provision of assurance services for the tagging of the financial statements. The audit firm was appointed by the Supervisory Board in accordance with the Entity's Audit Firm Appointment Policy.

Prior to the Entity's approval of the policy for audit firm appointment, the audit firm Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, provided Grupa Pracuj S.A. in the financial year ended 31 December 2021 with permitted services that are not audit services, i.e. services in the field of:

- auditing of the Historical Financial Information of the Group prepared in accordance with IFRS for 2018, 2019 and 2020 years in connection with the initial public offering of the Entity's shares;
- conducting a review of the interim condensed consolidated financial statements for the 9-month period ended 30 September 2021, which were included in the Entity's prospectus;

The remuneration of the audit firm for the current and previous financial years has been described in the Consolidated financial statements in the explanatory note '7.4 Remuneration of the audit firm'.

Diversity policy in administrative, management and supervisory bodies

The Entity has not developed and does not apply specific assumptions regarding the composition of administrative, management and supervisory bodies. The main criteria for appointment to key positions in the Entity are care for the high quality of management and supervision. High qualifications (education, qualifications, professional experience) and meeting the criteria specified for a given position are taken into account. The assessment of candidates is not influenced by elements such as gender or age.

Shareholder structure

The current Entity's shareholder structure is published on the corporate website of Grupa Pracuj S.A. Group at <https://grupapracuj.pl/akcjonariusze>.

As at 31 December 2021, the Entity's share capital amounted to PLN 340,521,250.00 (three hundred and forty million five hundred and twenty one thousand two hundred and fifty zlotys) and was divided into 68,104,250 (sixty-eight million one hundred and four thousand two hundred and fifty) shares, with a nominal value of PLN 5.00 (five zlotys) each, including:

- a) 48,686,990 (forty-eight million six hundred and eighty-six thousand nine hundred and ninety) series A ordinary bearer shares; and
- b) 18,155,860 (eighteen million one hundred and fifty five thousand eight hundred and sixty) series B ordinary bearer shares; and
- c) 1,261,400 (one million two hundred and sixty-one thousand four hundred) series C ordinary bearer shares.

As at 31 December 2021 the total number of votes in the Entity from all shares was 68,104,250. One share corresponds to one vote at the General Meeting of Shareholders.

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

Shareholders holding at least 5% of the total number of votes

As at 31 December 2021, the major shareholders of Grupa Pracuj S.A., holding at least 5% of the total number of votes at the General Meeting of the Entity, were the following persons and entities:

Shareholder	31 December 2021		
	Number of shares owned	Par value of shares (PLN)	Share %
Frascati Investments sp. z o.o.*	34 733 168	173 665 840	51%
TCV Luxco Perogie S.à r.l	7 246 348	36 231 740	11%
Maciej Noga	5 799 227	28 996 135	9%
Others	20 325 507	101 627 535	29%
Total	68 104 250	340 521 250	100%

* *Frascati Investments sp. z o.o. is controlled by Przemysław Gacek, who holds, directly or indirectly, shares constituting 52.96% of the Entity's share capital, giving 52.96% of votes and constituting 52.96% of the total number of votes. Also taking into account the shares held by persons for whom there is a presumption of the existence of an agreement referred to in Article 87(1)(5) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, Przemysław Gacek holds in total shares constituting 53.05% of the Entity's share capital, giving a total of 53.05% of votes and constituting 53.05% of the total number of votes.*

Changes in shareholder structure after the balance sheet date

As at the date of publication of this Report, the list of shareholders holding at least 5% of shares is as follows:

Shareholder	31 December 2021		
	Number of shares owned	Par value of shares (PLN)	Share %
Frascati Investments sp. z o.o.*	34 733 168	173 665 840	51%
TCV Luxco Perogie S.à r.l	8 638 861	43 194 305	13%
Maciej Noga	5 799 227	28 996 135	9%
Others	18 932 994	94 664 970	28%
Total	68 104 250	340 521 250	100%

* *Frascati Investments sp. z o.o. is controlled by Przemysław Gacek, who holds, directly or indirectly, shares constituting 52.96% of the Entity's share capital, giving 52.96% of votes and constituting 52.96% of the total number of votes. Also taking into account the shares held by persons for whom there is a presumption of the existence of an agreement referred to in Article 87(1)(5) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, Przemysław Gacek holds in total shares constituting 53.05% of the Entity's share capital, giving a total of 53.05% of votes and constituting 53.05% of the total number of votes.*

Shares held by managing and supervising persons

As at 31 December 2021, the shares in the Entity held by the managing and supervising persons were as follows:

Managing persons	31 December 2021		
	Number of shares owned	Par value of shares (PLN)	Share %
Przemysław Gacek*	36 130 187	180 650 935	53.05%
Gracjan Fiedorowicz	522 910	2 614 550	0.77%
Rafał Nachyna	490 640	2 453 200	0.72%
Total	37 143 737	185 718 685	54.54%

* *directly and indirectly by Frascati Investments sp. z o.o. and also taking into account the shares held by persons for whom there is a presumption of the existence of an agreement referred to in Article 87(1)(5) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.*

Supervising persons	31 December 2021		
	Number of shares owned	Par value of shares (PLN)	Share %
Maciej Noga	5 799 227	28 996 135	8.5%
Mirosław Stachowicz	108 730	543 650	0.2%
Total	5 907 957	29 539 785	8.7%

Contractual restrictions on the transferability of Shares

From the date of the Underwriting Agreement to the end of the 180-day period beginning from the first listing of the Entity's shares on GPW, TCV Luxco, without the prior written consent of the Joint Book Runners (who shall not refuse or delay such consent unreasonably), shall not offer, sell, pledge or otherwise dispose of, or publicly announce the offering, sale or disposal of or the intention to undertake such measures or undertake measures aimed or likely to result in an offer, sale or disposal of the Entity's securities (other than the Entity's shares acquired in connection with stabilisation) similar to the securities which are subject of the Offering, securities which may be exchanged or converted to securities similar to those which are subject of the Offering or which may be acquired through execution of rights attached to such securities, including stock swaps, futures contract and options, subject to standard exclusions set out in the Underwriting Agreement.

The restriction referred to above shall not apply to: (i) disposal of shares by TCV Luxco in response to a tender offer for the exchange or sale of all shares of the Entity; (ii) activities taken in connection with an incentive scheme for top executives implemented at the Entity or the Group; and (iii) a sale, transfer

or any other form of disposal of Shares through business combination or another form of business integration with a third party with regard to all shares issued in conformity with the provisions of Polish law, or to a Entity in connection with the Entity's buy-back scheme addressed to all shareholders of the Entity on the same terms and conditions.

From the date of the Underwriting Agreement to the end of (i) the 360-day period (as far as Przemysław Gacek, Frascati Investments, Gracjan Fiedorowicz and Rafał Nachyn are concerned) or (ii) the 180-day period (as far as the Entity's other shareholders are concerned) beginning from the first listing of the Entity's shares on GPW, the Entity's other shareholders (including Selling Shareholders other than TCV Luxco), without the prior written consent of the Joint Book Runners (who shall not refuse or delay such consent unreasonably), shall not offer, sell, pledge or otherwise dispose of, or publicly announce the offering, sale or disposal of or the intention to undertake such measures or undertake measures aimed or likely to result in an offer, sale or disposal of the Entity's securities (other than the Entity's shares acquired in connection with stabilisation) similar to the securities which are subject of the Offering, securities which may be exchanged or converted to securities similar to those which are subject of the Offering or which may be acquired through execution of rights attached to such securities, including stock swaps, futures contract and options, subject to standard exclusions set out in the Underwriting Agreement.

The restriction referred to above shall not apply to: (i) disposal of shares by a shareholder in response to a tender offer for the exchange or sale of all shares of the Entity; (ii) activities taken in connection with an incentive scheme for top executives implemented at the Entity or the Group; and (iii) a sale, transfer or any other form of disposal of Shares through business combination or another form of business integration with a third party with regard to all shares issued in conformity with the provisions of Polish law or to a Entity in connection with the Entity's buy-back scheme addressed to all shareholders of the Entity on the same terms and conditions.

From the date of the Underwriting Agreement (or another, later date as set out in the Underwriting Agreement) to the end of the 360-day period beginning from the first listing of the Entity's shares on GPW, the Entity, without the prior written consent of the Joint Book Runners, shall not issue, offer, sell, pledge or otherwise dispose of, or publicly announce the offering, sale or disposal of or the intention to undertake such measures or undertake measures aimed or likely to result in an, issue, offer, sale or disposal of the Entity's securities similar to the securities which are subject of the Offering, securities which may be exchanged or converted to securities similar to those which are subject of the Offering or which may be acquired through execution of rights attached to such securities, including stock swaps and options.

The above restrictions do not apply to any arrangements associated with an incentive scheme intended for the Entity's top executives or employees implemented at the Entity or the Group.

Information on agreements concerning changes in the shareholder structure

In 2021 the Entity had the following employee share-based payment programmes:

• Incentive Programme 1

On 29 October 2021 the Extraordinary General Meeting of the Parent Entity adopted a resolution establishing an incentive programme no. 1 (**'Incentive Programme 1'**) for members of the Management Board and Supervisory Board and key employees (persons employed under an employment contract or mandate contract, regardless of the applicable law governing the contract) (**'Participant'**, **'Participants'**). Two main objectives of the Incentive Programme 1 are to achieve long-term business goals of the Parent Entity and retain an employment relationship with employees who have a key impact on developing and implementing of the Parent Entity's strategy. The Incentive Programme 1 will be implemented in the years 2022-2024.

A detailed description of the programme has been presented in note 'Share-based payments and employee incentive programmes' in the consolidated and separate financial statements for the year ended 31 December 2021.

• Incentive Programme 2 and 3

On 29 October 2021 the Extraordinary General Meeting of the Parent Entity adopted resolutions establishing the regulations for the incentive programme no. 2 and 3 (each separately hereinafter: **'Incentive Programme 2'** and **'Incentive Programme 3'**, together **'Incentive Programmes 2 and 3'**). Two main objectives of Incentive Programmes 2 and 3 are as follows:

- achieving the Entity's long-term business goals;
- retaining an employment relationship with employees who have a key impact on developing and implementing the Parent Entity's strategy.

