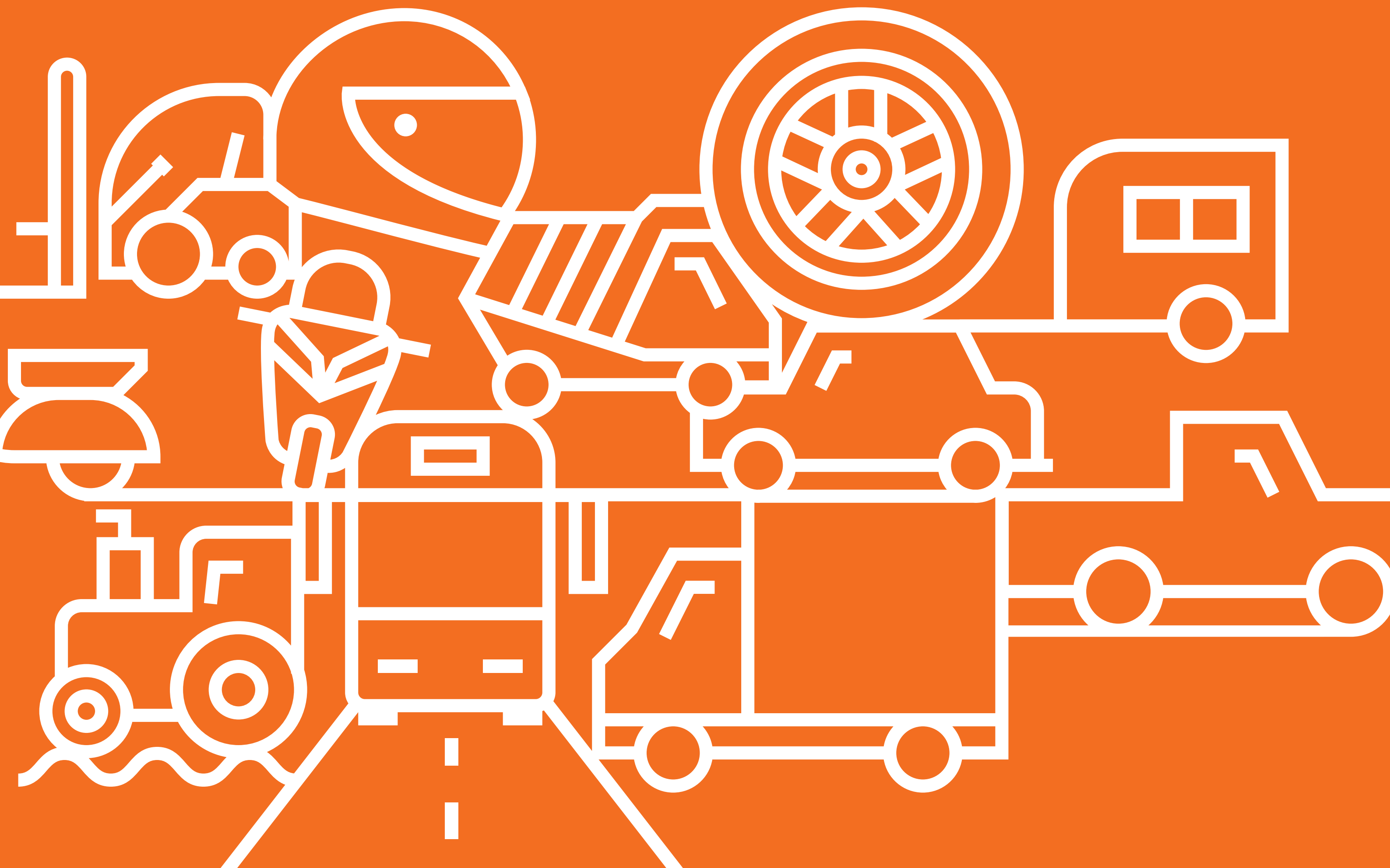
HALF-YEAR REPORT OF ALLEGRO.EU GROUP

for six month period
ended 30 June 2023



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GENERAL INFORMATION

1. Definitions

Unless otherwise required by the context, the following definitions shall apply throughout the document:

"1P"	First-party.
"3P"	Third-party.
"9M"	Nine-month period ended 30 September for a given year.
"AIP"	Allegro Incentive Plan.
"Allegro"	Allegro sp. z o.o. (from 1 July 2022, previously Allegro.pl sp. z o.o.).
"Allegro International Segment"	Newly created segment covering B2C, trading on territory of the Czech Republic, comprising the online marketplace and relevant services such as consumer lending and logistics operations (includes solely Allegro.cz trading conducted by the Allegro sp. z o.o. legal entity).
"Allegro Pay"	Allegro Pay sp. z o.o.
“APMs” or “Lockers”	Automated Parcel Machines.
“BaaS”	Banking-as-a-Service.
“BNPL”	Buy Now Pay Later.
“Board”	Board of Directors of Allegro.eu
"Ceneo.pl"	Ceneo.pl sp. z o.o.
“CEE”	Central and Eastern Europe.
“CE-5”	Five countries in Central Europe where Mall Group operates: Croatia, Czech Republic, Hungary, Slovakia, Slovenia.
"Cinven"	Depending on the context, any of, or collectively, Cinven Partnership LLP, Cinven Holdings Guernsey Limited, Cinven (Luxco 1) S.A. and their respective "associates" (as defined in the UK Companies Act 2006) and/or funds managed or advised by any of the foregoing.
"Company" or "Allegro.eu"	Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830.
"CPC"	Cost Per Click.
"eBilet"	eBilet Polska sp. z o.o.
"EC"	European Commission.
"EU"	European Union.
“excl. Mall”	excluding relevant information for the Mall Group a.s. and WE|DO CZ s.r.o. and their operating direct and indirect subsidiaries.
"FY"	A financial year of the Group ending on 31 December of the relevant civil year.
"GMV"	Gross merchandise value.
"Group"	Allegro.eu and its consolidated subsidiaries.
"IAS"	International Accounting Standards as adopted by the EU.
"IFRS"	International Financial Reporting Standards, as adopted by the EU.
"IPO"	The initial public offering of the shares of the Company on the WSE.
“incl. Mall”	including relevant information for the Mall Group a.s. and WE|DO CZ s.r.o. and their operating direct and indirect subsidiaries.
“International Operations”	Sum of “Mall Segment” and “Allegro International Segment”, after inter-segment eliminations.
"IT"	Information Technology
"H1"	First half of a given year, six-month period ended 30 June.
"H2"	Second half of a given year, six-month period ended 31 December.
"Key Managers"	Person Discharging Managerial Responsibilities, jointly: Members of the Board of Directors of Allegro.eu, Management Board Members of Allegro and – only for Q1’22 Management Board Members of Ceneo.pl. Following the Mall Group Acquisition, starting from April 1st 2022, Ceneo.pl Management Board Members were no longer considered Key Managers of the enlarged Group.

“Lockers” or “APMs”	Automated Parcel Machines.
“LTM”	Last twelve months. Represents twelve months preceding the end of a period.
"Luxembourg"	The Grand Duchy of Luxembourg.
“Mall Group”	Mall Group a.s., including its operating direct and indirect subsidiaries.
“Mall Group Acquisition”	Acquisition of the Mall Group a.s. and WE|DO CZ s.r.o., announced on 4 November 2021 and closed on 1 April 2022.
“Mall Segment”	Mall Group a.s. and WE|DO s.r.o. (CZ) and their operating direct and indirect subsidiaries as of H1 2023: WE|DO s.r.o (SK), Internet Mall a.s., Internet Mall Hungary Kft, Mimovrste, spletna trgovina d.o.o., Internet Mall Slovakia s.r.o., Internet Mall d.o.o., Netretail sp. z.o.o. in liquidation, m-HU Internet Kft., CZC.cz s.r.o., AMG Media a.s. These entities comprise the “Mall Segment” reportable in the Group’s financial statements.
“MOV”	Minimum order value necessary to receive a service or a discount.
“N/A”	Not applicable.
“NDD”	Next Day Delivery.
“OCCP”	Office of Competition and Consumer Protection (in Polish: Urząd Ochrony Konkurencji i Konsumentów, UOKIK).
"Permira"	Depending on the context, any of, or collectively, Permira Holdings Limited, Permira Credit Managers Limited, Permira Advisers (London) Limited, Permira Advisers LLP and each of Permira Holdings Limited's subsidiary undertakings from time to time, including the various entities that individually act as advisers or consultants in relation to the funds advised and/or managed by Permira.
"PLN" or "złoty"	Polish złoty, the lawful currency of Poland.
"Poland"	The Republic of Poland.
“Polish Operations”	Allegro.eu S.A., Allegro Treasury S.à r.l. and its consolidated subsidiaries operating in Poland, being the sum of “Allegro”, “Ceneo” and “Other” reportable segments, after inter-segment eliminations: Allegro sp. z o.o. (previously operating under the name: Allegro.pl sp. z o.o.), Allegro Pay sp. z o.o., Allegro Finance sp. z o.o., Opennet.pl sp. z o.o. and SCB Warszawa sp. z o.o. w likwidacji (previously SkyNet Customs Brokers sp. z o.o.) together form the “Allegro Segment”; Ceneo.pl sp. z o.o. forms the “Ceneo Segment”; Allegro Treasury S.à r.l., Allegro.eu S.A. and eBilet Polska sp. z o.o. together form the “Other Segment”.
“pp”	Percentage points.
“PPA”	Purchase Price Allocation.
"PPC"	Pay Per Click.
“PSU”	Performance Share Unit plan which represents part of AIP.
“Q1”	First quarter of a given year, a three-month period ended 31 March.
“Q2”	Second quarter of a given year, a three-month period ended 30 June.
“Q3”	Third quarter of a given year, a three-month period ended 30 September.
“Q4”	Fourth quarter of a given year, a three-month period ended 31 December.
“QoQ”	Quarter over quarter, i.e. sequential quarterly change.
"Report"	This interim report of the Company for the six month periods ended 30 June 2023.
“RSU”	Restricted Stock Unit plan which represents part of AIP.
“SDG”	Sustainable Development Goals
“Senior Managers”	Individuals, in addition to the Board of Directors, considered relevant to establishing that the Group has the appropriate expertise and experience for the management of the business.
“Significant Shareholders”	Cidinan S.à r.l., representing the interests of Cinven & Co-Investors, Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors, Mepinan S.à r.l., representing the interests of Mid Europa Partners Funds.
“SPA”	Share purchase agreement to acquire Mall Group a.s. and WE|DO CZ s.r.o. that Allegro.eu and Allegro entered into on 4 November 2021.
"UOKiK or OCCP"	Polish Office for Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów).
“WE|DO ”	WE|DO CZ s.r.o. and its operating subsidiary WE|DO Slovakia s.r.o.
"WIBOR"	The Warsaw Interbank Offered Rate is the average interest rate estimated by leading banks in Warsaw that the average leading bank would be charged if borrowing from other banks. Unless specified otherwise, this refers to three-month WIBOR for loans for a three-month period.
"WSE"	The Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) and, unless the context requires otherwise, the regulated market operated by such a company.
“YoY”	Year over year.
“YTD”	Year-to-date.

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2.
Introduction

This is the report relating to the six month period ended 30 June 2023 of Allegro.eu, a public limited liability company (société anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B214830. This Report summarises consolidated financial and operating data of Allegro.eu and its subsidiaries.

Allegro.eu is a holding company (together with all of its subsidiaries, the "Group"). The Group operates the leading online marketplace in Poland, Allegro.pl, and the leading price comparison platform in Poland, Ceneo.pl. Allegro and Ceneo.pl are the Group's key operating companies in Poland and are both entities incorporated under the laws of Poland. The Group also operates eBilet, which is the leading event ticket sales site in Poland. The Group's fintech operations in Poland are conducted through another Polish subsidiary, Allegro Pay.

From 1st April 2022, the Allegro.eu Group includes also the Mall Group, a leading e-commerce platform across Central and Eastern Europe and WE|DO, a last mile delivery business. Mall Group operates as an online retailer, using three different brands across multiple shopping verticals in the Czech Republic, Slovakia, Slovenia, Hungary, Croatia, and Poland. WE|DO provides last mile distribution services in the Czech Republic and Slovakia, counting the Mall Group as one of its key customers. Both Mall Group and WE|DO have been acquired as 100% subsidiaries of Allegro. Together they form the "Mall Segment" of the Group's operations.

In May 2023 the Group launched its third party marketplace in the Czech Republic, Allegro.cz, starting a new phase in Group's international expansion. Results of Allegro.cz operations are reported in a newly formed Allegro International Segment, which together with the Mall Segment comprises the Group's "International Operations".

The shares of the Company have been traded on the Warsaw Stock Exchange since 12 October 2020.

At the date of the Report, (i) 24.88% of the issued shares of the Company are controlled by Cidinan S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B204672 ("Cidinan S.à r.l."), representing the interests of Cinven & Co-Investors, (ii) 24.88% by Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors, and (iii) 5.53% by Mepinan S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 163, rue du Kiem, L-8030 Strassen, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B246319 ("Mepinan S.à r.l."), representing the interests of Mid Europa Partners Funds. The remaining 44.72% is owned by other shareholders amongst which is the management of the Allegro.eu Group. The number of shares held by each investor is equal to the number of votes, as there are no privileged shares issued by the Company in accordance with the articles of association of the Company.

3.
Forward-looking statements

This Report includes forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets," , "guidance," "believes," "expects," "aims," "intends," "will," "may," "anticipates," "would," "could", or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the Group's actual results, its financial situation and results of operations or prospects of the Group to materially differ from any of those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it currently operates and will operate in the future. Among the important factors that could cause the Group's actual results, financial situation, results of operations or prospects to differ from those expressed in such forward-looking statements are those factors discussed in the "Management's discussion and analysis of financial condition and result of operations" section and elsewhere in this Report. These forward-looking statements speak only as of the date of this Report. The Group has no obligation and has made no undertaking to disseminate any updates of or revisions to any forward-looking statements contained in this Report, unless it is required to do so under applicable laws or the WSE Rules.

Investors should be aware that several important factors and risks may cause the actual results of the Group to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward-looking statements.

The Group makes no representation, warranty, or prediction that the factors anticipated in such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios, and should not be viewed as the most likely or typical scenario.

The Group has not published and does not intend to publish any profit estimates or forecasts.

4. Presentation of Financial Information

Unless otherwise stated, the financial information in this Report has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The significant IFRS accounting policies applied in the financial information of the Group are applied consistently in the financial information in this Report.

Historical Financial Information

This Report includes the consolidated financial information of the Group as of 30 June 2023 and for the six-month periods ended 30 June 2023 and 30 June 2022, which have been derived from the reviewed interim condensed consolidated financial statements of the Group as of and for the six-month periods ended 30 June 2023 and 30 June 2022, prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting," the standard of IFRS applicable to the preparation of interim financial statements (the "Interim Financial Statements," together with the Annual Financial Statements, the "Financial Statements"), and included elsewhere in this Report. PricewaterhouseCoopers, Société coopérative, having its registered office at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Sociétés, Luxembourg) under number B65477, has reviewed the Interim Financial Statements in its capacity as independent statutory auditor (réviseur d'entreprises agréé) of the Company.

Alternative Performance Measures

The Group has included certain alternative performance measures in this Report, including, among others: GMV, EBITDA, Adjusted EBITDA, Adjusted EBITDA/net revenue, Adjusted EBITDA/GMV, total capital expenditure, capitalised development costs, 1P gross margin, other capital expenditure, net debt, net leverage, and working capital.

The Group has defined the alternative performance measures as follows:

"1P Gross Margin" means the difference between the 1P retail revenue and cost of goods sold (comprising purchasing costs, purchasing rebates, packaging, delivery costs, inventory valuation reserves, shortages and damages) divided by 1P retail revenue;

"EBITDA" means operating profit before depreciation and amortisation and impairment losses of non-current non-financial assets and decreased by reversal of such impairment losses.

"Adjusted EBITDA" means EBITDA further adjusted to exclude transaction costs, employee restructuring costs, regulatory proceeding costs, group restructuring and development costs, donations to various public benefit organisations, certain bonuses for employees, funds spent on protective equipment against COVID-19, and expenses related to share based payments in connection with the Allegro Incentive Plan;

"Adjusted EBITDA/GMV" means Adjusted EBITDA divided by GMV;

"Adjusted EBITDA/revenue" means Adjusted EBITDA divided by Revenue;

"Adjusted net profit" means net profit (loss) adjusted for the same one-off items as those described for Adjusted EBITDA above, net of the tax impact, and further adjusted for impact of tax proceedings, impairment of non-financial assets, any one-off financial expenses, such as early repayment fees and deferred amortised costs arising on refinancing arrangements, net of their tax implications;

"Capitalised development costs" means the costs that are capitalised and have been incurred in relation to the production of software containing new or significantly improved functionalities by the technology department and incurred before the software is launched commercially or the technology is applied on a serial basis;

"GMV" means gross merchandise value, which represents the total gross value of goods and tickets sold on the following platforms (including value added taxes):

- **(i)** for the Polish Operations: Allegro.pl, Allegrolokalnie.pl and eBilet.pl;
- **(ii)** for the Mall Segment: Mall.cz, Mall.hu, Mall.sk, Mall.hr, Mimovrste.com, CZC.cz;
- **(iii)** for Allegro International Segment: Allegro.cz;
- **(iv)** for the International Operations: all the platforms operated by the Mall Segment and Allegro International listed in (ii) and (iii) above;
- **(v)** for the consolidated Group: all the platforms operated by the Group listed above;

"LTM GMV" means GMV generated in the twelve months prior to the balance sheet date, by the (i) Polish Operations; (ii) Mall Segment; (iii) Allegro International Segment; (iv) International Operations, or the consolidated Group, respectively;

"Net debt" means the sum of borrowings and lease liabilities minus cash and cash equivalents;

"Leverage" means Net debt divided by Adjusted EBITDA for the preceding twelve months;

"Other capital expenditure" means amounts paid for investments in building the relevant capacity of data centres, equipping employees with appropriate equipment (i.e. workstations), office equipment (e.g. fit-out and IT devices) and copyrights;

"Take rate" represents the ratio of marketplace revenue divided by GMV after deducting the GMV generated by 1P retail sales (grossed up for VAT);

"Total capital expenditure" means cash outflows in respect of property, plant and equipment and intangible assets, and comprises capitalised development costs and other capital expenditure; and

"Changes in working capital" means the sum of the changes in inventory, trade and other receivables, prepayments and restricted cash, consumer loans, trade and other liabilities and the liabilities to employees during the period.

The Group presents the alternative performance measures because the Group's management believes that they assist investors and analysts in comparing the Group's performance and liquidity across reporting periods. The Group presents GMV as a measure of the total value of goods sold over a certain period, which allows for growth to be compared over different periods, including weekly, monthly, quarterly, and annually. The Group considers Adjusted EBITDA to be a useful metric for evaluating the Group's performance as they facilitate comparisons of the Group's core operating results from period to period by removing the impact of, among other things, its capital structure, asset base, tax consequences and specific non-recurring costs. The Group uses Adjusted EBITDA for the purposes of calculating Adjusted EBITDA/net revenue and Adjusted EBITDA/GMV. The Group presents total capital expenditure split between capitalised development costs and other capital expenditure in order to show the amount of expenditures, including, among other things, staff costs and costs of contractors and third party service providers, incurred in relation to the production of new or improved software before it is put to use on the Group's various software platforms. The Group believes this split is important for investors to understand its amortisation of intangible assets. The Group presents net debt and net leverage because the Group believes these measures provide indicators of the overall strength of its balance sheet and can be used to assess, respectively, the impact of the Group's cash position and its earnings as compared to its indebtedness. The Group monitors working capital to evaluate how efficient it is at managing its cash provided by operating activities.

The alternative performance measures are not accounting measures within the scope of IFRS and may not be permitted to appear on the face of Financial Statements or footnotes thereto. These alternative performance measures may not be comparable to similarly titled measures of other companies. Neither the assumptions underlying the alternative performance measures have been audited in accordance with IFRS or any generally accepted accounting standards. In evaluating the alternative performance measures, investors should carefully consider the Financial Statements included in this Report.

The alternative performance measures have limitations as analytical tools. For example, Adjusted EBITDA and related ratios do not reflect: the Group's cash expenditures, or future requirements, for capital expenditures or contractual commitments; changes in, or cash requirements for, the Group's working capital needs; interest expense, income taxes or the cash requirements necessary to service interest or principal payments, on the Group's debt; or the impact of certain cash charges resulting from matters that the Group does not consider to be indicative of its ongoing operations.

In evaluating Adjusted EBITDA, investors are encouraged to evaluate each adjustment and the reasons the Group considers it appropriate as a method of supplemental analysis. In addition, investors should be aware that the Group may incur expenses similar to the adjustments in this presentation in the future and that certain of these items could be considered recurring in nature. The Group's presentation of Adjusted EBITDA should not be construed as an inference that the Group's future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA has been included in this Report because it is a measure that the Group's management uses to assess the Group's operating performance.

Investors are encouraged to evaluate any adjustments to IFRS measures and the reasons the Group considers them appropriate for supplemental analysis. Because of these limitations, as well as further limitations discussed above, the alternative performance measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS.

Where applicable, the Group presents a reconciliation of the Alternative Performance Measures to the most directly reconcilable line item, subtotal, or total presented in the financial statements of the corresponding period, separately identifying and explaining the material reconciling items in sections "Management's discussion and analysis of financial condition and result of operations" and "Appendix 1: Reconciliation of the key Alternative Performance Measures to Financial Statements".

Non-Financial Measures

The Group has further to the listed above Alternative Performance Measures, included certain non-financial measures, including, among others, Active Buyers and GMV per Active Buyer.

The Group has defined the non-financial measures as follows:

"Active Buyers" represents, as of the end of a period, each unique email address connected with a buyer that has made at least one purchase in the preceding twelve months on any of the following sites:

- **(i)** for the Polish Operations: Allegro.pl, Allegrolokalnie.pl and eBilet.pl;
- **(ii)** for the Mall Segment: Mall.cz, Mall.hu, Mall.sk, Mall.hr, Mimovrste.com, CZC.cz;
- **(iii)** for Allegro International Segment: Allegro.cz;
- **(iv)** for the International Operations: all the platforms operated by the Mall Segment and Allegro International listed in (ii) and (iii) above;
- **(v)** for the consolidated Group: all the platforms operated by the Group listed above;

"GMV per Active Buyer" represents LTM GMV divided by the number of Active Buyers as of the end of a period, for the (i) Polish Operations; (ii) Mall Segment; (iii) Allegro International Segment; (iv) International Operations, or the consolidated Group, respectively.

II.

MANAGEMENT REPORT

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1.

Selected consolidated financial and operational highlights

Income Statement, PLN m	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
Revenue	**4,718.9**	**3,602.7**	**31.0%**	**2,397.7**	**2,210.1**	**8.5%**
of which Polish Operations	*3,602.4*	*2,992.7*	*20.4%*	*1,894.0*	*1,600.1*	*18.4%*
of which International Operations	*1,121.7*	*610.7*	*83.7%*	*507.9*	*610.7*	*(16.8%)*
of which Eliminations & Other	*(5.3)*	*(0.7)*	*698.5%*	*(4.2)*	*(0.7)*	*529.4%*
EBITDA	**1,053.2**	**881.5**	**19.5%**	**547.9**	**448.9**	**22.0%**
of which Polish Operations	*1,226.9*	*955.1*	*28.5%*	*653.5*	*522.6*	*25.0%*
of which International Operations	*(173.8)*	*(73.7)*	*135.8%*	*(105.7)*	*(73.7)*	*43.4%*
Adjusted EBITDA	**1,111.3**	**947.0**	**17.3%**	**580.4**	**484.1**	**19.9%**
of which Polish Operations	*1,273.9*	*1,014.2*	*25.6%*	*673.3*	*551.3*	*22.1%*
of which International Operations	*(162.5)*	*(67.1)*	*142.4%*	*(92.8)*	*(67.1)*	*38.4%*
EBIT	**554.0**	**490.3**	**13.0%**	**303.4**	**209.0**	**45.1%**
Profit / (Loss) before Income tax	**372.1**	**253.8**	**46.6%**	**185.8**	**27.9**	**565.7%**
Net Profit / (Loss)	**276.0**	**103.5**	**166.8%**	**119.0**	**(63.5)**	**N/A**

Balance sheet	30.06.2023	31.12.2022	Change %
Assets	18,741.4	19,232.8	(2.6%)
Equity	9,138.8	8,981.3	1.8%
Net Debt	5,923.5	6,266.1	(5.5%)

Cash flow statement	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
Net cash inflow/(outflow) from operating activities	830.1	630.5	31.7%	572.6	253.0	126.3%
Net cash inflow/(outflow) from investing activities	(249.7)	(2,741.8)	(90.9%)	(120.8)	(2,563.8)	(95.3%)
Net cash inflow/(outflow) from financing activities	(282.7)	942.3	(130.0%)	(122.6)	(495.9)	(75.3%)
Net increase/(decrease) in cash and cash equivalents	297.8	(1,169.0)	N/A	329.2	(2,806.7)	N/A

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2. Management's discussion and analysis of financial condition and result of operations

2.1. Key Performance indicators

The following KPIs are measures used by the Group's management to monitor and manage operational and financial performance.

KPIs (unaudited)	H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %
Active Buyers (millions)	**18.5**	**13.6**	**36.6%**	**18.5**	**13.6**	**36.6%**
of which Polish Operations	*14.3*	*13.6*	*5.1%*	*14.3*	*13.6*	*5.1%*
of which International Operations	*4.3*	*N/A*	*N/A*	*4.3*	*N/A*	*N/A*
GMV per Active Buyer (PLN)	**3,027.1**	**3,350.4**	**(9.6%)**	**3,027.1**	**3,350.4**	**(9.6%)**
of which Polish Operations	*3,664.0*	*3,350.4*	*9.4%*	*3,664.0*	*3,350.4*	*9.4%*
of which International Operations	*902.8*	*N/A*	*N/A*	*902.8*	*N/A*	*N/A*
GMV (PLN in millions)	**27,366.5**	**23,722.1**	**15.4%**	**14,227.1**	**12,898.0**	**10.3%**
of which Polish Operations	*25,823.6*	*22,934.1*	*12.6%*	*13,484.1*	*12,110.1*	*11.3%*
of which International Operations	*1,542.9*	*787.9*	*95.8%*	*743.0*	*787.9*	*(5.7%)*
LTM GMV (PLN in millions)	**56,140.2**	**45,499.8**	**23.4%**	**56,140.2**	**45,499.8**	**23.4%**
of which Polish Operations	*52,278.3*	*45,499.8*	*14.9%*	*52,278.3*	*45,499.8*	*14.9%*
of which International Operations	*3,861.9*	*N/A*	*N/A*	*3,861.9*	*N/A*	*N/A*

KPIs (unaudited)	H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %
Take Rate (%) [1]	**11.14%**	**10.65%**	**0.49pp**	**11.23%**	**10.82%**	**0.41pp**
of which Polish Operations	*11.13%*	*10.64%*	*0.49pp*	*11.23%*	*10.81%*	*0.42pp*
of which International Operations	*11.97%*	*11.58%*	*0.39pp*	*11.32%*	*11.58%*	*(0.26pp)*
1P Gross Margin	**10.48%**	**8.79%**	**1.69pp**	**9.57%**	**10.11%**	**(0.54pp)**
of which Polish Operations	*3.52%*	*(0.83%)*	*4.35pp*	*0.58%*	*0.06%*	*0.52pp*
of which International Operations	*11.90%*	*11.93%*	*(0.03pp)*	*11.69%*	*11.93%*	*(0.24pp)*
Adjusted EBITDA (PLN in millions)	**1,111.3**	**947.0**	**17.3%**	**580.4**	**484.1**	**19.9%**
of which Polish Operations	*1,273.9*	*1,014.2*	*25.6%*	*673.3*	*551.3*	*22.1%*
of which International Operations	*(162.5)*	*(67.1)*	*142.4%*	*(92.8)*	*(67.1)*	*38.4%*
Adjusted EBITDA/revenue (%)	**23.55%**	**26.29%**	**(2.73pp)**	**24.21%**	**21.90%**	**2.30pp**
of which Polish Operations	*35.36%*	*33.89%*	*1.47pp*	*35.55%*	*34.45%*	*1.09pp*
of which International Operations	*(14.49%)*	*(10.99%)*	*(3.50pp)*	*(18.27%)*	*(10.99%)*	*(7.29pp)*
Adjusted EBITDA/GMV (%)	**4.06%**	**3.99%**	**0.07pp**	**4.08%**	**3.75%**	**0.33pp**
of which Polish Operations	*4.93%*	*4.42%*	*0.51pp*	*4.99%*	*4.55%*	*0.44pp*
of which International Operations	*(10.53%)*	*(8.52%)*	*(2.01pp)*	*(12.50%)*	*(8.52%)*	*(3.98pp)*

[1] Blended average take rate

GMV and Active Buyers

During H1 2023 GMV for the consolidated Group increased by PLN 3,644.4 million, or 15.4% YoY, from PLN 23,722.1 million for H1 2022 to PLN 27,366.5 million for H1 2023, whereas for Q2 2023 GMV for the consolidated Group increased by PLN 1,329.1 million, or 10.3% YoY, from PLN 12,898.0 million for Q2 2022, to PLN 14,227.1 million for Q2 2023. The higher YoY increase for H1 than for Q2 reflects the first time consolidation of the Mall Group from 1 April 2022 lifting the growth rate in Q1 2023 relative to the prior year, together with slightly slower organic growth from Polish Operations in Q2 relative to Q1.