Incentive Programmes 2 and 3 will be based on shares issued under the authorization granted to the Management Board to increase the share capital within the authorized share capital pursuant to a resolution no. 5 of the Extraordinary General Meeting of 22 October 2021, with the possibility of exclusion of the pre-emptive right with the consent of the Supervisory Board.

The Incentive Programme 2 is intended for employees (persons employed under an employment contract or a mandate contract (regardless of the applicable law governing the contract)) of the Group as well as members of the Management Board and the Supervisory Board of the Parent Entity.

The Incentive Programme 3 is intended for the Group's associates (persons conducting business activity who provide services to the Group on the basis of a separate contract for the provision of services (regardless of the applicable law governing the contract)) (participants of Incentive Programmes 2 and 3, referred together as 'Participants of Incentive Programmes 2&3').

A detailed description of the programme has been presented in note 'Share-based payments and employee incentive programmes' in the consolidated and separate financial statements for the year ended 31 December 2021.

Quotations on the WSE

The shares of Grupa Pracuj S.A. have been listed on the Warsaw Stock Exchange since 9 December 2021. The Entity's shares have been listed on the WSE main market in the continuous trading system under the name of 'GPP'.

Grupa Pracuj S.A. shares are included in the following indices:

- WIG;
- WIG-Poland;
- WIG-MEDIA;
- InvestorMS.

NON-FINANCIAL REPORT

Basis for preparation of the non-financial report

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5; GRI 2-27

For the purposes of preparation of the Non-Financial Report ('Non-Financial Report', 'ESG Report'), the Entity has analysed its activities, policies and internal due diligence procedures. The analysis has been based on the key indicators identified in the internal materiality assessment.

This document has been prepared based on the Global Reporting Initiative Standards (GRI Standards). The non-financial statement has been prepared in accordance with the statutory non-financial disclosure requirements set out in Article 49b.2–49b.8 and Article 55.2b–55.2e of the Accounting Act.

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

This is the first non-financial report to be prepared by the Entity — the data it contains are for the period from 1 January to 31 December 2021 (unless stated otherwise). The figures used in the report have been derived from internal reporting systems. They have not been verified by an external auditor.

Composition of the Group

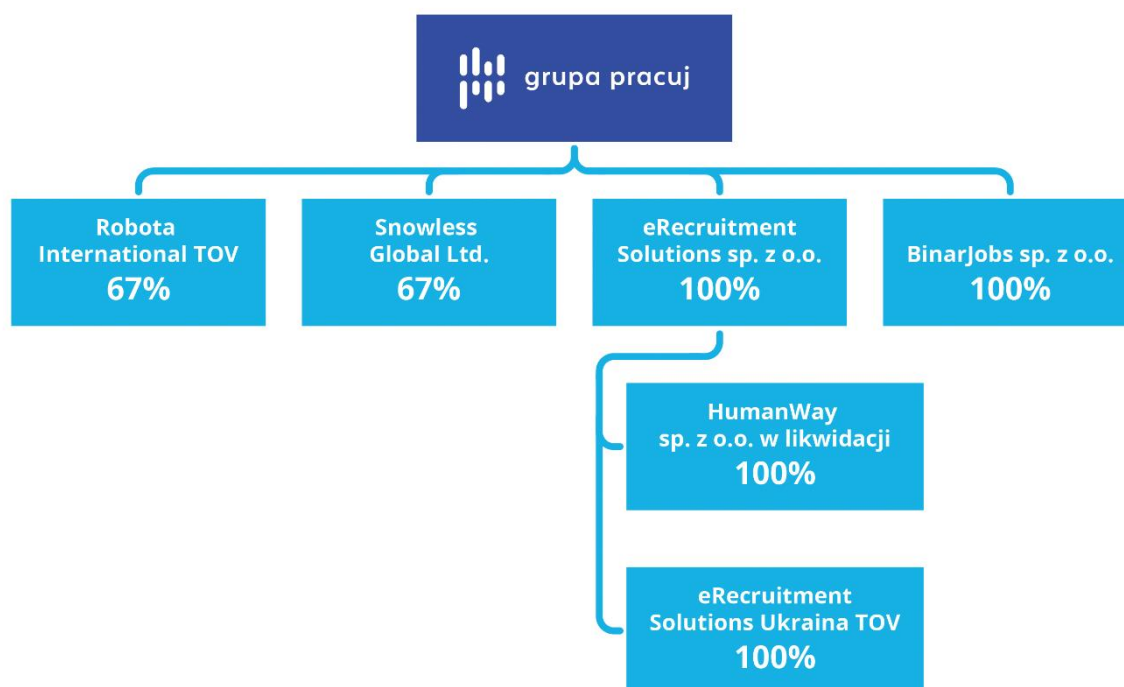
GRI 2-6

The Entity exercises direct or indirect control over all entities included in the Group. As at 31 December 2021 the Group consisted of: (i) the Entity, (ii) direct 100% subsidiaries of the Entity: eRecruitment Solutions sp. z o.o.; and BinarJobs sp. z o.o., (iii) indirect 100% subsidiaries of the Entity (through eRecruitment Solutions sp. z o.o.): eRecruitment Solutions Ukraine TOV and HumanWay sp. z o.o. w likwidacji and (iv) 67% subsidiaries of the Entity: Robota International TOV and Snowless Global Ltd. The Entity is the Parent Entity of the Group.

Table 18 Composition of Grupa Pracuj S.A. Group

Name and legal form	Segment Poland				Segment Ukraine		
	Grupa Pracuj S.A.	eRecruitment Solutions sp. z o.o.	HumanWay sp. z o.o. w likwidacji*	BinarJobs sp. z o.o.	Robota International TOV (Ukraine)	Snowless Global Ltd	eRecruitment Solutions Ukraine TOV (Ukraine)
Registered office	Warsaw	Warsaw	Warsaw	Warsaw	Kyiv	Nicosia	Kyiv
Address	Prosta Street 68, 00-838 Warsaw	Prosta Street 68, 00-838 Warsaw	Prosta Street 68, 00-838 Warsaw	Prosta Street 68, 00-838 Warsaw	Melnikova Street, 04050 Kyiv	Demostheni Severi 12, 1080 Nicosia	Melnikova Street, 04050 Kyiv
Share capital (%)	100%	100%	100%	100%	67%	67%	100%
% interest	100%	100%	100%	100%	67%	67%	100%
% of votes	100%	100%	100%	100%	67%	67%	100%
Company's business	Advertising	Data processing, hosting and related activities	Data processing, hosting and related activities	Advertising	Advertising	Licensing	Data processing, hosting and related activities

Source: The Entity



Changes in the composition and structure of the Group in 2021

In 2021 there were no changes in the Group's structure.

Changes in the composition and structure of the Group after the balance-sheet date

After the balance sheet date there were no changes in the Group's structure.

Membership associations

GRI 2-28

The Network, which Pracuj.pl and Robota.ua are part of, is an international online recruitment network comprising 60 job boards in over 140 countries. The Network is used by recruiters globally to reach over 200 million of people who are looking for a job.

Corporate governance

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-19,

The Group's governance structure comprises: the General Meeting of Shareholders, Supervisory Board and its committees, and the Management Board. The remit of individual governing bodies and the way they operate have been described in the Management Board's Report, 'Corporate governance', which also describes basic remuneration policies.

Business model

GRI 2-1, GRI 2-2; UoR: art. 49b (2)(1)

Grupa Pracuj derives majority of its revenues from the job offers posted by employers and recruitment agencies on the Group's internet recruitment services and from value-added services, i.e. additional services purchased by such entities in connection with the job offers. Grupa Pracuj generates revenues also from its eRecruiter platform (offered in a SaaS model).

The core business of Grupa Pracuj, online job boards, is based on a two-sided business model in which an increase in the number of job postings by employers and recruitment agencies attracts more qualified candidates, which, in turn, attracts more employers and recruitment agencies seeking qualified candidates. This creates a two-sided effect working to the benefit of employers and linking them with potential candidates:

- Online recruitment solutions offered by Grupa Pracuj provide employers and recruitment agencies with an opportunity to immediately publish and update job offers as well as place other information relevant to potential candidates. Grupa Pracuj also offers its clients a wide range of additional HR services, including a recruitment support system embedded in the Pracuj.pl platform (Strefa Pracuj).
- From the candidate's point of view, using the Group's online recruitment services for job searches provides them with access to a wide database of job offers, the possibility to quickly search for offers according to criteria which are relevant to a given candidate and the ease of sending applications for selected positions. All features, including referral programmes and job alerts, are also available through the candidate's account. In addition, by using the portal, candidates have access to a specially designed resume and profile builder and receive additional interview tips.

Multi-channel sales model

In Poland, Grupa Pracuj sells its services via four channels: direct sales, e-commerce, inside sales and HR consulting agencies to satisfy a wide range of needs of the growing number of clients. Grupa Pracuj operates on local markets in Poland's biggest cities — this way it is able to maintain close relationships with its clients. With the use of the right channels and a range of initiatives, the Group has significantly increased its SME and micro business customer base.

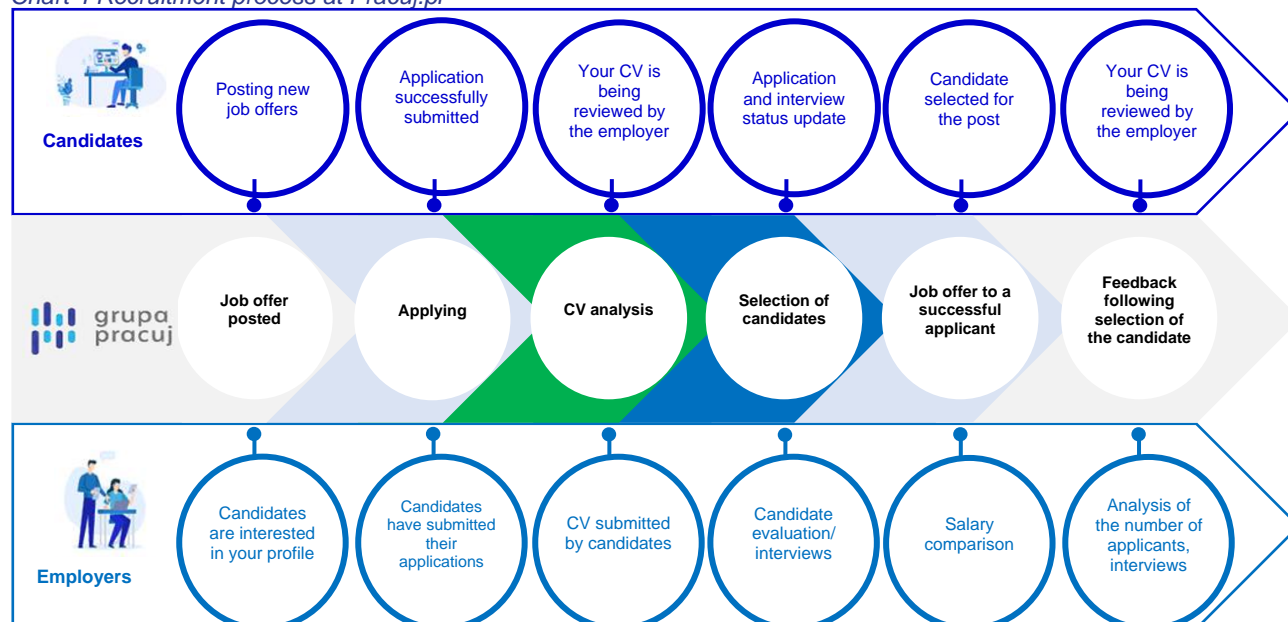
The customer service team provides support to the Group's clients.

The sales and customer service divisions are supported by business analysts responsible for gathering, compiling and analysing data, including real-time sales data analysis. Moreover, the business analysis team takes measures to identify and monitor opportunities to increase sales of job offers and value-added services.

Poland's and Ukraine's markets and Group's products

Operations in Poland – Grupa Pracuj S.A.

Chart 4 Recruitment process at Pracuj.pl



Source: The Entity

Grupa Pracuj's operations in Poland mainly comprise:

- general job boards under the Pracuj.pl brand, including profession-specific subsections within the general job boards (such as the it.pracuj.pl subsection for IT professionals);

- value added services, including the system for managing the flow of CVs, 'Strefa Pracuj', embedded in the Pracuj.pl platform and branding services for employers, including virtual job fairs and job guides.

Other operations of the Group in the Polish market cover:

- a separate ATS platform named eRecruiter offered on an SaaS basis; and
- niche job boards, including IT oriented initiatives, such as the:protocol.it and solutions focused on blue-collar workers, such as the Dryg.pl platform.

In 2021, the Group's operations in Poland generated revenue from contracts with customers of PLN 425,650 thousand, which represented 89.4% of the Group's total revenue from contracts with customers.

Internet job boards

General job board – Pracuj.pl

Candidate services

Pracuj.pl is an online recruitment portal consisting of categorized and filterable job postings. Pracuj.pl focuses mainly on job offers for white-collar workers, which were used by an average of over 4.4 million users per month in 2021 (according to Gemius research, in 2020 it was an average of 3.1 million of users). In 2021 more than 512 thousand of job announcements were posted on the Pracuj.pl job board, that is by 65.3% more than in the previous year. In 2021, the average number of announcements available daily on the job board amounted to about 80 thousand, while the paid services of the portal were used by about 52 thousand of employers (as at the end of December 2021).

Artificial intelligence (AI)-based candidate recommendation programmes, which are based on a job matching and recommendation system designed to automatically match users with relevant job offers using artificial intelligence algorithms, are available through multiple platforms, i.e., a website accessible via desktops and smartphones (thanks to the RWD (responsive web design) technology) and applications.

All platforms allow candidates to view and manage their profiles, apply for jobs without uploading a resume, and check their application status. In addition, the application has a "search on map" function, which allows candidates to search for jobs by geographic location on a map displayed on the screen and push notifications with job offers.

In creating and adapting its services for candidates, Grupa Pracuj is based on the so-called user experience, on the basis of which it constantly adapts its solutions to changing market conditions. The Group focuses on the candidate's path from the moment of creating his/her profile through the application process to the final interview. Candidates are provided with free access to job advertisements through the Group's various platforms, including a website accessible via desktops and smartphones (thanks to the RWD technology) and a mobile application. The mobile application allows candidates to view and manage their profiles, apply for jobs with no need to upload a resume, and check their application status. Other features of the application include, but are not limited to, a "search on map" function, which allows candidates to search for job offers by geographic location on a map displayed on the screen and push notifications with job offers. In addition, the Group introduced a number of new product solutions designed to enhance the personalization of content for candidates.

In addition to searching and browsing job offers and submitting applications, both active and passive candidates can use other content and tools developed and made available by Pracuj.pl. These include salary reports, a salary calculator, career related content (Porady.pracuj.pl) and a CV creator.

Employers services

Employers pay to post job announcements on the Pracuj.pl job board, which candidates can then browse through and search using advanced filters and search options. Employers are able to post job announcements mostly for a 30-day time period. During this period, they may purchase a number of

value-added services (also available in bundled packages) which increase the visibility of job postings and enable employers to increase the number of CVs they receive.

In addition, Pracuj.pl offers specific employer branding products such as Employer Profiles or online job fairs (JOBICON). As part of the general Pracuj.pl job board, the Group also provides a separate subsection called it.pracuj.pl, which targets the growing IT recruitment market and contains, among others, IT dedicated job advertisement layout.

Niche job boards

Apart from the general job boards, we offer specific niche job boards, including IT-oriented initiatives such as the:protocol.it and solutions focused on blue-collar such as the Dryg.pl platform.

Branding services for employers

- JOBICON job fairs

Grupa Pracuj S.A. Group operates virtual job fairs under the JOBICON brand. JOBICON is a one-stop-shop event, where the employers can present their brands and current employment opportunities to potential candidates. Job fairs allow for free-of-charge CV consultations, individual conversations and access to employers. They are based on an online platform, video chat and online events organized by the Group including workshops, webinars and meetings with celebrities. JOBICON is held twice a year, in spring and autumn, and attracts hundreds of employers and thousands of potential candidates. Starting from autumn 2020, JOBICON has been held as a virtual job fair.

- Employers' online profiles

In addition to posting their job announcements on the Pracuj.pl job board, employers have the ability to display their business profiles for a fee. An employer's profile on the Pracuj.pl board includes a description of the employer's business, a list of current vacancies, benefits, a description of the recruitment process, contact details and a description of career development paths and additional initiatives taken by the employers.

- Employer guides for job seekers

The Group publishes job guides directed at job seekers. The first guides were published only in paper form, but in the period from 2005 to 2019 their online publication was added. Starting from 2020, the job guides have been published online only. The guides contain, among other things, paid employers' profiles as well as advertisements of employers and educational institutions. The Entity believes that the job guides are an efficient marketing tool that helps increase the Group's brand recognition among customers and candidates.

Operations in Poland – eRecruitment Solutions sp. z o.o

eRecruiter – a platform supporting management of recruitment processes and candidate database (Applicant Tracking System) (ATS)

The eRecruiter platform is offered on a SaaS (Software as a Service) basis and serves all recruitment needs from candidate sourcing through screening, collaboration, analytics, reporting and recruitment database maintenance. The vast majority of recruitment projects on the Pracuj.pl platform are supported by eRecruiter.

The eRecruiter platform, ensuring data security, allows candidates to file their applications for selected positions by completing customized online application forms available in twenty-one language versions as opposed to, for example, directly emailing applications to a potential employer. Collecting applications through these online application forms is the first step in building an internal database of resumes of potential candidates, whose applications are automatically scored and ranked by eRecruiter based on the employer's pre-selected criteria. Such database can then be searched, edited, categorized and sorted using various filters. In addition, eRecruiter records the websites from which applications were submitted, which, in turn, allows employers to determine the most efficient online recruitment channels and to generate recruitment reports. In addition, employers may also publish their job postings on social networks and online recruitment platforms. Poland is the main market for the eRecruiter platform, but it is also used by customers from other European countries.

Figure 1 Scheme of the Group's operations in Poland



Source: The Entity

Operations in Ukraine

The principal operations of Grupa Pracuj S.A. Group in Ukraine are carried out under the Robota.ua brand that we acquired by the Group in 2006. The Robota.ua platform, which comprises primarily an internet job board, is a Ukrainian equivalent of the Pracuj.pl platform. In 2021, the average number of announcements available daily on the job board amounted to about 102 thousand, while the paid services of the portal were used by about 66 thousand of employers (as at the end of December 2021).

In 2021 89.9% of revenue from contracts with customers generated by the Group from the Robota.ua job board derived from job announcements posted by employers and recruitment agencies, while the remaining part of Robota.ua's revenue was generated through giving the customers access to the database with CVs of candidates, as well as branding and online marketing services.

The Robota.ua's internet job board was launched in 2001. The business model based simultaneously on a list of job offers and a comprehensive CV database allows to offer commercial clients access to both active and passive candidates, which is particularly important in the case of recruitment for specialist positions.

Throughout the last 20 years of operations, the Robota.ua board has built a well-known brand with intensive investments in sales and marketing activities. Apart from traditional advertising campaigns on TV, radio, and in newspapers, as well as digital channels, recently Robota.ua has been doing a lot of content marketing. Among the most notable projects are two digital magazines, The Point and ProHR, which publish relevant articles and useful information for job seekers and HR professionals. All of this has resulted in a significant portion of traffic to the Robota.ua website coming from direct browser input and organic searches (i.e. searches that do not include paid (sponsored) results), which were the two leading sources of traffic in 2021.

In addition to a solid brand, the Group has a very strong and experienced sales team in Ukraine which in 2021 consisted of two divisions: direct sales and inside sales (telesales), focusing on two distinct segments - large enterprises and SME, respectively.

Operating segments of the Group

The Group has identified the following operating segments:

- Segment Poland – this segment includes entities that generate revenue on the Polish market and whose results are regularly reviewed by the Parent Entity's Management Board as the main decision-making authority. This segment consists of the following entities: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji and BinarJobs sp. z o.o. The particular entities included in this segment offer comprehensive recruitment, branding and advertising projects;
- Segment Ukraine – this segment includes entities that generate revenue from contracts with customers on the Ukrainian market. The financial results of entities included in this segment are periodically reviewed by the Management Board of the Parent Entity. This segment includes the following entities: Robota International TOV, eRecruitment Solutions Ukraine TOV and Snowless Global Ltd (an entity registered in Cyprus, providing licensing services for Robota International TOV). Entities operating on the Ukrainian market offer comprehensive recruitment projects similarly to entities operating on the Polish market.