At the Group's Polish Operations, Allegro's everyday shopping proposition of wide selection at attractive prices performed resiliently against a deteriorating macroeconomic backdrop during H1 2023. According to the Polish Statistical Office, Polish retail sales declined in real terms YoY by 3.5% and 7.3% in Q1 and Q2 2023, respectively. Despite this increasing headwind, the Polish Operations grew GMV by 14.0% in Q1 and slightly slower in the tougher Q2 environment with 11.3% YoY growth. Allegro was able to grow while retail declined overall by providing the top of mind shopping destination for well priced offers, together with the continuing trend towards shopping moving online. Organic growth in GMV was further supported by strong performance of price benchmarking and pricing assistance functionalities, rapid adoption of Allegro Pay services, expansion of selection in under-indexed categories and further improvements to the delivery experience and user convenience.

The International Operations were comparable to prior year actual results for the first time in Q2 2023. GMV for International Operations in Q2 2023 declined YoY by 5.7% against continuously weak consumer retail trading conditions across Mall's operating footprint.

In the Czech Republic, the largest market, this was evidenced by 6.2% YoY real terms decline of total retail sales in the second quarter, representing a fifth straight quarter of declines, while non-food retail sales eroded by 8.5% in that period. Mall Group is particularly challenged due to its focus on consumer discretionary selection. In May 2023, the Group made a soft launch of its Allegro.cz marketplace website, running alongside the legacy front-ends of the Mall Group's brands in the Czech Republic. Although a hard launch, accompanied by a media campaign, did not begin until the end of July, the new website still contributed 6.4 ppts to the overall GMV growth rate of International Operations in Q2 2023.

Active Buyers of the consolidated Group reached 18.5 million as of June 30, 2023, including 4.3 million Active Buyers of the International Operations. Active Buyers of the Polish Operations grew by 5.1% YoY to reach 14.3 million at the end of H1 2023. This was the fifth consecutive quarter of growth in Polish Active Buyers, reflecting the success of Allegro's marketing focus on price, selection and trust generating a positive impact on new shopper acquisition.

GMV per Active Buyer of the consolidated Group reached PLN 3,027.1 as of June 30 2023, with the annual spend significantly higher for the Polish Operations at PLN 3,664 than for the International Operations at PLN 902.8. For the Polish Operations GMV per Active Buyer was up by 9.4% YoY as of June 30 2023 despite the strong macroeconomic evidence of pressure on consumer wallets over the comparable twelve month period. Consumers were choosing cheaper options and often deferring more expensive, discretionary purchases. However, Allegro continued to be a preferred shopping destination with an acceleration in shopping frequency producing a significant pick-up in transaction growth over the same period. In fact, growth in the average spend per buyer (LTM) metric actually accelerated QoQ in Q2 2023, adding PLN 82 per buyer, or 2.3% growth.

Adjusted EBITDA

The Adjusted EBITDA for the consolidated Group increased by PLN 164.3 million, or 17.4% YoY from PLN 947.0 million for H1 2022 to PLN 1,111.3 million for H1 2023, whereas for Q2 2023 Adjusted EBITDA increased by PLN 96.3 million, or 19.9% YoY, from PLN 484.1 million for Q2 2022, to PLN 580.4 million for Q2 2023.

The Adjusted EBITDA of the Polish Operations increased by PLN 259.8 million or 25.6% YoY for H1 2023 whereas for Q2 2023 the growth was PLN 122.1 million or 22.1% YoY, representing a sequential deceleration from a 29.7% YoY increase for Q1 2023. Profitability growth significantly above GMV growth was achieved thanks to advertising growth, monetization and continued "Fit-to-grow" project cost control focus, maintaining strict discipline on SG&A expenses.

The International Operations were comparable to prior year actual results for the first time in Q2 2023. Accordingly, two quarters of the Mall Segment's operating losses were consolidated into the Group's results in H1 2023 versus only Q2 in 2022, creating a larger drag on the Group's profitability. Adjusted EBITDA loss from the International Operations was PLN 67.1 million in Q2 2022 versus PLN 162.5 million for the entire H1 2023. Although the YoY loss widened in Q2 2023 to PLN 92.8 million, an increase of 38.4%, this covered start-up losses of the Allegro.cz marketplace, which was soft launched in May 2023, of PLN 26.7 million, while the legacy Mall Segment recorded a slightly lower loss of PLN 66.2 million, achieved through cost cutting measures sufficient to offset lower GMV.

The following table presents a reconciliation between Reported and Adjusted EBITDA for the periods under review:

Reconciliation of Adjusted EBITDA, PLN m	**H1 2023**	**H1 2022**	**Change %**	**Q2 2023 (unaudited)**	**Q2 2022 (unaudited)**	**Change %**
EBITDA Group	**1,053.2**	**881.5**	**19.5%**	**547.9**	**448.9**	**22.0%**
EBITDA Polish Operations	**1,226.9**	**955.1**	**28.5%**	**653.5**	**522.6**	**25.0%**
Regulatory proceeding costs [1]	—	1.0	(100.0%)	—	0.5	(100.0%)
Group restructuring and development costs [2]	16.8	32.5	(48.3%)	(2.6)	17.6	(114.7%)
Donations to various public benefit organisations [3]	0.5	2.2	(77.3%)	—	1.0	(100.0%)
Bonus for employees and funds spent on protective equipment against COVID-19 [4]	—	0.4	(100.0%)	—	0.1	(100.0%)
Allegro Incentive Plan [5]	29.3	16.1	82.6%	22.3	8.4	167.0%
Transaction costs [6]	—	3.0	(100.0%)	—	(2.8)	(100.0%)
Employees restructuring cost [7]	0.3	3.8	(91.8%)	—	3.8	(100.0%)
Adjusted EBITDA Polish Operations	**1,273.9**	**1,014.2**	**25.6%**	**673.3**	**551.3**	**22.1%**
EBITDA International Operations	**(173.8)**	**(73.7)**	**135.8%**	**(105.7)**	**(73.7)**	**43.5%**
Group restructuring and development costs [2]	1.6	6.6	(76.2%)	9.1	6.6	37.0%
Allegro Incentive Plan [5]	4.8	—	N/A	3.0	—	N/A
Employees restructuring cost [7]	4.9	—	N/A	0.8	—	N/A
Adjusted EBITDA International Operations	**(162.5)**	**(67.1)**	**142.4%**	**(92.8)**	**(67.1)**	**38.4%**
Adjusted EBITDA Group	**1,111.3**	**947.0**	**17.3%**	**580.4**	**484.1**	**19.9%**

[1] Represents legal costs mainly related to non-recurring regulatory proceedings, legal and expert fees and settlement costs.

[2] Represents legal and financial due diligence and other advisory expenses with respect to:
- potential acquisitions or discontinued acquisition projects,
- integration and other advisory expenses with respect to signed and/or closed acquisitions,
- non-employee restructuring costs.

[3] Represents donations made by the Group to support health service and charitable organisations and NGOs during the COVID-19 pandemic and to provide humanitarian aid to people affected by the war in Ukraine.

[4] Represents expenses incurred by the Group to buy employees' protective equipment against COVID-19 and to pay employees' bonuses for the purchase of equipment necessary to enable them to work remotely during the COVID-19 pandemic.

[5] Represents the costs of the Allegro Incentive Plan, under which awards in the form of Performance Share Units ("PSU") and Restricted Stock Units ("RSU") are granted to Executive Directors, Key Managers and other employees.

[6] Represents pre-acquisition advisory fees, legal, financial, tax due diligence and other transactional expenses incurred in relation to the completed acquisition of Mall Group a.s. and WE|DO CZ s.r.o.

[7] Represents certain payments related to reorganisation of the Management Boards of the parent entity and the underlying operating entities, as well as redundancy payments for employees affected by restructuring projects.

Adjusted EBITDA for Polish Operations includes PLN 47.0 million of one-off EBITDA adjustments reported in H1 2023, compared to PLN 59.1 million one-offs reported in the prior year, whereas one-off EBITDA adjustments reported in Q2 2023 amounted to PLN 19.8 million. Key adjustments to EBITDA in H1 2023 included PLN 29.3 million one-off costs related to the Allegro Incentive Plan, under which awards in the form of Performance Share Units ("PSU") and Restricted Stock Units ("RSU") are granted to Executive Directors, Key Managers and other employees, of which PLN 22.3 million was incurred in Q2 2023, as well as PLN 16.8 million of Group restructuring and development costs for H1 2023 related to the post-acquisition integration of the enlarged Group.

Adjusted EBITDA for International Operations includes one-off EBITDA adjustments of PLN 11.3 million reported in H1 2023 and PLN 12.9 million reported in Q2 2023. Key adjustments to EBITDA in the current period included Group restructuring and development costs of PLN 1.6 million for H1 2023 and PLN 9.1 million for Q2 2023, related to post M&A integration. Adjustments also included costs related to the Allegro Incentive Plan of PLN 4.8 million for H1 2023 and PLN 3.0 million for Q2 2023, as well as Employees restructuring costs of PLN 4.9 million for H1 2023 and PLN 0.8 million for Q2 2023, related to the ongoing restructuring process.

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2.2.
Review of Allegro.eu Group financial and operational results

The following tables present the Group's summary consolidated statements of comprehensive income for H1 2023, H1 2022, Q2 2023 and Q2 2022, respectively.

Consolidated statement of comprehensive income, PLN m	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
GMV	**27,366.5**	**23,722.1**	**15.4%**	**14,227.1**	**12,898.0**	**10.3%**
of which 1P	1,469.2	881.3	66.7%	687.1	786.2	(12.6%)
of which 3P	25,897.3	22,840.7	13.4%	13,540.0	12,111.8	11.8%
Revenue	**4,718.9**	**3,602.7**	**31.0%**	**2,397.7**	**2,210.1**	**8.5%**
Marketplace revenue	2,885.6	2,432.3	18.6%	1,521.0	1,310.5	16.1%
Price comparison revenue	102.3	90.8	12.6%	47.4	43.5	9.0%
Advertising revenue	375.0	268.4	39.7%	192.0	145.5	31.9%
Retail revenue	1,248.9	753.2	65.8%	581.3	670.5	(13.3%)
Other revenue	107.0	58.0	84.6%	56.1	40.2	39.7%
Operating expenses	**(3,665.7)**	**(2,721.2)**	**34.7%**	**(1,849.8)**	**(1,761.1)**	**5.0%**
Payment charges	(75.0)	(71.1)	5.5%	(39.0)	(37.3)	4.6%
Cost of goods sold	(1,118.0)	(687.0)	62.7%	(525.6)	(602.6)	(12.8%)
Net costs of delivery	(1,061.3)	(783.3)	35.5%	(569.5)	(420.6)	35.4%
Marketing service expenses	(503.9)	(392.6)	28.4%	(272.8)	(234.0)	16.6%
Staff costs	(593.0)	(461.1)	28.6%	(305.0)	(276.1)	10.5%
IT service expenses	(94.3)	(77.8)	21.2%	(46.8)	(44.7)	4.8%
Other expenses	(190.7)	(210.3)	9.3%	(76.3)	(134.7)	(43.3%)
Net impairment losses on financial and contract assets	(29.6)	(35.1)	(15.8%)	(14.8)	(14.0)	6.3%
Transaction costs	—	(3.0)	(100.0%)	—	2.8	(100.0%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	**1,053.2**	**881.5**	**19.5%**	**547.9**	**448.9**	**22.0%**

Growth rates for H1 2023 are not meaningful as Mall Segment was not consolidated in Q1 2022. Detailed discussion on key data in this table is presented in the following sections concerning the results of Polish Operations and International Operations respectively.

For a reconciliation between Group results and the Polish and International Operations, please refer to the Appendix 2 to this report.

2.2.1.
RESULTS OF THE POLISH OPERATIONS

The following table presents the Polish Operations' summary consolidated statements of comprehensive income for H1 2023, H1 2022, Q2 2023 and Q2 2022, respectively.