Key trends and factors shaping the growth of the Entity and the Group

In the opinion of the Management Board, the following trends will affect the operations of the Parent Entity and the Group:

- positive macroeconomic trends, in particular GDP growth, with a low unemployment rate;
- an increase in wages and salaries in enterprises, which will also justify an increase in recruitment expenses;
- an increase in the use of mobile devices by candidates in the job application process;

- development of AI-based candidate recommendation schemes to best match job offers and recommendations
- an increase in the use by enterprises of technological solutions that improve the efficiency of HR processes.

Awards and recognition for Grupa Pracuj in 2021

The activities and initiatives of Grupa Pracuj have long been appreciated by professional organisations. In 2021, Grupa Pracuj received awards for advertising campaigns '*W środowisku Pracuj.pl*' and PR campaigns, e.g.:

- 3 awards for its spots in the competition of *Klub Twórców Reklamy*;
- 4 awards from the Polish Public Relations Consultancies Association in its '*Złote Spinacze*' competition for: 'Social Media', 'Technology, IT and telco' (the 'Work in Progress' project, i.e. a podcast on the challenges and opportunities for the Generation Z in the labour market), 'Media Relations' and 'Crisis Communication' (for its COVID-19-related measures).

Sustainable development at Grupa Pracuj — ESG

GRI 2-22, GRI 3-1, GRI 3-2

Environment, social and governance (ESG) matters are becoming increasingly important, not only on a private, but also on a business level. Our employees, clients and investors are increasingly concerned about sustainable development.

Our approach to sustainable development is based on the following pillars:

- Responsibility for our staff;
- Respect for human rights and anti-bribery;
- Relations with clients and candidates;
- Measures to support local communities (education, charity etc.).

The policies and procedures described in this non-financial report have been developed based on the prevailing statutory requirements and internal analyses, such as staff surveys.

Description of due diligence policies and procedures in place at the Group along with non-financial performance indicators

UoR: art. 49b (2.2)- 49.b (2.4); GRI 2-27

The information below refers to the operations of the Entity and other entities in the Group. Due to the differences in the Polish and Ukrainian labour markets, some non-financial HR performance indicators have been divided into operating segments: Poland segment (designated in tables as "PL") and Ukraine segment (designated in tables as "UA").

Employee matters: Grupa Pracuj as an employer

Grupa Pracuj is a dynamic culture which strives to achieve ambitious goals, values open communication with the staff and focuses on continuous improvement and development. We create an engaging work environment in which employees feel their efforts are appreciated. We pay particular attention to the inclusive management, culture of collaboration and we strive to provide our employees with various opportunities to grow. We hire persons who are not afraid to act, take responsibility for their work and goals, respect diversity, put customer in the focus and derive joy from their work.

Workforce structure and rotation

GRI 2-7, GRI 2-8

We provide equal opportunities across our organisation. The table below presents our workforce structure. As at the end of 2021, Grupa Pracuj's entities in Poland had 571 employees (FTE) and associates, i.e. precisely by 16.5% more than the year before. At the end of 2021, the number of

employees in Robota International TOV increased by 34.8% to 314 persons in relation to the end of 2020.

The table below presents the workforce structure at our entities, considering FTEs, understood as employees with employment contracts, excluding those on long-term leaves, such as maternity/parental leaves, unpaid leaves, sickness absence of more than 30 days, as well as the number of the Group entities' associates with contracts for services and B2B contracts.

The figures include persons employed or collaborating with the entities in the Group.

Table 19 Workforce by entity of the Group

Entity (staff)	Year ended 31 December	
	2021	2020
Grupa Pracuj S.A., including:	498	437
Employment contract	454	420
Contract for services	4	3
Collaboration contract	40	14
eRecruitment Solutions sp. z o.o., including:	73	53
Employment contract	64	52
Collaboration contract	9	1
Robota International TOV, including:	314	233
Employment contract	255	187
Collaboration contract	59	46
Total of FTEs	885	723

Source: The Entity

As at the end of 2021, the average years of service for employees of Grupa Pracuj S.A. was over five and a half years and eRecruitment Solutions sp. z o.o. — nearly three and a half years. The decrease in the years of service compared to 2020 is the effect of an increase in the number of employees with shorter years of services as a result of rotation and hiring 23% more employees at eRecruitment Solutions sp. z o.o. and 8% more at the Entity in 2021 compared to the end of 2020. The average years of services at Robota International TOV as at the end of 2021 was two and a half years. The reason for the slight decline in the figures compared to 2020 is that in 2021, 36% more people were offered employment contracts compared to 2020.

Table 20 Average years of service by entity of the Group

Average years of service	Year ended 31 December	
	2021	2020
Grupa Pracuj S.A.	5.61	5.74
eRecruitment Solutions sp. z o.o.	3.44	3.98
Robota International TOV	2.60	2.75

Source: The Entity, the table contains data on persons employed in Group entities

The majority of people employed at the entities in Grupa Pracuj in Poland are specialists: as at the end of 2021, specialists and experts accounted for 76.5% of the total headcount. Compared to 2020, the share of experts had increased due to the intensification of product development activities, whereas the strengthening of customer services resulted in a rise in the number of assistants who perform their roles supported by more experienced employees. In 2021, the majority of Robota International TOV's staff were assistants — nearly 41%, and specialists — also 40% of the employees.

Table 21 Employment structure by job grade in segments

Job grade	2021		2020	
	PL	UA	PL	UA
Assistant	7%	41%	2%	38%
Specialist	62%	40%	68%	40%
Expert	15%	4%	12%	4%
Manager	14%	12%	14%	16%
Director	3%	3%	3%	2%
Total	100%	100%	100%	100%

Source: the Parent Entity, the table contains data on persons employed in Group entities

Remuneration

The purpose of our remuneration policy is to create conditions to attract, retain and motivate persons with knowledge and experience necessary to ensure continued dynamic growth of the Group. In collaboration with Mercer, we have performed job evaluations and developed a salary grid. These measures are intended to determine an appropriate salary level for a given job, competence, knowledge and position in the Entity. The objective of our remuneration policy is to place all our employees within a salary range. We want our salaries and benefits to be at a competitive and market level. Therefore, every year Grupa Pracuj carries out a remuneration analysis to benchmark against the local and global markets.

The salary of every employee of Grupa Pracuj is above the national minimum wage.

Employee benefits

Grupa Pracuj has cafeteria benefits in place. Since 2021, these have been offered by Worksmile, which every month credits employees' individual accounts with cash from the Employer. Every year in December, Employees received additional cash. The funds in the cafeteria system could be used to purchase hundreds of benefits — products and services offered by well-known brands. Employees themselves choose the non-payroll benefits and adjust them to their individual needs. With the cafeteria system, our Employees can participate in friendly competitions which spur them to action and build communities. We want to engage our employees and ensure they are satisfied, therefore, the list of benefits is continually growing.

The Entity enables its Employees to join an Employee Pension Plan (PPE), which is an additional, voluntary pension saving scheme. As at the end of 2021, 54% of Grupa Pracuj S.A.'s employees and 61% of eRecruitment Solutions Sp. z o.o.'s employees have joined the scheme.

Occupational health and safety

GRI 403-9

Following the outbreak of COVID-19, Grupa Pracuj employees whose roles did not require being in the office, could work from home. Employees who needed to come to the office were provided with a range of additional procedures to enhance their protection against COVID-19 (e.g. sanitizers, face masks) and were required to maintain social distance. To help our employees adjust their home workstations, we offered them funds to be used on equipment of their choice, e.g. desk, office chair, headsets etc. Moreover, during the increased number of cases, all training sessions were moved to online platforms.

Grupa Pracuj follows the occupational health and safety regulations and monitors the number of work-related injuries. In 2020, there was only one minor work-related injury.

Table 22 Number of injuries

Number of injuries	2021	2020
Minor injuries	-	1
Serious injuries	-	-
Fatal injuries	-	-

Source: The Entity

Commitment and culture surveys

In 2020 and 2021 we examined how employees at our Polish entities perceive the working environment we all create. To this end, we conducted an anonymous Work Environment Survey which provided us with information about employees' satisfaction with individual work areas and showed those particularly appreciated and those in need of improvement. Following an analysis of the results at the company and division levels, we selected matters to be addressed and developed key initiatives which we then implemented. In 2021, 92% of employees participated in the survey, up by 12% compared to 2020. In 2021, 71% of employees described themselves as generally satisfied, up by 12% compared to 2020.

In 2020 in Poland and in 2021 in Ukraine, we conducted an organisational culture survey using the methodologies based on the Geert Hofstede's and Michael Minkov's research. In the survey, the executives, managers and employees defined the culture they were seeing and the one necessary to ensure the delivery of the long-term growth strategy of Grupa Pracuj. The feedback we got helped us determine the ways to go to build a culture which would support further development of Grupa Pracuj. These were:

- changes in the leadership in Grupa Pracuj entities
- changes in setting and working towards goals
- cultivating a culture of experimentation
- cultivating a culture of feedback and appreciation
- implementing measures to support Diversity & Inclusion.

Talent acquisition

Our recruitment process has been built on standards which take into account e.g. the opinions of candidates who take part in the process. The reports prepared by our organisation and Candidate Experience surveys have helped us develop an optimal process which results in the selection of the best candidates among those applying. Our Talent Acquisition team is responsible for the recruitment process during which, alongside the supervisors, they verify candidates using dedicated tests verifying competences. Grupa Pracuj acquires candidates via various channels. In each of them, the disclosure requirements set out in GDPR are complied with and relevant consents are acquired. One way of acquiring candidates is through referrals.

We want our recruitment process to be smart and effective and therefore we automate individual tasks performed by the Talent Acquisition team and use of eRecruiter system. One of the key elements of our recruitment process is feedback given to all candidates, regardless of whether they have been invited to take part in the process.

Every candidate participating in the process is asked to take part in a voluntary and confidential Candidate Experience survey in which all persons (both those offered a job and those rejected in the recruitment process) complete an anonymous survey to give their opinions on the process. The recruitment process ends with the candidate accepting a job offer and signing necessary documents related to their employment.

Onboarding

Onboarding is an important event at Grupa Pracuj and has been designed so that every new hire receives assistance, support and necessary knowledge about the entity and their role. The results of our NPS in 2021 gave us a 4.9 score on a 5-point scale and we continue our efforts to maintain such level of satisfaction with onboarding among our colleagues.

Growth at Grupa Pracuj

GRI 404-2

Growth has always been the key element of our organisation. We want every Employee at Grupa Pracuj to be offered an opportunity to learn, to receive constructive feedback, upgrade their skills, potential and competence. Our Training and Development function undertakes a range of initiatives to help improve the skills and competence of our workforce. Every year our Employees can take part in a variety of development activities. At Grupa Pracuj we promote a 70/20/10 model to show our employees how to ensure and take responsibility for their growth through a range of activities.

- 70%: Learning through experience — everyday work on the current position focused on competence building: more responsibilities, participation in projects on a division and company-wide levels, internal internship programmes;
- 20%: Learning from others — ongoing support of the supervisor, regular feedbacks, also from colleagues, professional literature, divisional and team meetings;
- 10%: Formal development — training, conferences, classes.

At Grupa Pracuj, we clearly define responsibilities for upgrading skills at various organisational levels and tiers. There are four groups: the Management Board, HR, Manager and Employee. This way it is clear what support one can expect and where one has personal responsibility. We promote an approach in which each employee is in charge of their own development. We encourage our staff to take initiative, upgrade their skills and participate in development activities.

Development initiatives at Grupa Pracuj

GRI 404-2

Formal development initiatives available to our employees include: internal and external training courses on soft and hard skills, professional knowledge; participation in conferences; funding or financial assistance to pay for post-graduate studies; participation in coaching sessions, mentoring programmes and meetings; purchase of specialist publications or press; foreign language classes. Moreover, employees can purchase access to an e-learning platform of their choice which supports the achievement of business goals in a given professional area.

In 2021, Grupa Pracuj implemented a single development interview framework to help employees develop their individual career plans. Interviews take place regularly, once a year, and are based on the results of the 270 and 360 degree feedback processes (for managers). During the process, employees receive feedback from a variety of respondents (supervisor, colleagues, subordinates) and have a chance to learn how other see their general and managerial competencies. Such feedback not only supports development, but also contributes to the building of open communication and feedback culture.

Foreign language classes

GRI 404-2

At Grupa Pracuj, learning foreign languages is an integral part of our organisation's growth strategy, motivated by business and role-specific reasons identified by the employee.

Employees can take in Poland one of three foreign language classes - English, Ukrainian and Russian language classes.

In 2021, there were 154 employees learning a foreign language.

Internal communication

At Grupa Pracuj, one of the key tools to build employee engagement and organisational efficiency is internal communication. A variety of channels are used, in accordance with the communication strategy in place.

Additionally, every year (at the beginning and mid-point of the year) there is a large corporate event during which the past six months and plans for the following six months are summarised. Such meetings are an important element of integration. Last year, due to the pandemic, they were held online, but included elements which helped people get together (remote team workshops, tickets to events to be attended with others, employee engaging elements during the meeting).



Diversity policy and respect for human rights

Diversity policy

GRI 405-1

As far as human rights and diversity are considered, Grupa Pracuj follows the laws in place. In Poland, these matters are governed in the Constitution of the Republic of Poland and the Labour Code. Under international laws, the most important document defining human rights is the Universal Declaration of Human Rights enacted on 10 December 1948.

Additionally, one of our fundamental values is the 'Respect for diversity' — which underpins our goal to create a friendly work environment which fosters integration as we believe that this way we will be able to unlock the full potential of diversity. The Group is determined to increase the representation of women among staff — already as many as 58% of Grupa Pracuj's employees are female (in Ukraine it is 65%).

The entities in Grupa Pracuj in Poland follow a diversity management strategy. The following tables present data about gender and age, persons with disabilities and foreigners in Poland. They take into account only active employees (employment contracts) of Grupa Pracuj S.A. and eRecruitment Solutions Sp. z o.o. (Poland 'PL') and Robota International TOV (Ukraine 'UA').

Table 23 Workforce by gender in segments

Gender	2021		2020	
	PL	UA	PL	UA
Female	58%	67%	54%	62%
Male	42%	33%	46%	38%

Source: The Parent Entity, the table contains data on persons employed in Group entities

Table 24 Diversity factors by segment

Diversity	2021		2020	
	PL	UA	PL	UA
% of new employees - female	75.0%	68.0%	55.0%	63.0%
% of new employees - male	25.0%	32.0%	45.0%	37.0%
% of employees with disabilities	0.4%	4.0%	0.6%	5.0%
% of employees with disabilities - female	0.3%	3.0%	0.4%	4.0%
% of employees with disabilities - male	0.5%	1.0%	0.9%	2.0%
% of employees under 30	37.3%	80.0%	37.5%	80.0%
% of employees aged 31-40	52.5%	16.0%	53.6%	16.0%
% of employees aged 41-50	9.7%	3.0%	8.5%	3.0%
% of employees aged 51-60	0.4%	1.0%	0.2%	1.0%
% of employees over 60	0.2%	-	0.2%	1.0%
% of female employees under 30	38.9%	83.0%	36.6%	83.0%
% of female employees aged 31-40	52.2%	14.0%	55.3%	12.0%
% of female employees aged 41-50	8.6%	2.0%	8.2%	4.0%
% of female employees aged 51-60	0.3%	1.0%	-	1.0%
% of female employees over 60	-	-	-	-
% of male employees under 30	35.0%	74.0%	38.6%	75.0%
% of male employees aged 31-40	53.0%	22.0%	51.6%	23.0%
% of male employees aged 41-50	11.1%	4.0%	8.8%	1.0%
% of male employees aged 51-60	0.5%	-	0.5%	-
% of male employees over 60	0.5%	-	0.5%	1.0%
% of foreigners	1.0%	1.0%	0.6%	1.0%
% of foreigners - female	0.7%	-	0.4%	1.0%
% of foreigners - male	1.4%	-	0.9%	-

Source: The Parent Entity, the table contains data on persons employed in Group entities

Anti-Harassment and Non-Discrimination policy

GRI 406-1

Grupa Pracuj aims to create a work environment which promotes mutual respect and eliminates all forms of discrimination or intolerance. On 3 August 2020, the Group implemented an Anti-Harassment and Non-Discrimination Policy which applies to all employees and associates of Grupa Pracuj. It specifies which types of behaviour are not acceptable by the organisation and the codes of conduct it sets out are aimed at preventing undesired practices in professional environment and laying out guidelines how to respond to such undesired practices. It also explains in detail how to report issues and how such issues are examined. The implementation of the Anti-Harassment and Anti-Discrimination Policy was accompanied by a special anti-harassment training course delivered in August 2020 to help recognise and prevent undesired practices. The anti-harassment and anti-discrimination rules in place at Grupa Pracuj are also discussed during HR training classes for employees and managers.

In 2021, the Entity did not receive any report on discrimination or harassment.

Trade unions and respect for the freedom of association

GRI 2-30

In accordance with the laws in place, management boards of companies in which trade unions are active, consult or agree certain decisions, as set out in the law, with representatives of such trade unions. The law requires that elsewhere an employee representative is appointed.

At Grupa Pracuj there are no trade unions and no employee council and there are no collective or social agreements in place.

There are employees representatives who are invited to consultation on key employee matters.

Business ethics

GRI 205-2. GRI 205-3

As at 31 December 2021, the following regulations were in place at the Entity:

- Whistleblowing procedure adopted by a resolution of the Management Board of 26 January 2021;
- Entity's anti-bribery code adopted by a resolution of the Management Board of 26 January 2021;
- Gift policy adopted by a resolution of the Management Board of 26 January 2021;
- Anti-harassment policy adopted by a resolution of the Management Board of 24 July 2020;
- Entity's code of ethics adopted by a resolution of the Management Board of 26 January 2021.



The Parent Entity's anti-bribery policy lays down the rules of procedure with regard to the identification of acts bearing the hallmarks of corruption and also the rules of reporting abuse and actions taken to counteract corruption. The purpose of the anti-bribery policy is the counteracting of bribery practices and adherence to the highest moral standards. The anti-bribery policy e.g. defines the group of people covered by the policy, introduces a definition of a bribery, defines prohibited behaviour, rules for communicating and cooperating with clients and defines rules for counteracting bribery.

The Code of Ethics is a collection of the rules of conduct and ethical standards. The Code governs specified general business practices and procedures used by the Entity and the subsidiaries as they engage in business activity. The Code of Ethics is based on the following principles: (i) customer centricity; (ii) responsibility for one's work and the Entity's objectives; (iii) courage to act and learn from mistakes; (iv) respect for diversity and (v) enjoyment of work. The Parent Entity implements the principles envisaged by the Code of Ethics through periodic training, systematic reminder of the principles and improvement and periodic verification of the adopted provisions.

In 2021 the Entity did not receive a notification informing about the occurrence of any form of violation of the Code of Ethics.

Code of Conduct for the Suppliers of Grupa Pracuj

Since the very beginning, we have been conducting our business in an ethical and transparent manner. Currently, as a market leader in recruitment and a public company, we have an even greater role to play in building ethical and sustainability standards in the market. Therefore, as a next step in supporting this area, we have decided to adopt a Code of Conduct for Suppliers.

The Code of Conduct for Suppliers is a set of rules, behaviours and ethical standards applicable to the suppliers of goods and services and their contractors, in such areas as: management and ethics, employee rights and information security.

Grupa Pracuj expects that its Suppliers will follow high ethical and social standards set out in the Code, which is an important factor in the Supplier selection procedure. We want to collaborate with Suppliers who are committed to the highest standards and the Code is an integral element of our collaboration.

Grupa Pracuj operates a zero-tolerance policy with regard to Suppliers and business partners who commit fraud, bribery or money laundering offences. Suppliers must abide by all the laws in place, specifically competition, personal data processing, company secrets or anti-corruption regulations.

Operating in accordance with the laws and good practices is the basis for collaboration with Grupa Pracuj.

We believe that such approach will be beneficial not only for us, but also for our Suppliers, as well as our social and business environment.

Natural environment

Creating a sustainable work environment is an important element of the organisational policy and strategy and a modern business model. Many companies, including Grupa Pracuj, have been looking for a way to reduce carbon footprint and the amount of waste produced, such as plastic bottles or paper, to make their office environmentally and employee friendly. Growing awareness of the risks arising from natural degradation has an impact on the every-day decisions we all make.