Consolidated statement of comprehensive income, PLN m	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
GMV	**25,823.6**	**22,934.1**	**12.6%**	**13,484.1**	**12,110.1**	**11.3%**
of which 1P	252.2	217.4	16.0%	134.2	122.3	9.8%
of which 3P	25,571.4	22,716.8	12.6%	13,349.9	11,987.8	11.4%
Revenue	**3,602.4**	**2,992.7**	**20.4%**	**1,894.0**	**1,600.1**	**18.4%**
Marketplace revenue	2,846.6	2,418.0	17.7%	1,499.5	1,296.1	15.7%
Price comparison revenue	102.3	90.9	12.5%	47.4	43.5	8.8%
Advertising revenue	373.8	266.3	40.4%	191.9	143.4	33.9%
Retail revenue	211.6	185.8	13.9%	112.1	103.1	8.7%
Other revenue	68.1	31.7	114.5%	43.1	13.9	209.1%
Operating expenses	**(2,375.5)**	**(2,037.5)**	**16.6%**	**(1,240.4)**	**(1,077.4)**	**15.1%**
Payment charges	(67.1)	(68.2)	(1.7%)	(34.3)	(34.4)	(0.1%)
Cost of goods sold	(204.2)	(187.3)	9.0%	(111.4)	(103.0)	8.2%
Net costs of delivery	(1,031.4)	(783.3)	31.7%	(542.6)	(420.5)	29.0%
Marketing service expenses	(396.9)	(340.9)	16.4%	(211.0)	(182.4)	15.7%
Staff costs	(403.2)	(381.8)	5.6%	(218.4)	(196.8)	11.0%
IT service expenses	(78.2)	(70.5)	11.0%	(39.9)	(37.4)	6.6%
Other expenses	(166.3)	(166.9)	(0.4%)	(69.1)	(91.3)	(24.4%)
Net impairment losses on financial and contract assets	(28.2)	(35.6)	(20.6%)	(13.8)	(14.4)	(4.7%)
Transaction costs	—	(3.0)	(100.0%)	—	2.8	(100.0%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	**1,226.9**	**955.1**	**28.5%**	**653.5**	**522.6**	**25.0%**

REVENUE

Revenue increased by PLN 609.8 million, or 20.4%, from PLN 2,992.7 million for H1 2022 to PLN 3,602.4 million for H1 2023, whereas for Q2 2023 revenue increased by PLN 293.9 million, or 18.4%, from PLN 1,600.1 million for Q2 2022 to PLN 1,894.0 million for Q2 2023. This increase resulted primarily from strong performance in the 3P marketplace, advertising and other revenue. Main drivers of key revenue streams are described below.

MARKETPLACE REVENUE

Marketplace revenue increased by PLN 428.7 million, or 17.7%, from PLN 2,418.0 million for H1 2022 to PLN 2,846.6 million for H1 2023, whereas for Q2 2023 marketplace revenue increased by PLN 203.4 million, or 15.7% from PLN 1,296.1 million for Q2 2022 to PLN 1,499.5 million for the Q2 2023. This increase resulted primarily from GMV growth, which for H1 2023 reached 12.6% YoY. The marketplace revenue increase was further fuelled by growth in the Take Rate by 0.11pp from 9.94% for H1 2022 to 10.05% for H1 2023, mostly reflecting changes to co-financing rates and commission rates introduced during the third quarter of 2022.

ADVERTISING REVENUE

Advertising revenue increased by PLN 107.6 million, or 40.4%, from PLN 266.3 million for H1 2022 to PLN 373.8 million for H1 2023, whereas for Q2 2023 advertising revenue increased by PLN 48.6 million, or 33.9%, from PLN 143.4 million for Q2 2022 to PLN 191.9 million for Q2 2023. This increase resulted primarily from further improvements in sponsored ads reflecting higher CPC rates, as well as increased inventory and more participating merchants. Advertising revenue as a percentage of GMV rose to 1.45% for H1 2023, up by 0.29 pp versus the prior year period.

OTHER REVENUE

Other revenue increased by PLN 36.3 million, or 114.5%, from PLN 31.7 million for H1 2022 to PLN 68.1 million for H1 2023, whereas for Q2 2023 Other revenue increased by PLN 29.1 million, or 209.1%, from PLN 13.9 million for Q2 2022 to PLN 43.1 million for Q2 2023. This dynamic YoY increase in percentage terms resulted primarily from the growth of net revenues from both Allegro Pay and Allegro One logistics services.

OPERATING EXPENSES

Operating expenses increased by PLN 338.0 million, or 16.6%, from PLN 2,037.5 million for H1 2022 to PLN 2,375.5 million for H1 2023, whereas for Q2 2023 operating expenses increased by PLN 163.0 million, or 15.1%, from PLN 1,077.4 million for Q2 2022 to PLN 1,240.4 million for Q2 2023. This increase resulted primarily from higher net costs of delivery, marketing expenses, staff costs and costs of goods sold.

NET COSTS OF DELIVERY

Net costs of delivery increased by PLN 248.2 million, or 31.7%, from PLN 783.3 million for H1 2022 to PLN 1,031.4 million for H1 2023, whereas for Q2 2023 net costs of delivery increased by PLN 122.1 million, or 29.0%, from PLN 420.5 million for Q2 2022 to PLN 542.6 million for Q2 2023. This increase resulted primarily from further growth in both the number and share of buyers on the Group's e-commerce marketplace who were users of the SMART! Program and to the typically significant increase in spending that comes with the availability of offers with free delivery. In addition, consumers increased the volume of transactions in H1 2023 relative to the prior year while trading down to cheaper items as a result of the cost of living crisis in Poland.

In November 2022, the Group introduced changes to the SMART! terms and pricing, with the intention of improving the programme's profitability. From 21 November price of the annual Allegro SMART! subscriptions that are renewed or newly purchased increased to PLN 59.90 from PLN 49.00 and the minimum order value for purchase amounts from one seller to qualify for free delivery increased to PLN 45 from PLN 40 for APMs and PUDO points, and to PLN 65 from PLN 40 for courier deliveries. The impact of these changes is gradually reflected as the SMART! subscriber base moves onto the new tariff over a 12 month period (by June 30 2023 approximately 2/3 of the base had switched to the new terms) and helps to offset the impact of higher delivery costs per parcel as delivery partners look to pass on inflationary pressure.

In particular the share of relatively expensive courier deliveries fell by 5.4 pp in H1 2023 versus the prior year period. Overall, the average cost of a subsidised package delivery increased by 6.4% in H1 2023 vs the prior year.

Net costs of delivery mainly represent the excess of SMART! free delivery costs over the revenues earned from SMART! subscriptions, while co-financing contributions from sellers are recorded as marketplace revenue and thus included in the Take Rate.

MARKETING SERVICE EXPENSES

Marketing service expenses increased by PLN 55.9 million, or 16.4%, from PLN 340.9 million for H1 2022 to PLN 396.9 million for H1 2023, whereas for Q2 2023 marketing service expenses increased by PLN 28.6 million, or 15.7%, from PLN 182.4 million for Q2 2022 to PLN 211.0 million for Q2 2023. Marketing service expenses as a percentage of GMV increased by 0.05 pp to 1.54% for H1 2023 and by 0.06 pp to 1.56% for Q2 2023. The Group invested relatively more in PPC expenses to boost internet traffic acquisition, in brand and promotional advertising and in its buyer protection program. The annual Smart! Week shopping event was moved forward to Q2 2023 from Q4 in 2022 and this was partly responsible for the increase in spend relative to GMV.

STAFF COSTS

Staff costs increased by PLN 21.4 million, or 5.6%, from PLN 381.8 million for H1 2022 to PLN 403.2 million for H1 2023, whereas for Q2 2023 staff costs increased by PLN 21.6 million, or 11.0%, from PLN 196.8 million for Q2 2022 to PLN 218.4 million for Q2 2023. Overall, starting from Q2 2022 net recruitment slowed significantly, reflecting focus on efficiency and productivity improvements, with headcount declining in Q2 2023 by 2.5% YoY (vs. 26% YoY headcount growth in Q2 2022). From the quarterly perspective headcount was down by 1.2% vs. Q1 2023. With such headcount evolution, the YoY staff costs dynamics was driven by increase in base salaries and annual bonus accruals. The lower H1 2023 staff costs dynamics also reflects the H1 2023 classification of PLN 33.0 million in staff costs for employees working on preparation and soft launch of Allegro.cz as costs of the Allegro International Segment.

The annual pay review was applied and impacted average staff costs per employee from April 2023. A further growth driver was the third annual award of PSUs and RSUs made in April 2023.

OTHER EXPENSES

Other expenses decreased by PLN 0.6 million, or 0.4%, from PLN 166.9 million for H1 2022 to PLN 166.3 million for H1 2023, whereas for Q2 2023 other expenses decreased by PLN 22.2 million, or 24.4%, from PLN 91.3 million for Q2 2022 to PLN 69.1 million for Q2 2023. This decrease resulted primarily from reducing spending on contractor services and consulting, within the scope of the Fit to Grow efficiency project.

OPERATING PROFIT BEFORE AMORTISATION AND DEPRECIATION AND IMPAIRMENT LOSSES OF NON-CURRENT NON-FINANCIAL ASSETS (EBITDA)

EBITDA increased by PLN 271.8 million, or 28.5%, from PLN 955.1 million for H1 2022 to PLN 1,226.9 million for H1 2023, whereas for Q2 2023 EBITDA increased by PLN 130.9 million, or 25.0%, from PLN 522.6 million for Q2 2022 to PLN 653.5 million for Q2 2023. This increase resulted primarily from the factors described in the section 2.2.2.1 above.

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2.2.2. RESULTS OF THE INTERNATIONAL OPERATIONS

The following KPIs are measures used by the Group's management to monitor and manage operational and financial performance of the International Operations. International Operations include the results of two reportable segments: Mall Segment and a newly operational Allegro International Segment. Results of the Polish Operations are not included in this section.

Results for the Mall Segment presented for H1 2022 include only the results for Q2 2022 as pre-acquisition results do not form part of the Group's consolidated results. This impacts the YoY dynamics for H1 2023 presented below, as the results of the Mall Segment were consolidated by the Group for two quarters in 2023 as compared with only one quarter in H1 2022 (Mall Group Acquisition was closed on 1 April 2022).

Allegro International Segment is a newly created segment covering the B2C e-commerce platform, Allegro.cz, trading on the territory of the Czech Republic, comprising the online marketplace and relevant services such as advertising and logistics operations. This segment was identified following the launch of Allegro.cz on May 9th, 2023, hence there is no prior year comparative data.

International Operations: KPIs (unaudited)	H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %
Active Buyers (millions)	**4.3**	**N/A**	**N/A**	**4.3**	**N/A**	**N/A**
of which Mall Segment	*4.2*	*N/A*	*N/A*	*4.2*	*N/A*	*N/A*
of which Allegro International Segment	*0.2*	*N/A*	*N/A*	*0.2*	*N/A*	*N/A*
intersegment eliminations	(0.1)	N/A	N/A	(0.1)	N/A	N/A
GMV per Active Buyer (PLN)	**902.8**	**N/A**	**N/A**	**902.8**	**N/A**	**N/A**
of which Mall Segment	*913.3*	*N/A*	*N/A*	*913.3*	*N/A*	*N/A*
of which Allegro International Segment	*271.3*	*N/A*	*N/A*	*271.3*	*N/A*	*N/A*
GMV (PLN in millions)	**1,542.9**	**787.9**	**95.8%**	**743.0**	**787.9**	**(5.7%)**
of which Mall Segment	*1,492.2*	*787.9*	*89.4%*	*692.3*	*787.9*	*(12.1%)*
of which Allegro International Segment	*56.7*	*—*	*N/A*	*56.7*	*—*	*N/A*
intersegment eliminations	(6.0)	N/A	N/A	(6.0)	N/A	N/A
LTM GMV (PLN in millions)	**3,861.9**	**N/A**	**N/A**	**3,861.9**	**N/A**	**N/A**
of which Mall Segment	*3,811.2*	*N/A*	*N/A*	*3,811.2*	*N/A*	*N/A*
of which Allegro International Segment	*56.7*	*N/A*	*N/A*	*56.7*	*N/A*	*N/A*
intersegment eliminations	(6.0)	N/A	N/A	(6.0)	N/A	N/A

International Operations: KPIs (unaudited)	H1 2023	H1 2022	Change %	Q2 2023	Q2 2022	Change %
Take Rate (%)	**11.97%**	**11.58%**	**0.39pp**	**11.32%**	**11.58%**	**(0.26pp)**
of which Mall Segment	*13.16%*	*11.58%*	*1.58pp*	*13.43%*	*11.58%*	*1.85pp*
of which Allegro International Segment	*5.45%*	*N/A*	*N/A*	*5.45%*	*N/A*	*N/A*
Adjusted EBITDA (PLN in millions)	**(162.5)**	**(67.1)**	**142.2%**	**(92.8)**	**(67.1)**	**38.4%**
of which Mall Segment	*(119.5)*	*(67.1)*	*78.2%*	*(66.2)*	*(67.1)*	*(1.4%)*
of which Allegro International Segment	*(43.0) [1]*	*N/A*	*N/A*	*(26.7)*	*N/A*	*N/A*
Adjusted EBITDA/revenue (%)	**(14.49%)**	**(10.99%)**	**(3.50pp)**	**(18.27%)**	**(10.99%)**	**(7.29pp)**
of which Mall Segment	*(10.68%)*	*(10.99%)*	*0.31pp*	*(13.09%)*	*(10.99%)*	*(2.10pp)*
of which Allegro International Segment	*(1,345.52%)*	*N/A*	*N/A*	*(835.19%)*	*N/A*	*N/A*
Adjusted EBITDA/GMV (%)	**(10.53%)**	**(8.52%)**	**(2.02pp)**	**(12.50%)**	**(8.52%)**	**(3.98pp)**
of which Mall Segment	*(8.01%)*	*(8.52%)*	*0.50pp*	*(9.56%)*	*(8.52%)*	*(1.04pp)*
of which Allegro International Segment	*(75.84%)*	*N/A*	*N/A*	*(47.08%)*	*N/A*	*N/A*

[1] Adjusted EBITDA for the Allegro International Segment for H1 2023 includes PLN 16.3m of 3P marketplace start-up expenses incurred in Q1 2023 i.e. before the creation of the "Allegro International Segment" that was previously presented as charged to Mall Segment in investor relations materials prepared for Q1 2023.