Therefore, the Entity has been introducing green solutions, taking measures in our business area and thus supporting sustainability.

Offices

A vast majority of offices (as much as 5,896 square meters of our office space) are located in BREEAM- or LEAD-certified buildings. The building was constructed with environmentally friendly building and finishing materials — free from or releasing negligible amounts of volatile organic compounds which considerably improves air quality inside the building and thus has a positive impact on the well-being of employees.

User-friendly work environment is also the effect of sufficient amounts of daylight and exceptional air-conditioning and ventilation system. There is a range of solutions in place to save electricity and other media, and to ensure economical waste management.

Our office equipment, printers, computers and conference room booking interactive screens come with energy saver and sleep modes.

The Entity has resigned from traditional light bulbs and they have been replaced with LED lighting. Conference rooms and toilets have been additionally equipped with movement and light sensors.

Waste sorting

Sorting waste into five categories has been legally required since 1 January 2020.

The Parent Entity has undertaken a number of initiatives aimed at educating employees in terms of waste sorting as well as broad understood education regarding waste management and recycling.

Additional measures to help protect the environment

These days almost all employees have a work mobile phone so the Entity has practically resigned from desk phones.

Moreover, we have successfully reduced the use of plastic by installing in kitchens water purifiers directly connected to the water supply in the building and using of reusable tableware.

Relations with clients and candidates

GRI 418-1

Products and services

Clients are one of the major groups of Grupa Pracuj's stakeholders. Every day we strive to provide them with top quality products and services, thus ensuring their safety and accessibility, specifically as far as groups which are vulnerable and at risk of exclusion are concerned. We take full responsibility for our products and services. The entities in Grupa Pracuj post policies which set out the terms and conditions of using products and services, including purchases, returns and complaints. Clients can also contact entities via designated user support channels.

Grupa Pracuj acts with integrity and ethics in all aspects of its activities. High ethical standards that we follow in our dealings with clients are derived from our Code of Ethics, whereas the 'customer in focus' is one of our core values. Our Code of Ethics explicitly defines the rules to be abided by in dealings with our clients:

- we act with integrity and everything we do and every information we give is transparent and lawful;
- we respond to the actual needs of our clients and we use the information they supply exclusively to provide them with the top quality services;

- we are responsible for our work and ensure high quality of our marketing tools and activities.

The entities in Grupa Pracuj have established policies which set out the terms and conditions and scope of use of products and services/applications by the client/user, including those regarding purchasing and delivering services, rights and duties of parties and complaints.

Major documents available to clients/users include:

- services provided via www.pracuj.pl
 - Policy on providing services electronically via websites owned by Grupa Pracuj S.A.;
 - Privacy Policy for Clients
 - Privacy Policy for Users
 - Cookie Policy
 - General terms of cooperation with Grupa Pracuj S.A.
- services provided via dlafirm.pracuj.pl
 - Policy on providing Services via the website
 - Employer Account service rules
 - Privacy Policy for Clients
 - Cookie Policy
- services provided via www.theprotocol.it
 - Policy on providing Services via *the:protocol*
 - Privacy Policy
 - Cookie Policy
- services provided via www.dryg.pl
 - Policy on providing Services via *Dryg.pl*
 - Privacy Policy of *Dryg.pl*
 - Cookie Policy of *Dryg.pl*
- eRecruiter and Candidate Account services
 - eRecruiter service rules
 - Candidate Account service rules
 - Candidate Account Privacy Policy

The <https://grupapracuj.pl> main page presents a list of our brands and contact details for users and clients.

Additionally, websites presenting individual brands/services offered by Grupa Pracuj contain dedicated contact details to be used by users and clients.

Personal Data Protection

Out of respect for the privacy of our clients, their employees and users of our internet services and considering the high degree of sensitivity of the data involved, we place particular attention to personal data protection. We follow the laws and the rules included in the General Data Protection Regulation ('GDPR').

Grupa Pracuj has established a range of procedures and processes to ensure compliance with GDPR, specifically those on the processing and protection of personal data. These include:

- Information security policy;
- Incident reporting procedure;
- Procedure for the users of Pracuj.pl to exercise their rights;
- Privacy by Design and Data Protection Impact Assessment Rules;
- Data protection breach management procedure;
- Record of processing activities and a record of categories of processing activities.

Grupa Pracuj has also adopted technical guidelines to ensure the security of personal data being processed, with special focus on the correct use of office devices, i.e.:

- Guidelines on the safe use of computers, smartphones, Internet, mail, private devices and removable media;
- Guidelines on accessing the resources of Grupa Pracuj remotely;
- Update and technical vulnerability management policies;
- Web application security guidelines.

Grupa Pracuj holds regular training classes on personal data protection for new hires and refresher training classes for other employees. These are specifically devoted to the following topics: processing of employee and job candidate data, information security, collaboration with and review of business partners, marketing activities, concluding data processing agreements, disclosure obligations, identification of potential breaches.

The Group also takes measures to raise employee awareness of the security of remote work, anti-phishing protection and correct verification of data processors.

The supervision of the legal aspects of personal data protection, specifically compliance with GDPR and internal regulations, is exercised by the Data Protection Officer appointed at Grupa Pracuj S.A and eRecruitment Solutions sp. z o.o.

Proceedings carried out by regulators, fines and sanctions

In 2021, in Grupa Pracuj there were no personal data breaches which would result in administrative proceedings, fines or administrative sanctions. There are no pending administrative personal data protection proceedings against Grupa Pracuj.

Social initiatives

GRI 413-1

In 2021, the Group carried out a number of social initiatives, such as:

Help with the W@W effect

- This was the ninth edition of our workplace volunteering scheme in which we supported organisations close to the hearts of our employees.
- Overall, in 2021 we delivered **13 projects** and each of them received **PLN 5 thousand** in financial assistance from Grupa Pracuj.
- We donated **PLN 65 thousand** and **52 employees** engaged in those projects.
- We helped children with disabilities and difficult family circumstances, children from children's homes, children from hospices and their families, children in need of hospital care, persons remanded in custody as well as a vast group of internet users who, with such support, will learn how to use information purposefully. We also remembered about animals in need.



Batory Foundation

- Grants from Grupa Pracuj Fund awarded for the 6th time.
- We support young people who were accepted to university to study IT and latest technology subjects.
- Grants were offered to six persons.
- The Fund of Grupa Pracuj awards PLN 700 a month in grants which are paid out throughout 10 months of the first year at university (from September to June).
- Since 2016, the Fund Committee of Grupa Pracuj has awarded over PLN 420 thousand in grants to 61 students.

Zwolnieni z Teorii

- This was another year in which we offered support to the *Zwolnieni z Teorii* Teachers (there are 600 teachers in total).
- In response to the remote learning challenge we have developed a guidebook for teachers with useful tips on well-being, nurturing relationships with the pupils and operating online.
- On the *Nauczyciele Zwolnieni z Teorii* platform we posted an online-adapted professional lesson plan on entering the labour market.
- We were partners of the School Award ceremony broadcast online on Onet and on Facebook. Grupa Pracuj was represented by Gracjan Fiedorowicz.
- We were co-authors of three episodes of a podcast:
 - First Steps into the Labour Market
 - What my application documents should look like to get me a job?
 - Job interview — preparation, stages, salary negotiation, questions and most common errors.

Sukces Pisany Szminką:

- We supported the *Sukces Pisany Szminką* Foundation and its '*Sukces TO JA*' project which improves female participation in the job market. The scheme is dedicated for women who

intend to return to the labour market or find a better job. It offers unique webinars hosted on a dedicated online platform — SukcesToJa.pl which also offers free Internet classes, e-books, podcasts and videos.

- There were 12 webinars in total.
- Two podcasts featuring Pracuj.pl experts were recorded.
- There was a series of articles published on SukcesPisanySzminka.pl and Onet.pl.
- Grupa Pracuj was visible in the campaign promoting the publications.
- Topics discussed during the webinars:
 - Job loss. How to restore self-confidence and embrace what's new?
 - 8 errors which hinder your career development
 - Don't be afraid. Returning to the labour market after maternity?
 - To apply or not to apply, that is the question!
 - Know your value. How to evaluate your work and ask for a promotion?
 - How to make you CV stand out.
 - Most common job interview mistakes. How to avoid them?
 - Competencies of the future. Which skills to upgrade to keep up with the labour market?
 - From a specialist to a manager. Where and how to gain team leading skills?
 - Relationships at work. Is there a line between friendship and professional relationships?
 - How to react to harassment in the workplace?
 - How to avoid job burnout?

Managing non-financial risks

GRI 3-3; UoR: art. 49b(2)(5)

The Entity identifies and takes into account ESG risks to social, employee, environmental matters, as well as to diversity, respect for human rights and anti-corruption. The above risks are identified and managed by divisions responsible for a given matter. They are regularly analysed and managed through relevant policies and procedures.

Table 25 Non-financial risk management at the Group and the Entity

Area	Risk	Group's and Entity's response
Employee matters	Limited availability of skilled staff and talent retention	<ul style="list-style-type: none"> ▪ Enhancing the culture of appreciation in the organisation ▪ Career paths and job evaluation projects ▪ GP growth policy and staff reskilling
	Loss of motivation and commitment among staff	<ul style="list-style-type: none"> ▪ Nurturing the culture of appreciation ▪ Well-being initiatives ▪ Company get togethers
Respect for human rights and anti-bribery	Conditions of work, including occupational health and safety	<ul style="list-style-type: none"> ▪ OHS regulations and training ▪ Arrangements in offices to improve staff safety during the COVID-19 pandemic ▪ Anti-harassment policy adopted by resolution of the Management Board of 24 July 2020 ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021
	Corruption and fraud incidents in dealings with partners/suppliers	<ul style="list-style-type: none"> ▪ Entity's anti-bribery code adopted by resolution of the Management Board of 26 January 2021; ▪ Gift policy adopted by resolution of the Management Board of 26 January 2021; ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021 ▪ Code of Conduct for the Suppliers of Grupa Pracuj
Diversity	Discrimination and harassment incidents	<ul style="list-style-type: none"> ▪ Anti-harassment policy adopted by resolution of the Management Board of 24 July 2020 ▪ Whistleblowing procedure adopted by resolution of the Management Board of 26 January 2021
Natural environment	Adverse impact of the Group's operation on the natural environment	<ul style="list-style-type: none"> ▪ Less Waste Office — brining environmentally friendly practices to the offices ▪ Educating employees and fostering good practices
Relations with clients and candidates	Cybersecurity and personal data breaches, e.g. data leaks	<ul style="list-style-type: none"> ▪ Personal data protection policy and other documents described in 'Relations with clients and candidates'
Social matters	Adverse impact of CSR measures on the brand image	<ul style="list-style-type: none"> ▪ Focus on supporting social initiatives, primarily HR initiatives (grants, HR education)

Source: The Entity

Taxonomy

Key underlying principles

The EU Taxonomy is a uniform system of classifying sustainable economic activities to support investors in making investment decisions. Pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ('Regulation 2020/852') — the legal act to introduce the Taxonomy into the European legal system — economic activities are environmentally sustainable if they:

- contribute substantially to one or more of the environmental objectives set out in the Regulation;
- do not harm any of the environmental objectives;
- are carried out in compliance with the minimum human right safeguards;
- comply with technical screening criteria.