	International Operations											
	Mall Segment			Allegro International Segment			Eliminations			Total		
Consolidated statement of comprehensive income (audited), PLN m	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %
GMV	**1,492.2**	**787.9**	**89.4%**	**56.7**	**—**	**N/A**	**(6.0)**	**—**	**N/A**	**1,542.9**	**787.9**	**95.8%**
of which 1P	1,217.0	664.0	83.3%	—	—	N/A	—	—	N/A	1,217.0	664.0	83.3%
of which 3P	275.1	123.9	122.0%	56.7	—	N/A	(6.0)	—	N/A	325.8	123.9	162.9%
Revenue	**1,119.3**	**610.7**	**83.3%**	**3.2**	**—**	**N/A**	**(0.8)**	**—**	**N/A**	**1,121.7**	**610.7**	**83.7%**
Marketplace revenue	36.2	14.4	152.3%	3.1	—	N/A	(0.3)	—	N/A	39.0	14.4	171.8%
Advertising revenue	1.1	2.1	(48.3%)	0.1	—	N/A	—	—	N/A	1.2	2.1	(43.3%)
Retail revenue	1,037.6	568.0	82.7%	—	—	N/A	—	—	N/A	1,037.6	568.0	82.7%
Other revenue	44.4	26.2	69.1%	—	—	N/A	(0.5)	—	N/A	43.9	26.2	67.1%
Operating expenses	**(1,239.0)**	**(684.4)**	**81.0%**	**(57.3)**	**—**	**N/A**	**0.8**	**—**	**N/A**	**(1,295.5)**	**(684.4)**	**89.3%**
Payment charges	(7.6)	(2.9)	163.2%	(0.4)	—	N/A	—	—	N/A	(8.0)	(2.9)	176.9%
Cost of goods sold	(914.1)	(500.2)	82.8%	—	—	N/A	—	—	N/A	(914.1)	(500.2)	82.8%
Net costs of delivery	(29.8)	(0.1)	40,633.6%	—	—	N/A	—	—	N/A	(29.8)	(0.1)	40,633.6%
Marketing service expenses	(89.7)	(51.6)	73.7%	(17.4)	—	N/A		—	N/A	(107.0)	(51.6)	107.3%
Staff costs	(156.9)	(79.3)	97.9%	(33.0)	—	N/A	—	—	N/A	(189.9)	(79.3)	139.5%
IT service expenses	(16.2)	(7.3)	122.3%	(1.8)	—	N/A	—	—	N/A	(18.0)	(7.3)	147.3%
Other expenses	(23.4)	(43.5)	(46.3%)	(4.7)	—	N/A	0.8	—	N/A	(27.3)	(43.5)	(37.3%)
Net impairment losses on financial and contract assets	(1.3)	0.5	(380.4%)	(0.0)	—	N/A	—	—	N/A	(1.3)	0.5	(384.2%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	**(119.7)**	**(73.7)**	**62.5%**	**(54.1)**	**—**	**N/A**	**—**	**—**	**N/A**	**(173.8)**	**(73.7)**	**135.8%**

Notes: Results for the Mall Segment and consequently for the International Operations presented for H1 2022 are equal to the results for Q2 2022 as pre-acquisition results do not form part of the Group's consolidated results, which impacts the YoY dynamics reported for H1 2023.

The operating expenses of Allegro International Segment for H1 2023 include PLN 22.6 million of start-up expenses (costs related to 3P marketplace start-up expenses, including one-off additional integration bonus for employees) incurred in Q1 2023 i.e. before the creation of this new segment, and that had previously been classified as the costs of Mall Segment.

INTERNATIONAL OPERATIONS – MALL SEGMENT: H1 2023 VS PROFORMA H1 2022

The following table presents the estimates of pro-forma information for the Mall Segment comparative financial data based on the acquired organisational structure that has continued to operate post acquisition.

Results of entities that were carved out from the Mall Group a.s. by its previous owners, as they did not form part of the agreed acquisition perimeter, have been excluded from this pro-forma historical financial information.

Key pro-forma financial data for the Mall Segment, PLN m (unaudited)	H1 2023	H1 2022 pro-forma	Change %
GMV	1,492.2	1,591.9	(6.3%)
Revenue	1,119.3	1,241.8	(9.9%)
Adjusted EBITDA	(119.5)	(107.3)	11.4%
Active Buyers (millions)	4.2	4.2	(1.3%)
LTM GMV per Active Buyer	913.3	931.4	(1.9%)

GMV

Pro-forma GMV for the Mall Segment declined in H1 2022 by 6.3% YoY, driven by continuing weak retail demand. Like most of Central Europe, the countries where the Mall Group operates experienced a significant rise in inflation since late 2021, combined with higher interest rates and slowing of real growth in retail sales. As the Mall Segment's retail assortment is significantly skewed towards discretionary selection, such as electronics and white goods, the Mall Segment's GMV has been materially underperforming the Polish Operations as the Allegro marketplace offers much wider selection across many more categories and at more competitive prices than Mall. The YoY loss of 10.7% of 1P GMV in H1 2023 was partially offset by 20.3% YoY growth in 3P GMV in the same period. Noting that real retail sales were continuing to contract during H1 2023, the Management pivoted towards prioritisation of margin and efficiency improvements, particularly in respect to marketing spend, as the period progressed. This resulted in a faster contraction of GMV in Q2 2023 than in Q1 while Adjusted EBITDA losses were stabilised.

REVENUE

Pro-forma revenue for the Mall Segment declined by 9.9% YoY in H1 2023, driven by continued decline in Retail Revenue generated from falling 1P GMV, only partially compensated by rising take rate revenues from the growing 3P GMV from Mall's own marketplace activity.

OPERATING EXPENSES

Operating expenses cannot be analysed on a pro-forma basis as their reporting structure pre-acquisition did not match the structure used by the Allegro.eu Group.

ADJUSTED EBITDA

Adjusted EBITDA loss for the Mall Segment increased to PLN 119.5 million in H1 2023 vs PLN l07.3 million pro-forma Adjusted EBITDA loss in the corresponding period a year before – largely due to declining GMV, slightly lower sales margin connected with aggressive pricing on the market and higher free delivery cost associated with the Smart! offering. However, the negative factors were partially offset by progress on optimisation of marketing and sales costs in the unfavourable economic environment, as well as reduction of fixed overhead expenses and lower logistics costs, reflecting headcount reductions and closure of Mall's branded physical stores and pick-up points.

INTERNATIONAL OPERATIONS: Q2 2023 VS Q2 2022

As the businesses comprising the Mall Segment were acquired at the beginning of Q2 2022, the Group is able to analyse the Mall Segment's operating performance on a like-for-like comparative basis for the first time in respect to Q2 2023. This comparison is set out below:

	International Operations												
	Mall Segment			Allegro International Segment			Eliminations			Total		
Consolidated statement of comprehensive income (audited), PLN m	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %
GMV	**692.3**	**787.9**	**(12.1%)**	**56.7**	**—**	**N/A**	**(6.0)**	**—**	**N/A**	**743.0**	**787.9**	**(5.7%)**
of which 1P	552.9	664.0	(16.7%)	—	—	N/A	—	—	N/A	552.9	664.0	(16.7%)
of which 3P	139.4	123.9	12.5%	56.7	—	N/A	(6.0)	—	N/A	190.1	123.9	53.4%
Revenue	**505.5**	**610.7**	**(17.2%)**	**3.2**	**—**	**N/A**	**(0.8)**	**—**	**N/A**	**507.9**	**610.7**	**(16.8%)**
Marketplace revenue	18.7	14.4	30.5%	3.1	—	N/A	(0.3)	—	N/A	21.5	14.4	49.9%
Advertising revenue	(0.1)	2.1	(104.1%)	0.1	—	N/A	—	—	N/A	0.0	2.1	(99.1%)
Retail revenue	469.3	568.0	(17.4%)	—	—	N/A	—	—	N/A	469.3	568.0	(17.4%)
Other revenue	17.6	26.2	(33.0%)	—	—	N/A	(0.5)	—	N/A	17.1	26.2	(35.0%)
Operating expenses	**(579.7)**	**(684.4)**	**(15.3%)**	**(34.7)**	**—**	**N/A**	**0.8**	**—**	**N/A**	**(613.6)**	**(684.4)**	**(10.3%)**
Payment charges	(4.3)	(2.9)	48.8%	(0.4)	—	N/A	—	—	N/A	(4.7)	(2.9)	62.5%
Cost of goods sold	(414.5)	(500.2)	(17.1%)	—	—	N/A	—	—	N/A	(414.5)	(500.2)	(17.1%)
Net costs of delivery	(26.9)	(0.1)	36,574.1%	—	—	N/A	—	—	N/A	(26.9)	(0.1)	36,574.1%
Marketing service expenses	(44.5)	(51.6)	(13.7%)	(17.4)	—	N/A	—	—	N/A	(61.9)	(51.6)	19.9%
Staff costs	(73.6)	(79.3)	(7.2%)	(13.0)	—	N/A	—	—	N/A	(86.6)	(79.3)	9.2%
IT service expenses	(8.2)	(7.3)	12.2%	(0.7)	—	N/A	—	—	N/A	(8.9)	(7.3)	22.0%
Other expenses	(6.7)	(43.5)	(84.5%)	(3.2)	—	N/A	0.8	—	N/A	(9.1)	(43.5)	(79.0%)
Net impairment losses on financial and contract assets	(1.1)	0.5	(330.8%)	(0.0)	—	N/A	—	—	N/A	(1.1)	0.5	(334.6%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	**(74.2)**	**(73.7)**	**0.7%**	**(31.5)**	**—**	**N/A**	**—**	**—**	**N/A**	**(105.7)**	**(73.7)**	**43.4%**

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INTERNATIONAL OPERATIONS – MALL SEGMENT: Q2 2023 VS Q2 2022

Key financial data for the Mall Segment, PLN m (unaudited)	Q2 2023	Q2 2022	Change %
GMV	692.3	787.9	(12.1%)
Revenue	505.5	610.7	(17.2%)
Adjusted EBITDA	(66.2)	(67.1)	(1.4%)
Active Buyers (millions)	4.2	4.2	(1.3%)
LTM GMV per Active Buyer	913.3	931.4	(1.9%)

GMV

GMV for the Mall Segment declined by 12.1% YoY in Q2 2023. The YoY loss of 16.7% 1P GMV in Q2 2023 was partially offset by 12.5% YoY growth in 3P GMV during the quarter. In addition to the effect of strong headwinds from continuing very weak consumer demand, GMV performance reflected the Management's increased focus on stabilising gross margins and improving the effectiveness of traffic acquisition marketing spending in delivering profitable sales. Weakening of the zloty exchange rate to the Czech Crown in Q2 by 2.2% versus the prior year quarter improved the reported growth rate by 1.8 ppts.

REVENUE

Revenue for the Mall Segment declined by 17.2% YoY in Q2 2023, driven by continued decline in Retail Revenue from lower 1P GMV, partially offset in Q2 2023 by 30.5% YoY marketplace revenue growth due to rising take rates.

OPERATING EXPENSES

Operating expenses decreased by PLN 104.7 million, or 15.3%, from PLN 684.4 million for Q2 2022 to PLN 579.7 million for Q2 2023. This decrease resulted primarily from costs of goods sold declining in line with sales with gross margin decreasing marginally by 0.24 pp YoY to 10.69% of retail revenue. Efforts to improve efficiency and reduce overheads resulted in lower marketing, staff and other costs. These savings were partially offset by higher net costs of delivery reflecting the introduction of the Smart! programme at Mall Group, bringing close to 540k users by the end of Q2 2023.

ADJUSTED EBITDA

As a result of the above described factors, Adjusted EBITDA loss for the Mall Segment amounted to PLN 66.2 million in Q2 2023, improving YoY by 1.4%.

INTERNATIONAL OPERATIONS – ALLEGRO INTERNATIONAL SEGMENT: Q2 2023

Since the Mall Group acquisition, the Group has been working to prepare a version of the Allegro marketplace adapted to trade on the territory of the Czech Republic. After several quarters incurring start-up expenses and software development costs to adapt Allegro's software stack to the requirements of the new market, the new marketplace, "Allegro.cz" was soft launched on 9 May 2023.

Allegro.cz makes offers of Polish and International merchants available to Czech consumers, along with offers from Czech merchants, including the Group's brands Mall and CZC.

The content is translated into Czech, transactions are conducted in Czech crowns and Czech delivery methods, including the Group's WE|DO delivery business, are integrated to deliver to Czech consumers.

The first weeks after the soft launch were used to hone pricing algorithms, logistics of delivery and calibration of internet marketing spending. A "hard" launch, accompanied by ATL (Above The Line, i.e. using mass media) marketing campaigns, began on 31 July.

The key results of Allegro.cz for Q2 2023 were as follows:

Key financial data for Allegro International Segment, PLN m (unaudited)	Q2 2023
GMV	56.7
Revenue	3.2
Adjusted EBITDA	(26.7)
Active Buyers (millions)	0.2
of which overlap with the Mall Segment	*0.1*
LTM GMV per Active Buyer	271.3

GMV

GMV for Allegro International Segment in Q2 2023 reached PLN 56.7 million, with 3P representing 100% of GMV. This result reflects less than two months of operations since the launch of Allegro.cz on 9 May 2023, with traffic acquisition spending limited while internet marketing algorithms were calibrated, and with no support from ATL campaigns ahead of the hard launch on 31 July. This GMV was generated by Active Buyers that reached 0.2 million at the end of the quarter with approximately half of them being recognised as existing Active Buyers of the Mall Segment and half being recognised as new Active Buyers to the Group.

REVENUE

Existing Allegro merchants pay standard success fees, which produced PLN 3.2 million of revenue in Q2 2023. Newly signed merchants receive a three-month commission free period.

OPERATING EXPENSES

Operating expenses of Allegro International Segment consist predominantly of marketing and staff costs. PLN 17.4 million was spent on marketing during Q2 2023, representing mainly PPC purchases as significant free traffic from organic sources and links from the Mall and CZC websites are supplemented by purchased traffic to drive total visits and build the active buyer base. Within marketing expenses there were also PLN 1.8 million in costs of free delivery provided to Smart! users under free of charge trial services. The next largest operating expense was PLN 13.0 million of staff costs for the core launch team and the costs of various services provided by the Mall Group, including Czech language customer care services.

ADJUSTED EBITDA

Adjusted EBITDA loss for Allegro International Segment reached PLN 43.0 million in H1 2023 and PLN 26.7 million in Q2 2023. For H1 2023 it includes PLN 16.3m of 3P marketplace start-up expenses incurred in Q1 2023 i.e. before the creation of the "Allegro International Segment" that had previously been classified as the costs of Mall Segment. Costs in Q2 2023 represent staff costs and marketing related to preparation, soft launch and first weeks of operation of Allegro.cz.

2.2.3. TOTAL COMPREHENSIVE INCOME RECONCILIATION

Consolidated statement of comprehensive income, PLN m	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
EBITDA Polish Operations	**1,226.9**	**955.1**	**28.5%**	**653.5**	**522.6**	**25.0%**
EBITDA International Operations	**(173.8)**	**(73.7)**	**135.8%**	**(105.7)**	**(73.7)**	**43.4%**
EBITDA	**1,053.2**	**881.5**	**19.5%**	**547.9**	**448.9**	**22.0%**
Amortisation, depreciation and impairment losses of non-current non-financial assets	**(499.2)**	**(391.2)**	**27.6%**	**(244.5)**	**(239.9)**	**1.9%**
Amortisation	(375.1)	(299.8)	25.1%	(187.5)	(182.7)	2.6%
Depreciation	(122.5)	(91.3)	34.1%	(57.2)	(57.2)	0.0%
Impairment losses of non-current non-financial assets	(1.6)	—	N/A	0.2	—	N/A
Operating profit	**554.0**	**490.3**	**13.0%**	**303.4**	**209.0**	**45.1%**
Net Financial result	**(181.9)**	**(236.5)**	**(23.1%)**	**(117.5)**	**(181.1)**	**(35.1%)**
Financial income	23.3	11.3	106.5%	15.4	2.4	551.5%
Financial costs	(197.3)	(238.3)	(17.2%)	(102.7)	(176.0)	(41.7%)
Foreign exchange (profits)/losses	(7.9)	(9.5)	(16.9%)	(30.2)	(7.5)	303.4%
Profit/(Loss) before Income tax	**372.1**	**253.8**	**46.6%**	**185.8**	**27.9**	**565.8%**
Income tax expenses	**(96.1)**	**(150.3)**	**(36.1%)**	**(66.9)**	**(91.4)**	**(26.8%)**
Net profit/(loss)	**276.0**	**103.5**	**166.8%**	**119.0**	**(63.5)**	**N/A**
Other comprehensive income/ (loss)	**(138.9)**	**185.4**	**(174.9%)**	**(104.6)**	**85.3**	**(222.6%)**
Total comprehensive income/ (loss) for the period	**137.1**	**288.9**	**(52.6%)**	**14.4**	**21.8**	**(34.0%)**

Pro-forma historical financial information for the Statement of Comprehensive Income in the same form and level of detail used by the Group is not available at the time of this report. Pre-acquisition the Mall Segment operated using a different chart of accounts and historical results include the results of entities carved out during the course of its financial year ending 31 March 2021. The Group's management has concluded that preparing fully comparable pro-forma information for the prior year pre-acquisition for all financial information the Group included in its Consolidated financial statements would be too costly to prepare and of minimal value to the user of this management report relative to the three pro-forma historical metrics presented above.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES OF NON-CURRENT NON-FINANCIAL ASSET

Amortisation, depreciation and impairment losses of non-current non-financial assets increased by PLN 108.0 million, or 27.6%, from PLN 391.2 million for H1 2022 to PLN 499.2 million for H1 2023, whereas for Q2 2023 Amortisation, depreciation and impairment losses of non-current non-financial asset increased by PLN 4.6 million, or 1.9%, from PLN 239.9 million for Q2 2022 to PLN 244.5 million for Q2 2023.

The H1 2023 increase includes PLN 55.8 million of depreciation and amortisation costs recognised by the Mall Group and WE|DO, which were consolidated for two quarters of H1 2023, as compared to one quarter of H1 2022, of which a PLN 42.0 million increase charge arises on the fair value uplift to net assets of acquired entities.

The remaining increase of PLN 52.2 million for H1 2023 is attributable to the Polish Operations, where higher capital expenditures and the recognition of right of use assets related to newly acquired office space leases and the leasing of new locations for the deployment of parcel lockers is driving the growth.

NET FINANCIAL RESULT

Net financial result improved by PLN 54.6 million, or 23.1%, from PLN 236.5 million for H1 2022 to PLN 181.9 million for H1 2023, whereas for Q2 2023 net financial result improved by PLN 63.6 million, or 35.1%, from PLN 181.1 million for Q2 2022 to PLN 117.5 million for Q2 2023.

The improvement in net financial results is driven by the favourable outcome on the settlement of the floating to fixed interest rate swap contracts generating an income of PLN 115.5 million in H1 2023 and PLN 57.4 million for Q2 2023, compared to PLN 26.6 million and PLN 24.8 million for comparable periods, respectively.

The improvement is also driven by the movement in the valuation of Group borrowings at amortised cost. The Group recognised non-cash financial income in the amount of PLN 9.1 million in H1 2023, while in the comparable period, the Group recognised a total of PLN 67.5 million of non-cash charges in financial expenses. This was caused by the acquisition of the Mall Group, which resulted in increase in the Group's leverage, translating into a higher interest margin and increased present value of future cash outflows, thereby reducing the amortised cost of debt and generating a non-cash charge in net financial expenses.

The above factors were partially offset by the higher cost of servicing the Group's borrowings generating cost of PLN 300.1 million in H1 2023 and PLN 148.3 million for Q2 2023, compared to PLN 152.7 million and PLN 95.9 million for comparable periods, respectively, resulting from an increase in the nominal value of debt by PLN 1,000.0 million, drawn upon the completion of the acquisition transaction of Mall Group and WE|DO and a significant upward movement in the WIBOR reference rate during the course of 2022 as the National Bank of Poland raised its lending rate. This rate was stable at 6.75% between September 2022 and June 2023.

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INCOME TAX EXPENSES

Income tax expenses decreased by PLN 54.3 million, or 36.1%, from PLN 150.3 million for H1 2022 to PLN 96.1 million for H1 2023, whereas for Q2 2023 income tax expenses decreased by PLN 24.5 million, or 26.8%, from PLN 91.4 million for Q2 2022 to PLN 66.9 million Q2 2023.

The majority of the Group's taxable income is generated in Poland and is subject to taxation according to the Corporate Income Tax Act (referred to as 'CIT'). The CIT rate is 19% in each of Poland, Czech Republic and Slovenia. Luxembourg companies are subject to taxation at 24.94% rate, in Slovakia at 21%, in Hungary at 9% and in Croatia at 18%.

The estimated average annual tax rate used for the period ended 30 June 2023 is 25.8%, compared to 59.2% for the six months ended 30 June 2022. The high effective tax rate in the prior year period resulted primarily from significant one-off non-cash charges recognised to increase the carrying value of borrowings at amortised cost, tax charges in relation to prior periods as well as unrecognised deferred tax asset arising on the losses incurred by the Mall Group.

PLN m (unaudited)	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
Current income tax on profits	(126.4)	(118.8)	6.4%	(76.0)	(85.2)	(10.8%)
Adjustments for current tax of prior periods	13.3	(53.9)	N/A	(0.7)	(53.3)	N/A
(Increase)/Decrease in net deferred tax liability	17.0	22.3	(23.8%)	9.8	47.1	(79.3%)
Income tax expense	**(96.1)**	**(150.3)**	**(36.1%)**	**(66.9)**	**(91.4)**	**(26.8%)**

NET PROFIT

Net profit increased by PLN 172.5 million, or 166.8%, from PLN 103.5 million for H1 2022 to PLN 276.0 million for H1 2023, whereas for Q2 2023 net profit increased by PLN 182.5 million, from a net loss of PLN 63.5 million for Q2 2022 to net profit of PLN 119.0 million for Q2 2023 as a result of the factors described above.

OTHER COMPREHENSIVE INCOME

Other comprehensive income decreased by PLN 307.5 million, or 174.9%, from PLN 185.4 million for H1 2022 to a loss of PLN 138.9 million for H1 2023, whereas for Q2 2023 decreased by PLN 189.9 million, or 222.6%, from PLN 85.3 million for Q2 2022 to a loss of PLN 104.6 million for Q2 2023 These changes results mainly from reclassification of cash flow hedges from Other Comprehensive Income to net profit, amounting to PLN 131.5 million for H1 2023, upon settlement of floating to fixed interest rate swap contracts, as well as reflecting changing interest rate expectations and their impact on the fair value of the these contracts.This decrease was further supported by PLN 31.6 loss arising on translation of foreign operations recorded in H1 2023, due to strengthening of Polish zloty against Czech Crown and Euro.

TOTAL COMPREHENSIVE INCOME

Total comprehensive income decreased by PLN 151.8 million, or 52.6%, from PLN 288.9 million for H1 2022 to PLN 137.1 million for H1 2023, whereas for Q2 2023 it decreased by PLN 7.4 million, or 34.0%, from PLN 21.8 million for Q2 2022 to PLN 14.4 million for Q2 2023 as a result of the factors discussed above.

2.2.4. REVIEW OF CASH FLOW PERFORMANCE

The following table summarises net cash flows from operating, investing and financing activities for Q2 and H1 2023 and for Q2 and H1 2022.

Cash Flow, PLN m	H1 2023	H1 2022	Change %	Q2 2023 (unaudited)	Q2 2022 (unaudited)	Change %
Net cash inflow/(outflow) from operating activities	**830.1**	**630.5**	**31.7%**	**572.6**	**253.0**	**126.3%**
Profit before income tax	372.1	253.8	46.6%	185.8	27.9	566.1%
Income tax paid	(165.3)	(282.2)	(41.4%)	(107.6)	(226.6)	(52.5%)
Amortisation, depreciation and impairment of non-current non-financial assets	499.2	391.2	27.6%	244.5	239.9	1.9%
Net interest expense	173.0	205.8	(16.0%)	87.9	151.7	(42.1%)
Changes in net working capital	(96.8)	11.6	(934.1%)	129.7	29.5	339.8%
Other operating cash flow items	47.9	50.4	(4.9%)	32.2	30.6	5.4%
Net cash inflow/(outflow) from investing activities	**(249.7)**	**(2,741.8)**	**(90.9%)**	**(120.8)**	**(2,563.8)**	**(95.3%)**
Capitalised development costs	(201.9)	(164.3)	22.9%	(100.3)	(91.1)	10.1%
of which Polish Operations	*(163.5)*	*(154.6)*	*5.7%*	*(81.1)*	*(81.4)*	*(0.4%)*
of which International Operations [1]	*(38.4)*	*(9.7)*	*295.8%*	*(19.3)*	*(9.7)*	*98.6%*
Other capital expenditure	(52.8)	(224.4)	(76.5%)	(22.7)	(136.5)	(83.4%)
of which Polish Operations	*(49.0)*	*(215.3)*	*(77.2%)*	*(20.6)*	*(127.4)*	*(83.8%)*
of which International Operations	*(3.8)*	*(9.1)*	*(58.6%)*	*(2.1)*	*(9.1)*	*(76.8%)*
Acquisition of subsidiaries	—	(2,353.1)	(100.0%)	—	(2,336.3)	(100.0%)
Other investing cash flow	5.0	—	N/A	2.2	—	N/A
Net cash inflow/(outflow) from financing activities	**(282.7)**	**942.3**	**(130.0%)**	**(122.6)**	**(495.9)**	**(75.3%)**
Acquisition of treasury shares	(20.1)	—	N/A	0.2	—	N/A
Borrowings received	—	1,500.0	(100.0%)	—	—	N/A
Borrowings repaid	—	(381.0)	(100.0%)	—	(381.0)	(100.0%)
Interest paid	(302.7)	(165.6)	82.8%	(149.7)	(109.2)	37.1%
Interest rate hedging instrument settlements	131.5	20.1	N/A	69.2	20.4	N/A
Lease payments	(80.1)	(20.8)	285.1%	(40.9)	(25.4)	61.0%
Other financing cash flow	(11.4)	(10.4)	9.6%	(1.3)	(0.7)	88.0%
Net increase/(decrease) in cash and cash equivalents	**297.8**	**(1,169.0)**	**N/A**	**329.2**	**(2,806.7)**	**N/A**

[1] Capitalised development expenses related mainly to the Polish tech team working on the Czech marketplace launch preparation were charged to the newly identifiedInternational Operations Segment of International Operations: PLN 20.4 million for H1 2023 and PLN 10.6 million for Q2 2023, respectively.

NET CASH FROM OPERATING ACTIVITIES

Net cash from operating activities increased by PLN 199.6 million or 31.7% YoY for H1 2023 It was mainly driven by the higher profit before income tax, which increased by PLN 118.3 million or 46.6% YoY for H1 2023 and increased by PLN 157.9 million or 566.1% YoY for Q2 2023, due to the factors described in earlier sections. The increase in net cash inflow from operating activities was further supported by the lower taxation outflows in the amount of PLN 165.3 million compared to an outflow of PLN 282.2 million in the comparable period. The higher tax payments made in H1 2022 mainly reflected the post year-end settlement of tax on a higher net profit earned in 2021.

With respect to working capital, the Group recognised a net PLN 96.8 million outflow in H1 2023 compared to an inflow of PLN 11.6 million in the comparative period. This unfavourable movement is mainly attributable to the significant decrease in trade and other payables, as a result of typical Q4 peak seasonality in Mall Group as the settlements with suppliers continue throughout Q1 after the Christmas season, while this was not applicable in the comparable period as the acquisition of the Mall Group a.s. and WE|DO CZ s.r.o. was closed after Q1.

The working capital headwind described above was mitigated by the positive changes in the area of consumer loans. Despite the significant growth of the Group's consumer lending operations, translating to PLN 3.7 billion of loans originated in H1 2023 (+66.4% YoY), the Group recorded an inflow in working capital of PLN 76.3 million, comparing to an outflow of PLN 87.1 million in the comparable period. During H1 2023, PLN 2.1 billion of loans were sold to the financing partner.

The outflow in net working capital was further limited by the decreased inventory balance (inflow of PLN 98.7 million in H1 2023, compared to an outflow of PLN 19.5 million in H1 2022).

NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities was PLN 249.7 million for H1 2023 which represents a YoY lower outflow of PLN 2,492.1 million. This fall in investment mainly reflects the cash used in the acquisition of Mall Group and WE|DO in H1 2022. The price for shares in Mall Group and WE|DO was settled via the combination of stock consideration and a cash payment from both new debt financing and the Group's own funds. The total cash outflow for H1 2022 recorded upon the completion of the acquisition transaction was PLN 2,353.1 million.

Excluding the impact of the acquisition, the Group's other capital expenditures decreased by PLN 171.6 million, or 76.5% YoY for H1 2023 and decreased by PLN 113.8 million or 83.4% YoY for Q2 2023. This decrease reflects the slower roll-out of Allegro's own parcel locker network and investments in the fit out of the Group's office buildings completed in Q2 2022. The locker network is being rolled out more slowly in the short term while the Group works on various levers to increase utilisation of the existing lockers. Policy changes and tighter control of investments as part of the Fit to Grow efficiency project also contributed to the reduction.