In accordance with Commission Delegated Regulation (EU) 2021/2178 which supplements Regulation (EU) 2020/852, a Capital Group discloses the proportion of:

- a) taxonomy-eligible turnover;
- b) taxonomy-eligible capital expenditure (CapEx);
- c) taxonomy-eligible operational expenditure (OpEx).

Accounting Principles

Presented below are the key principles underlying the calculation of the proportion of taxonomy-eligible turnover, capital expenditure (CapEx) and operational expenditure (OpEx):

- a) Turnover: the basis for calculation of turnover was total consolidated revenue from contracts with clients in 2021, as disclosed in the Consolidated financial statements, Note 2.2 "Revenue from contracts with customers". The revenue from taxonomy-eligible economic activity was included in the numerator.
- b) Capital expenditure (CapEx): The basis for calculation of capital expenditure were additions to property, plant and equipment and intangible assets, as recognised in the Consolidated financial statements and described in notes: "6.1 Intangible assets" and "6.2 Property, plant and equipment". The capital expenditure associated with taxonomy-eligible economic activity was included in the numerator.
- c) Operating expenditure (OpEx): The basis for the calculation of operating expenditure (OpEx) were research and development costs that have not been capitalized and all expenditures relating to the day-to-day servicing of the Group's assets and maintaining their proper condition. These included such expenditures as: costs of staff responsible for the maintenance and repair of the Group's assets, including the costs of repairs and renovations of buildings, vehicles, facilities, systems and software; costs of cleaning or fire safety costs. The operating expenditure associated with taxonomy-eligible economic activity was included in the numerator.

Presented below are the principles underlying the calculation of the above indicators:

- the figures are based on estimates and best knowledge of the Group as at the date of preparation of the report;
- the indicators and assumptions were not audited;

- in determining capital expenditures and operating expenses, the expenditures and expenses have been taken into account which result in the final products/services covered by the Taxonomy;
- they were the Entity's first-time disclosures (no comparable data) with no need for reviewing the technical screening criteria (without determining what percentage of the three categories is associated with environmentally sustainable activities);
- the key performance indicators were not broken down into the Group's individual business units.

Turnover

The Group generates revenue from contracts with customers, mainly from sales of products and services relating to websites. Following an analysis of Annexes I and II to the delegated act on climate (Commission Delegated Regulation (EU) 2021/2139) it was decided that revenue from "8.1 Data processing, hosting and related activities", which includes: revenue from sharing software and applications to enable comprehensive recruitment management, is taxonomy-eligible.

	2021 Group	
	in thous. PLN	(%)
Taxonomy-eligible turnover	27 385	5.8%
Taxonomy-non-eligible turnover	447 728	94.2%
Total revenue from contracts with customers	475 113	100.0%

Capital expenditure (CapEx)

The Capital Group's taxonomy-eligible capital expenditure includes capital expenditure relating to "8.1 Data processing, hosting and related activities". In 2021, this included expenditure on ICT infrastructure and software and application development intangible assets.

	2021 Group	
	in thous. PLN	(%)
Capital expenditure on taxonomy-eligible activity	1 198	15.7%
Capital expenditure on taxonomy-non-eligible activity	6 443	84.3%
Total capital expenditure	7 641	100.0%

Operating expenditure (OpEx)

The Group's taxonomy-eligible operating expenditure includes operating expenditure relating to '8.1 Data processing, hosting and related activities'. In 2021, this included expenditure to keep ICT infrastructure in working order or hosting services and research and development expenditures that have not been capitalized.

	2021 Group	
	in thous. PLN	(%)
Expenditure on taxonomy-eligible activity	5 049	15.2%
Expenditure on taxonomy-non-eligible activity	28 145	84.8%
Total operating expenditure	33 194	100.0%

Compliance with disclosure requirements

The tables below present the report's compliance with the requirements of the Accounting Act and GRI.

Table 262 Report's compliance with the Accounting Act

Issue	Chapter in the Report	Page in the Report	Complied with?
Brief description of the company's business model	Non-financial report	55	yes
Non-financial key performance indicators relevant to the company's business	Non-financial report	60-76	yes
A description of the policies pursued by the company in relation to the social matters and the outcome of those policies	Non-financial report	69	yes
A description of the policies pursued by the company in relation to the employee matters and the outcome of those policies	Non-financial report	61	yes
A description of the policies pursued by the company in relation to the environmental matters and the outcome of those policies	Non-financial report	69	yes
A description of the policies pursued by the company in relation to the respect for human rights and the outcome of those policies	Non-financial report	64	yes
A description of due diligence processes, if implemented by the company in pursuance of those policies	Non-financial report	60-76	yes
A description of the principal risks arising in connection with the company's operations which are likely to cause adverse impacts on non-financial matters and how they are managed	Non-financial report	72	yes

Source: *The Entity*

Table 27 GRI standards used in the preparation of the ESG report

Standard	Page in the Report
GRI 2: Universal standards	
GRI 2-1 Organisational details	54-55
GRI 2-2 Entities included in the organisation's sustainability reporting	54-55
GRI 2-3 Reporting period and contact point	54, 79
GRI 2-4 Restatements of information	54
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GRI 2-6 Activities, value chain and other business relationships	54
GRI 2-7 Employees	61
GRI 2-8 Workers who are not employees	61
GRI 2-9 Governance structure and composition	55
GRI 2-10 Nomination and selection of the highest governance body	55
GRI 2-11 Chair of the highest governance body	55
GRI 2-12 Role of the highest governance body in overseeing the management of impacts	55
GRI 2-19 Remuneration policies	55
GRI 2-22 Statement on sustainable development strategy	61
GRI 2-27 Compliance with laws and regulations	54, 61
GRI 2-28 Membership associations	55
GRI 2-30 Collective bargaining agreements	67
GRI 3: Material topics 2021	
GRI 3-1 Process to determine material topics	61
GRI 3-2 List of material topics	61
GRI 205. Anti-corruption 2016	
GRI 205-2 Communication and training about anti-corruption policies and procedures	68
GRI 205-3 Confirmed incidents of corruption and actions taken	68

GRI 302: Energy 2016	
GRI 302-1 Energy consumption within the organisation	69
GRI 306: Waste 2020	
GRI 306-2 Waste by type and disposal methods	69
GRI 403: Occupational health and safety 2018	
GRI 403-9 Work-related injuries	63
GRI 404: Training and education 2016	
GRI 404-2 Programs for upgrading employee skills and transition assistance programs	65
GRI 405: Diversity and equal opportunity 2016	
GRI 405-1 Diversity of governance bodies and employees	66
GRI 406: Non-discrimination	
GRI 406-1 Incidents of discrimination and corrective actions taken	67
GRI 413: Local communities 2016	
GRI 413-1 Operations with local community engagement, impact assessments, and development programs	72
GRI 418: Customer privacy 2016	
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	69

Source: The Entity

Contacts as regards the non-financial report

GRI 2-3

For questions about the ESG report please contact:

E-mail address:

ir@pracuj.pl

Registered office:

Grupa Pracuj S.A.
Prosta street 68
00-838 Warsaw

MANAGEMENT BOARD REPRESENTATION LETTERS

Management representation letter with respect to the financial statements and the report on the activities

(in accordance with § 70.1.6 of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information published by issuer of securities and the rules of equal treatment of the information required by the laws of a non-member state)

The Management Board of Grupa Pracuj S.A. represents that to its best knowledge, the consolidated financial statements of Grupa Pracuj S.A. Group for the year ended 2021 and the separate financial statements of Grupa Pracuj S.A. for the year ended 2021, as well as the comparative data, have been prepared in accordance with the applicable accounting principles and give a true, fair and clear view of the financial and economic position of the Entity and the Group as well as the financial performance of the Entity and the Group. Furthermore, the annual report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group give a true view of the development and achievements as well as the condition of the Group and the Entity, including a description of basic risks and hazards.

Management Board of Grupa Pracuj S.A.:

Przemysław Gacek	President of the Management Board
Rafał Nachyna	Member of the Management Board
Gracjan Fiedorowicz	Member of the Management Board

Information of the Management Board on the selection of the audit firm

(in accordance with § 70.1.7 and § 71.1.7 of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information published by issuer of securities and the rules of equal treatment of the information required by the laws of a non-member state)

The Management Board of Grupa Pracuj S.A. declares that a selection of Ernst & Young Audyty Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw to audit the annual financial statements of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group, has been made in accordance with the regulations on the selection and the procedure for selecting the audit firm, and the audit firm and the audit team members auditing these reports have met the conditions for preparation of an impartial and independent report on the audit of annual financial statements, in accordance with applicable regulations and professional and ethical standards.

In addition, the Management Board declares that the applicable regulations related to the rotation of the audit firm and the key statutory auditor and mandatory grace periods are respected, and that the Entity has a policy on the selection of an audit firm and a policy on the provision of additional non-audit services to the Entity by the audit firm, an entity related to the audit firm or a member of its network, including services conditionally exempt from the prohibition on the provision by an audit firm.