The Group recorded an increase in development costs qualified for capitalisation, growing by PLN 37.6 million or 22.9% YoY for H1 2023 and by PLN 9.2 million or 10.1% YoY for Q2 2023. The increase mainly reflected the increasing cost of employment and contracting of development engineers, while the size of the Group's development teams was held flat. PLN 20.4 million of costs incurred by the Polish tech development teams to prepare the Allegro.cz marketplace were charged to the Allegro International Segment of International Operations during H1 2023.

NET CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities was PLN 282.7 million for H1 2023, and mainly reflects the interest paid on the Group's borrowings which amounted to PLN 302.7 million and increased by PLN 137.1 million or 82.8% YoY for H1 2023. The increase reflects the rise in the nominal value of debt by PLN 1,000.0 million, drawn upon the completion of the acquisition transaction of Mall Group and WE|DO and a significant upward movement in the WIBOR reference rate triggered by the raising of interest rates by the National Bank of Poland. At the same time, the Group recorded favourable outcomes arising on the settlement of floating to fixed interest rate swap contracts generating an inflow of PLN 131.5 million for H1 2023 compared to an inflow of PLN 20.1 million for H1 2022.

Net cash used in financing activities was further driven by the lease payments amounting to PLN 80.1 million which increased by PLN 59.3 million or 285.1% YoY for H1 2023, arising from the lease of new office buildings and additional spaces in current buildings in FY 2022.

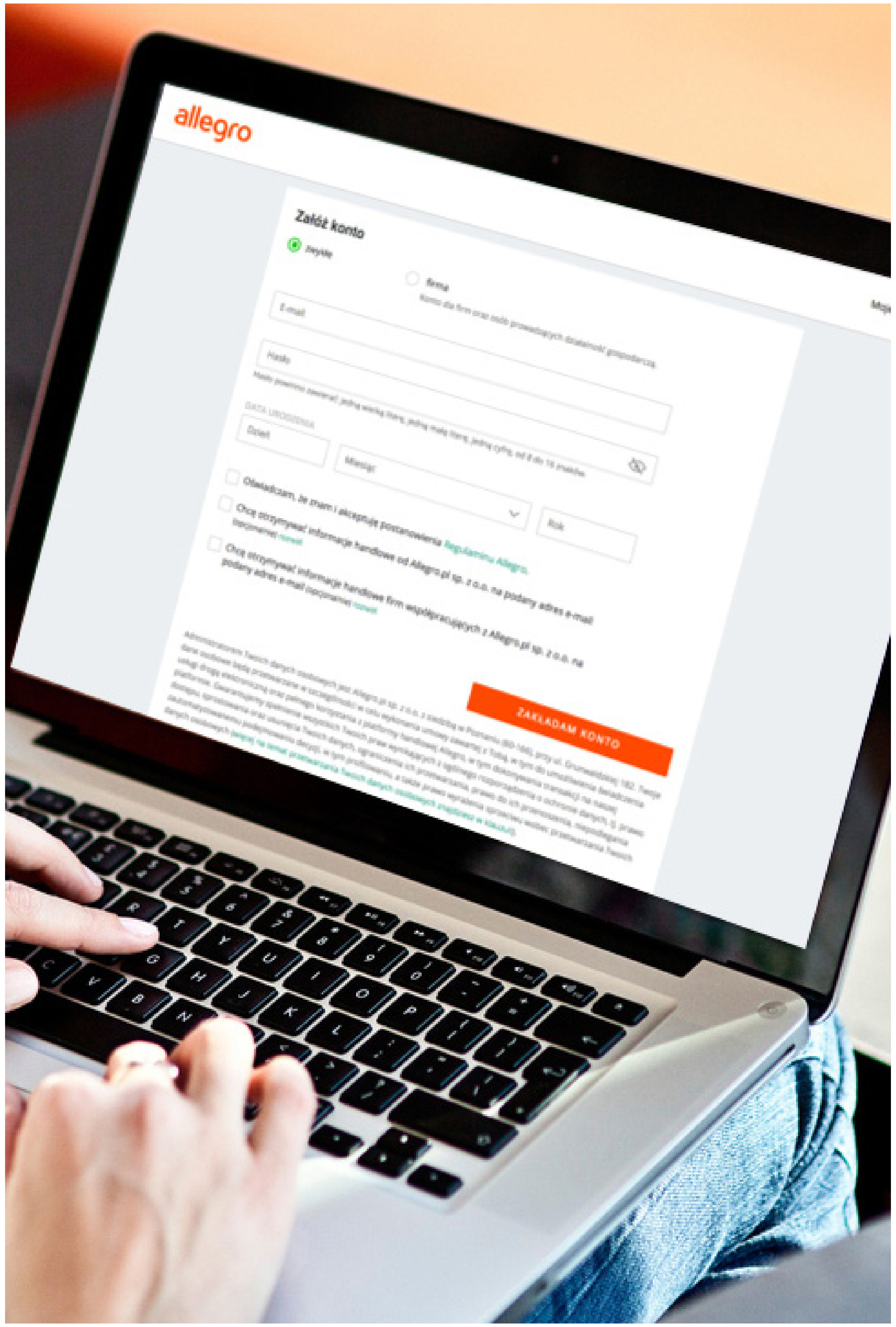
2.2.5. INDEBTEDNESS

PLN m (unaudited)	30.06.2023	31.03.2023 (unaudited)	31.12.2022
LTM Adjusted EBITDA Polish Operations	2,569.1	2,447.1	2,309.4
LTM Adjusted EBITDA International Operations	(252.2)	(226.5)	(156.8)
Adjusted EBITDA LTM	**2,317.0**	**2,220.6**	**2,152.7**
Borrowings at amortised cost	6,434.2	6,437.2	6,453.5
Lease liabilities	664.6	717.5	690.2
Cash	(1,175.3)	(846.1)	(877.6)
Net Debt	**5,923.5**	**6,308.6**	**6,266.1**
Leverage	2.56 x	2.84 x	2.91 x
Equity	9,138.8	9,096.3	8,981.3
Net debt to Equity	64.8%	69.4%	69.8%

The Group's leverage began to decline as the Polish Operations LTM EBITDA continued its growth (growth in YoY Adjusted EBITDA on a rolling twelve month basis by 29.3% and growth in 2023 by 11.2%) and brought leverage down from a peak of 3.54x at the end of June 2022, following the Mall Acquisition, to 2.91x at the end of December 2022 and further down to 2.56x at the end of June 2023. Deleveraging in H1 2023 was further supported by cash generated (details in note 2.2.2.4) of PLN 298 million from lower capital investments, reduced net working capital in the Mall Segment and extending the scope of Allegro Pay loan sales to Aion Bank.

The Group's senior indebtedness of PLN 6.5 billion gross debt is due on 14 October 2025 and incurs floating rate interest plus a margin dependent on the Group's leverage.

From the total senior debt, PLN 4.2 billion is hedged until June 2024 at an average fixed rate of 1.32% and a further PLN 2.0 billion is hedged from July 2024 to October 2025 at average fixed rate of 5.07%.



3. Important events

The Group's Management sets out below important events that have occurred at the Group during the first six months of the financial year.

SOFT LAUNCH OF ALLEGRO.CZ

On May 9th 2023, the Group launched Allegro.cz, an e-commerce platform fully tailored to the Czech market, marking a new stage in the expansion of the platform and its partners in the region. By launching the Allegro.cz platform, the Group has extended its marketplace target addressable market to nearly 50 million people.

The new platform operates based on the "list once, sell everywhere" rule, meaning that merchants already registered on Allegro.pl do not need to sign up in the new domain. The launch of Allegro.cz was another step, after acquiring MALL Group and WE|DO, in the Group's ambition to become the leading e-commerce platform in Central and Eastern Europe. Since the soft launch of the platform in early May the Group has been gradually building marketing investment, while developing a playbook for further international launches.

Following the successful soft launch of the Czech marketplace, on July 31st 2023, already after the reporting period, the Group has moved on to the hard launch of the platform, with a broad ATL (Above The Line, i.e. using mass media) marketing campaign. The "Bigger, Bigger" campaign, emphasising the selection advantage, has shown promising early results, with rapidly increasing Allegro brand awareness and traffic.

APPOINTMENT OF TWO NEW INDEPENDENT NON-EXECUTIVE DIRECTORS

On May 12th 2023, the Annual General Meeting of the Company appointed Catherine Faiers and Tomasz Suchański as independent directors of the Company for three years with effect from 12 May 2023. Catherine Faiers is a highly regarded e-commerce leader, with proven executive experience in roles across strategy, sales, marketing, product, technology, finance, and operations. Tomasz Suchański is CEO of Żabka Group, leader of the convenience model in Central and Eastern Europe. The Board believes that the appointment of Catherine Faiers and Tomasz Suchański as independent directors is in the best interests of the Company, being a step towards the announced target of achieving a majority of Board Members being independent directors not later than 1 September 2026.

CONCLUDING THE COOPERATION AGREEMENT WITH AION BANK SA / NV AND VODENO SP. Z O.O. REGARDING THE LAUNCH OF SERVICES IN THE BANK-AS-A-SERVICE MODEL

On June 30th 2023, Allegro Pay sp. z o.o., Allegro sp. z o.o., Aion Bank SA / NV, a Belgium credit institution, acting through its Polish branch trading under the name "Aion Bank S.A. Spółka Akcyjna Oddział w Polsce" ("AION") and Vodeno sp. z o.o. ("Vodeno"), a company belonging to the same capital group as AION, entered into the cooperation agreement (the "Cooperation Agreement").

The Cooperation Agreement established rules of cooperation within the scope of certain banking products based on the Banking-as-a-Service model.

Under the Cooperation Agreement, AION will provide certain banking services, including payment and saving accounts (the "Banking Accounts") for customers making purchases on the Allegro platform and will make available its technical platform functionalities via API which will be operated by Vodeno, as AION's subcontractor. Allegro Pay will act as AION's outsourcing service provider within the scope of: (i) supporting customers in the onboarding process, (ii) providing customer support in relation to the banking services and (iii) providing onboarding process and management of the Banking Accounts through the Allegro platform. Allegro Pay will provide Allegro platform functionalities through Allegro, as Allegro Pay's subcontractor. The Cooperation Agreement was concluded for a period of 5 years with the possibility of its extension and it contains exclusivity and non-compete provisions.

Other events and transactions during the first six months of the financial year affecting the financial position and performance of the Group and their impact on the condensed financial statements, are described in the Note 5 and Note 6 to the Interim Condensed Consolidated Financial Statements of Allegro.eu Group for the six month period ended 30 June 2023. Please refer to Interim Condensed Consolidated Financial Statements for more details: Note 5: "Significant Changes in the Current Reporting Period", and Note 6: "Group Structure".

4. Recent trading

Real declines in Polish retail sales this year reached a bottom of – 7.3% in March and April before recovering to – 2.7% by August. In nominal terms, retail sales growth has been falling sequentially from 15.1% in January to 1.8% in May and has improved gradually to 3.1% in August. Against this continued headwind, GMV growth for the Polish Operations is expected to reach 10–11% for the entire Q3 2023. Growth in July and August was in line with Q2. September growth has been more muted as cooler autumn weather is yet to arrive, while the prior year comparative includes significant purchases of expensive heating equipment for utilisation in Ukraine.

In the Mall Segment, four of the CE-5 economies continue to see falling real retail sales (July, YoY: Czech Republic – 1.8%, Hungary – 7.7%, Slovakia – 4.4%, Slovenia – 16.3%), while inflation has fallen to single digits in Czech Republic, Croatia, Slovakia and Slovenia, with only Hungary still above 10%. Given that weak demand is has continued much longer than the Management originally anticipated, the Group is focusing on gross margin and efficiency of marketing spend in order to limit Adjusted EBITDA losses in the legacy Mall Segment. As a result GMV decline in the Mall Segment for Q3 is expected in the 29–31% range YoY.

In contrast, the allegro.cz marketplace has accelerated significantly following its hard commercial launch on 31 July and is expected to deliver approximately PLN 190 million of GMV in Q3, up more than 3x QoQ.

The Allegro.cz marketplace is therefore expected to reduce GMV loss in the International Operations by approximately 19 pp to a range of 10–12%.

On a consolidated basis, the Group is therefore expecting GMV growth for Q3 between 8% and 9% YoY.

5. Expectations and targets for Q3 2023

The expectations and targets for Q3 2023 are set out below:

Polish Operations	Q2'23E	Q2'23 Actual	Q3'2023E
GMV	11–12% YoY growth	11.3% YoY growth	10–11% YoY growth
Revenue	16–18% YoY growth	18.4% YoY growth	19–21% YoY growth
Adjusted EBITDA [1]	13–16% YoY growth	22.1% YoY growth	30–32% YoY growth
Capex [2]	PLN 110–120m	PLN 101.7m	PLN 85–95m

International Operations	Q2'23E	Q2'23 Actual	Q3'2023E
GMV	3–6% YoY decline [3]	5.7% YoY decline [3]	10–12% YoY decline [3]
Revenue	8–11% YoY decline [3]	16.8% YoY decline [3]	32–34% YoY decline [3]
Adjusted EBITDA [1]	PLN 110–120m loss	PLN 92.8m loss	PLN 100–110m loss
Capex [2]	PLN 35–40m	PLN 21.4m	PLN 20–25m

Group Consolidated	Q2'23E	Q2'23 Actual	Q3'2023E
GMV	10–11% YoY growth	10.3% YoY growth	8–9% YoY growth
Revenue	9–11% YoY growth	8.5% YoY growth	3–5% YoY growth
Adjusted EBITDA [1]	3–8% YoY growth	19.9% YoY growth	23–25% YoY growth
Capex [2]	PLN 145–160	PLN 123.0m	PLN 105–120m

[1] Adjusted EBITDA defined as EBITDA pre group restructuring and development costs, stock-based compensation and other one-off items
[2] Represents cash capex and does not include leased assets (which are presented in balance sheet)
[3] Including positive impact from PLN/CZK FX rate changes

6. Significant events after the end of the reporting period

RESIGNATION OF A MEMBER OF THE MANAGEMENT BOARD OF ALLEGRO SP. Z O.O.

On 12 September 2023, Mr. Alvise Favara resigned from the position of member of the Management Board of Allegro sp z o.o., a wholly owned indirect subsidiary of the Company, and other positions held within the Company's group, with immediate effect. Alvise Favara will remain available until 31 March 2024 to ensure a smooth transition of functions to his successor as Chief Commercial Officer (CCO).