Management Board of Grupa Pracuj S.A.:

Przemysław Gacek	President of the Management Board
Rafał Nachyna	Member of the Management Board
Gracjan Fiedorowicz	Member of the Management Board

DEFINITIONS

Unless the context requires otherwise, in this document the following terms shall have the following meanings:

AI	Artificial Intelligence
Shares	Existing shares issued by the Entity
APM	Alternative performance measures
ARPC	Average Revenue Per Customer
ATS	Applicant Tracking System – a software used by companies which manage the recruitment and hiring of employees offering such functions as: posting job offers, collecting candidate data, planning job interviews.
GPW Best Practice	The Best Practice for GPW Listed Companies (attachment to Resolution No. 13/1834/2021 of the Exchange Supervisory Board of 29 March 2021 adopted in accordance with § 29.1 of the Exchange Rules) which are a set of GPW corporate governance rules and recommendations.
Business Day	A day in which banks in Poland are open for general business.
E&Y	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.
ESG	Corporate social responsibility, including Environmental, Social and Governance factors.
Euro, EUR or €	The euro, the single currency of the Member States participating in the third stage of Economic and Monetary Union as set out in the Treaty establishing the European Community, as amended.
Fitqbe	Fitqbe sp. z o.o.
FMCG	Fast-Moving Consumer Goods - products that sell quickly at relatively low cost, such as food products or cleaning agents.
Frascati Investments	Frascati Investments sp. z o.o. with its registered office in Warsaw, at Grzybowska street 43, 00-855 Warsaw, entered in the register of entrepreneurs kept by the District Court for the capital city of Warsaw in Warsaw, XIII Business Division of the National Court Register under number KRS 0000905362 (REGON: 389166213, NIP: 5272960722)
FTE	Employees with employment contracts, excluding those on long-term leaves, such as maternity/parental leaves, unpaid leaves, sickness absence of more than 30 days, as well as the Group companies' associates with contracts for services and B2B contracts.
Fund, Pracuj Ventures	Pracuj Ventures spółka z ograniczoną odpowiedzialnością Alternatywna Spółka Inwestycyjna spółka komandytowa.
GPW, Exchange, Stock Exchange	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna with its registered office in Książęca street 4, 00-498 and, unless the context suggest otherwise, the regulated market run by such entity.

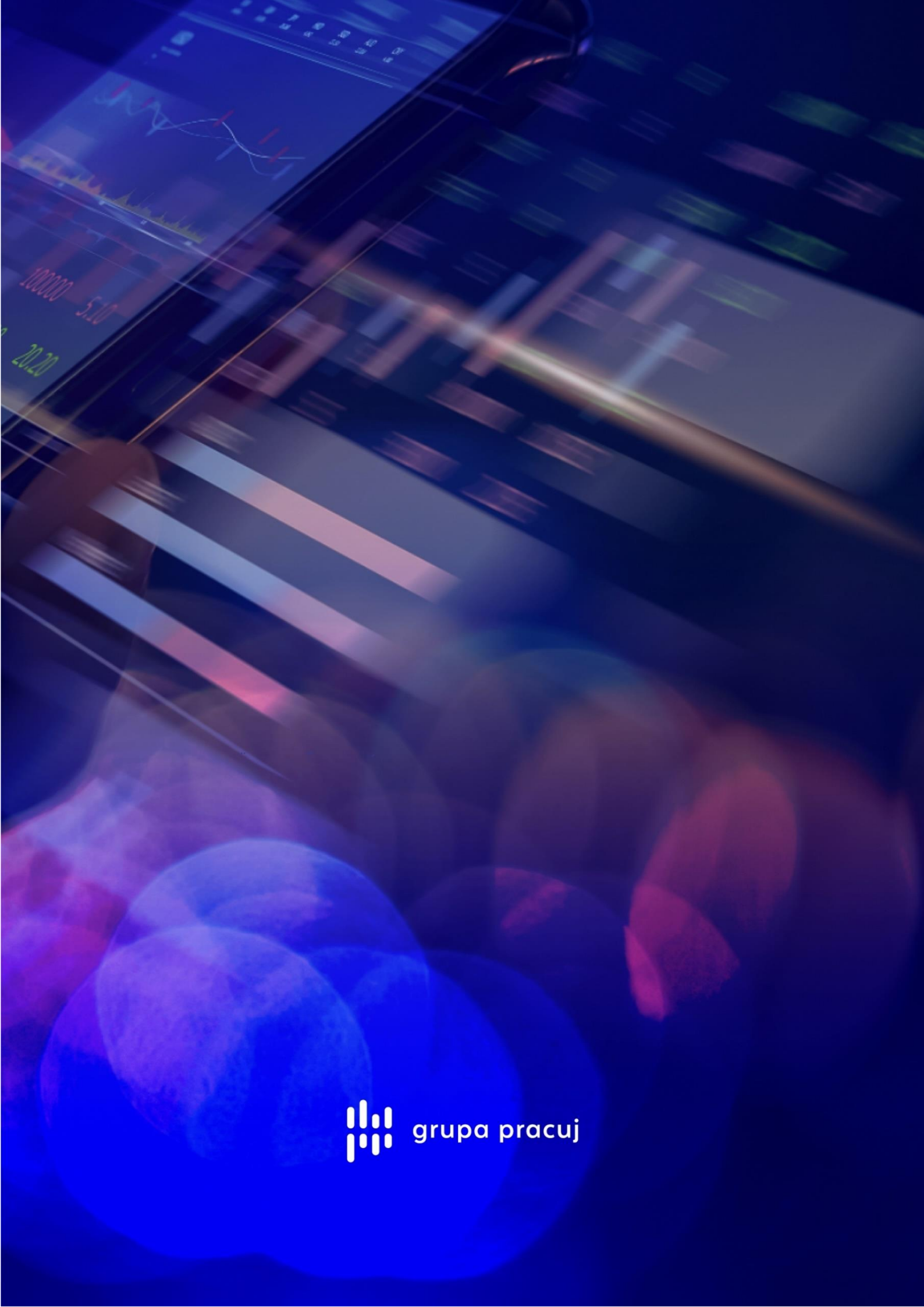
GRI	Global Reporting Initiative (GRI Standards).
Group, Grupa Pracuj, Grupa Pracuj S.A. Group	The Entity and its subsidiaries, i.e.: eRecruitmenet Solutions sp. z o.o., eRecruitment Solutions Ukraine TOV, HumanWay sp. z o.o. w likwidacji, Robota International TOV and Snowless Global Ltd.
GUS	Statistics Poland
IT	Information technology
Parent Entity	Grupa Pracuj S.A. (formerly: Grupa Pracuj sp. z o.o.)
Separate financial statements	Separate financial statements of Grupa Pracuj S.A. for the year ended 31 December 2021
EC	European Commission
KNF	Polish Financial Supervision Authority
Labour Code	Labour Code of 26 June 1974 (consolidated text, Journal of Laws of 2020, item 1320, as amended)
IFRS	Standards and interpretations adopted by the International Accounting Standards Board (IASB), published by the European Commission These comprise: International Financial Reporting Standards, International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee.
SME	Small and medium enterprises
NBP	National Bank of Poland
NPS	Net Promoter Score, a metric to measure the loyalty of customers
OC&C Strategy, OC&C	OC&C Strategy Consultants sp. z o.o. with its registered office at Piękna street 18, 00-549 in Warsaw
OKR	Objectives and Key Results
Tax Code	Tax Code of 29 August 1997 (consolidated text: Journal of Laws of 2020, item 1325, as amended)
GDP	Gross Domestic Product
PLN	Polish zloty, the official currency in the Republic of Poland
Supervisory Board	Supervisory Board of the Entity
Non-financial report, ESG report	Non-financial statement/representation
OC&C report	A 2021 market report prepared by OC&C, presenting an analysis of the labour and recruitment services market, available at https://www[.]occstrategy[.]com/en , developed based on a labour and recruitment services market analysis report of OC&C prepared on request and for the internal purposes of the Entity.

Exchange rules	Warsaw Stock Exchange Rules approved by Resolution No. 1/1110/2006 of the Exchange Supervisory Board dated 4 January 2006 (as amended).
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
Russia	Russian Federation
Regulation 2020/852	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173/1, 12 June 2014, as amended).
Report Ordinance	Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of a non-member state (Journal of Laws of 2018, item 757).
YtY	Year to year
S.A.	Joint-stock company
SaaS	Software as a Service — a cloud based service model in which users access cloud applications delivered by the provider via a variety of client devices e.g. through a browser or application client and in which the user does not manage or control the cloud infrastructure, including the networks, servers, operating system, mass storage or even the application's configuration parameters except for limited user-specific configuration settings.
Operating segment	Segment Poland and/or Segment Ukraine
Segment Poland	a segment covering entities generating revenue in the Polish market: Grupa Pracuj S.A., eRecruitment Solutions sp. z o.o., HumanWay sp. z o.o. w likwidacji, BinarJobs sp. z o.o.
Segment Ukraine	a segment covering entities generating revenue in the Ukrainian market: Robota International TOV, eRecruitment Solutions Ukraina TOV and Snowless Global Ltd (a company registered in Cyprus providing licensing services to Robota International TOV)
Consolidated financial statements	Consolidated financial statements of the Group for the year ended 31 December 2021
Sp. z o.o.	Limited liability company
Entity	Grupa Pracuj S.A. (formerly: Grupa Pracuj sp. z o.o.)

Statement, Report	Management Board's Report on the activities of Grupa Pracuj S.A. and Grupa Pracuj S.A. Group for the year ended 31 December 2021.
Articles of Association	Articles of Association of Grupa Pracuj Spółka Akcyjna
Taxonomy	A set of criteria which, if satisfied, mean that an economic activity is environmentally sustainable; a framework to facilitate sustainable investment under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020).
TCV Luxco	TCV Luxco Perogie S.à rokul. with its registered office in Luxembourg, Grand Duchy of Luxembourg.
UAH, hryvnia	The hryvnia, the official currency in the territory of Ukraine
EU	European Union
Accounting Act	Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2021, item 217, as amended)
General Meeting	The meeting of the Entity's shareholders authorised to vote, along with the pledgees and usufructuaries holding the voting rights attached to Shares or the Entity's body whose members hold voting rights attached to Shares (as appropriate).
WIBOR	Warsaw Interbank Offered Rate is the average interest rate estimated by the leading banks in Warsaw that an average leading bank would have to pay when taking out a loan at another bank. Unless stated otherwise, it is 3M WIBOR applied to loans.
Management Board	Management Board of the Entity.

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