For summary of other key events occurring after the reporting period please refer to the Note 19 to the Interim Condensed Consolidated Financial Statements of the Group for the three and six month periods ended 30 June 2023: "Events Occurring After The Reporting Period".

7. Principal risks and uncertainties

Due to inherent uncertainty over the future evolution of the Group's principal risks and uncertainties, as well as future developments in the Polish, Central European and global economies, in the management's assessment actual future results could differ materially from those discussed in any expectations, projections or other forward-looking statements included throughout this Report.

Principal risks and uncertainties have been identified by the Group and described in detail in section 2 "Risk Management System, Risk Factors, and Regulatory Matters" of the Group's Annual Report for the financial year ended 31 December 2022 ("2022 Annual Report"), which was approved by the Board of Directors 29 March 2023 and which has been subsequently published on the Company's website. The general nature of these risks includes, but is not limited to, the following key factors:

- Risks related to the macroeconomic situation in Poland and CE-5 countries including, but not limited to impact of higher inflation, increasing pressure on wages growth, risk of deterioration in consumer sentiment and disposable income
- Risks and uncertainties arising from the invasion of Ukraine impacting stability in the region and potential wider effects of the conflict on the economy of Poland and CEE countries where the Group operates, including, but not limited to, disruption from sanctions on trade with Russia, including energy imports to the European Union and further energy crisis in Europe, global food shortages from disruption to crop production in Ukraine and exports, further inflationary pressure and erosion of the disposable incomes of the Group's buyers, financial burden of supporting Ukrainian refugees and other.
- Risks related to the group's business and industry, including but not limited to risks of existing and new competition, dependence on a strong brand, continued secular trend of e-commerce growth, user's perception, system interruptions of any third party business partners.
- Risks related to the execution of the key business development programs, including but not limited to implementation of strategic objectives as reflected in the Management's seven priorities as announced in September 2022, such as maintaining Group's strong position in Poland; developing and launching new consumer finance products by Allegro Pay; rolling out Allegro 3P marketplace model in other countries, improving the economics of Smart! and delivery operations, turning around Mall 1P operations or optimising Group's costs.
- The Group's expectations, assumptions and judgements underlying its near-term outlook and other forward-looking performance measures may prove inaccurate, and as a result the Group may be unable to meet its expectations or achieve its targeted financial results.
- The Group has in the past and may continue in the future to engage in opportunistic acquisitions of other companies, businesses or assets, either in Poland or abroad, giving rise to significant additional business, regulatory and legal risks, including, but not limited to execution and post-merger integration risks.

- Specifically with regards to the Mall Group / WE|DO Acquisition, the Group identifies the following potential risks and uncertainties:
  - Risks to the group's strategy to transform the acquired entities and improve their growth and financial performance. Such factors include, but are not limited to: Transformation of the Mall Group business model from a majority proprietary sales model (1P) to a majority marketplace model (3P); Integration of the existing Mall Group sales platforms with the Group's platforms; Maintaining the Mall Group's current active buyer base; Cross-border goods logistics in the Mall Group; Risks of underestimating the costs of integration and operating expenses of operating in the revised 3P focused model in the new countries; Retention of key employees and management; Possible difficulties in creating a single culture within the Group, and/or in the creation of an efficient organisational structure managing across countries and functions
  - Currency risk for the consolidated results and dividend inflows of the Group
- Ability to hire new and maintain existing staff
- Epidemiological situation in Poland and in the markets where the Mall Group operates
- Compliance with laws and regulations, including, but not limited to data protection laws, consumer protection laws, regulations governing e-commerce and competition laws, intellectual property matters, taxation and customs matters, financial services as well as potential future regulations that might impose additional requirements and other obligations on the Group's business. Relevant new Polish and EU laws are described in the following paragraph.
- From time to time, the Group may be involved in various claims and legal proceedings relating to claims arising out of its operations, such as legal disputes relating to the minority stake of shares in eBilet, or proceedings before the OCCP President. These proceedings have been described in detail in the Group's 2022 annual report.
- In the past, the OCCP President has informally asked the Group for information about its operations, and may issue similar requests in the future. From time to time, the Group may be also involved in various explanatory proceedings. Such information requests and proceedings may relate to the protection of competition and/ or protection of consumers and cooperation and responding to the incoming requests and explanatory proceedings may take a lot of resources. If the OCCP President is not satisfied with the response to such informal requests for information, he can issue additional informal requests and/or initiate explanatory proceedings. These explanatory proceedings are a preliminary step that does not have to lead to the initiation of formal proceedings against Allegro. If the OCCP President decides to pursue the matters covered by these explanatory proceedings, he will open the main proceedings (regarding the potential antitrust/ consumer laws violations) against Allegro.
- Risks related to control, security and prevention mechanisms of the group's compliance structure might not be sufficient to adequately protect the group from all legal or financial risks. Integrating recently acquired businesses to comply with such structures takes time and increases compliance risks following recent acquisitions.
- The group's ability to generate or raise sufficient cash to service its debt and sustain its operations depends on many factors beyond the group's control
- Financial risks, including market risk, credit risk, liquidity risk, risk of changes in interest rates, currency risk.

Since publication of the 2022 Annual Report when the above list of Principal Risks and Uncertainties was accepted by the Board of Directors, a number of Polish and EU laws that will impact Allegro operations and will require internal implementations were adopted by the relevant legislative bodies. The following risks have been identified by the Group's Management:

- Since 2022 Annual Report a number of Polish and EU laws were adopted including regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA) (adopted), regulation (EU) 2023/988 on general product safety (adopted), data act (finalised), E-evidence directive and regulation (finalised).

Additionally, several new relevant PL and EU draft laws were published, including revision of the EU customs code [1], payment services directive (PSD3) [2] and regulation (PSR) [3], regulation on the Open Finance Framework [4], delegated and implementing acts on the Digital Services Act (DSA) [5] and the Digital Markets Act (DMA), adequacy decision regarding the Data Privacy Framework between the European Union and the United States [6], proposal for a Regulation that will improve cooperation between national data protection authorities when enforcing the General Data Protection Regulation (GDPR) [7], proposal for a directive on substantiation and communication of explicit environmental claims (Green Claims Directive) [8], proposal for a directive on common rules promoting the repair of goods [9], waste framework directive [10] and several sectoral proposals on product labelling.

[1] Proposal for a Regulation of the European Parliament and of the Council establishing the Union Customs Code and the European Union Customs Authority, and repealing Regulation (EU) No 952/2013, COM(2023) 258 final, Proposal for a COUNCIL REGULATION amending Regulation (EEC) No 2658/87 as regards the introduction of a simplified tariff treatment for the distance sales of goods and Regulation (EC) No 1186/2009 as regards the elimination of the customs duty relief threshold, COM(2023) 259 final

[2] Proposal for a Directive of the European Parliament and of the Council on payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC, COM/2023/366 final

[3] Proposal for a Regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010, COM/2023/367 final

[4] Proposal for a Regulation of the European Parliament and of the Council on a framework for Financial Data Access and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2022/2554, COM(2023) 360 final

[5] Proposal for a delegated regulation supplementing Regulation (EU) 2022/2065 of the European Parliament and of the Council, by laying down rules on the performance of audits for very large online platforms and very large online search engines, Proposal for a Commission Implementing Regulation (EU) on detailed arrangements for the conduct of certain proceedings by the Commission pursuant to Regulation (EU) 2022/1925 of the European Parliament and of the Council

[6] Commission implementing decision of 10.7.2023 pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council on the adequate level of protection of personal data under the EU-US Data Privacy Framework, C(2023) 4745 final

[7] Proposal for a Regulation of the European Parliament and of the Council laying down additional procedural rules relating to the enforcement of Regulation (EU) 2016/679, COM(2023) 348 final

[8] Proposal for a Directive of the European Parliament and of the Council on substantiation and communication of explicit environmental claims (Green Claims Directive), COM(2023) 166 final

[9] Proposal for a Directive of the European Parliament and of the Council on common rules promoting the repair of goods and amending Regulation (EU) 2017/2394, Directives (EU) 2019/771 and (EU) 2020/1828, COM(2023) 155 final

[10] Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste COM/2023/420 final

8.
Shareholders of Allegro.eu

As of 30 June 2023 and to the best of Management's knowledge, the Company's shares were held by the following entities:

Name	Number of shares	% of shares in the share capital	Number of votes at the General Meeting	% of votes at the General Meeting
Cidinan S.à r.l.	262 928 572	24.88%	262 928 572	24.88%
Permira VI Investment Platform Limited	262 928 572	24.88%	262 928 572	24.88%
Mepinan S.à r.l.	58 428 574	5.53%	58 428 574	5.53%
Free Float	472 619 135	44.72%	472 619 135	44.72%
Total:	**1 056 904 853**	**100.00%**	**1 056 904 853**	**100.00%**

Since there is no obligation for shareholders to inform the Company of any transfer of bearer shares, save for the obligations provided by the Luxembourg law of 15 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Company shall not be liable for the accuracy or completeness of the information on the number of shares held by individual shareholders.

10.
Related parties transactions

We are engaged in certain commercial and financial transactions with related parties. Please refer to Note 18 to the Interim Condensed Consolidated Financial Statements of the Group for the six month periods ended 30 June 2023, and to Note 36 to the Consolidated Financial Statements of the Group for the year ended 31 December 2022, for further details.

Appendix 1. Reconciliation of the key Alternative Performance Measures to the Financial Statements

This section includes a reconciliation of certain Alternative Performance Measures to most directly reconcilable items presented in the Financial Statements of the Group.

Total capital expenditures

The information regarding the total amount of capital expenditures recorded in Q2 and H1 2023 and 2022 is presented in the investing activities section of the interim condensed consolidated statement of cash flow as a separate line named: "Payments for property, plant & equipment and intangibles".

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Capitalised development costs	(201.9)	(164.3)	(100.3)	(91.1)
Other capital expenditure	(52.8)	(224.4)	(22.7)	(136.5)
Total capital expenditure	**(254.7)**	**(388.7)**	**(123.0)**	**(227.6)**

Capitalised development costs

The amount of capitalised development costs is a sum of capitalised staff costs and capitalised other expenses. Both amounts are separately presented under the Operating expenses section of the interim condensed consolidated statement of comprehensive income.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Staff costs – Capitalisation of development costs	(144.2)	(98.5)	(73.5)	(54.0)
IT service expenses – Capitalisation of development costs	(8.7)	(6.8)	(4.4)	(3.8)
Other expenses – Capitalisation of development costs	(55.8)	(58.9)	(26.9)	(33.3)
Capitalised cost of Allegro Incentive Program	6.8	—	4.5	—
Capitalised development costs	**(201.9)**	**(164.3)**	**(100.3)**	**(91.1)**

Net debt and Leverage

Whilst the Adjusted EBITDA LTM cannot be directly reconciled to the interim condensed consolidated financial statement, as it refers to the preceding twelve months, the amount of the remaining titles impacting the "Net Debt" and "Leverage" is readily observable in the interim condensed consolidated statement of financial position as a part of current assets as well as current and non-current liabilities.

PLN m (unaudited)	30.06.2023	31.03.2023	31.12.2022
Adjusted EBITDA LTM	**2,317.0**	**2,220.6**	**2,152.7**
(+) Borrowings at amortised cost	**6,434.2**	**6,437.2**	**6,453.5**
Non-current liabilities	6,434.2	6,437.2	6,451.8
Current liabilities	—	—	1.7
(+) Lease liabilities	**664.6**	**717.5**	**690.2**
Non-current liabilities	530.9	580.6	567.7
Current liabilities	133.7	136.8	122.5
(-) Cash	**(1,175.3)**	**(846.1)**	**(877.6)**
= Net Debt	**5,923.5**	**6,308.6**	**6,266.1**
Leverage (Net Debt / Adjusted EBITDA LTM)	**2.56 x**	**2.84 x**	**2.91 x**

Changes in working capital

The amount of each title impacting the working capital for the H1 2023 and 2022 respectively, are presented in the separate lines of the interim condensed consolidated statement of cash flow. However, the quarterly numbers are not disclosed, as there is no such obligation to do so.

Adjusted EBITDA/revenue (%) for the Polish Operations

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	1,273.9	1,014.2	673.3	551.3
Revenue	3,602.4	2,992.7	1,894.0	1,600.1
Adjusted EBITDA/revenue (%)	**35.36%**	**33.89%**	**35.55%**	**34.45%**

Adjusted EBITDA/GMV (%) for the Polish Operations

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	1,273.9	1,014.2	673.3	551.3
GMV	25,823.6	22,934.1	13,484.1	12,110.1
Adjusted EBITDA/GMV (%)	**4.93%**	**4.42%**	**4.99%**	**4.55%**

1P Gross Margin for the Polish Operations

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Retail revenue	211.6	185.8	112.1	103.1
Cost of goods sold	204.2	187.3	111.4	103.0
1P Gross Margin	**3.52%**	**(0.83%)**	**0.58%**	**0.06%**

Adjusted EBITDA/revenue (%) for the International Operations

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for the Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(162.5)	(67.1)	(92.8)	(67.1)
Revenue	1,121.7	610.7	507.9	610.7
Adjusted EBITDA/revenue (%)	**(14.49%)**	**(10.99%)**	**(18.27%)**	**(10.99%)**

Adjusted EBITDA/GMV (%) for the International Operations

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(162.5)	(67.1)	(92.8)	(67.1)
GMV	1,542.9	787.9	743.0	787.9
Adjusted EBITDA/GMV (%)	**(10.53%)**	**(8.52%)**	**(12.49%)**	**(8.52%)**

1P Gross Margin for the International Operations

Represents retail revenue minus cost of goods sold, divided by retail revenue. Please refer to the calculation for the Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Retail revenue	1,037.6	568.0	469.3	568.0
Cost of goods sold	914.1	500.2	414.5	500.2
1P Gross Margin	**11.90%**	**11.93%**	**11.69%**	**11.93%**

Adjusted EBITDA/revenue (%) for the Mall Segment

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(119.5)	(67.1)	(66.2)	(67.1)
Revenue	1,119.3	610.7	505.5	610.7
Adjusted EBITDA/revenue (%)	**(10.68%)**	**(10.99%)**	**(13.09%)**	**(10.99%)**

Adjusted EBITDA/GMV (%) for the Mall Segment

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(119.5)	(67.1)	(66.2)	(67.1)
GMV	1,492.2	787.9	692.3	787.9
Adjusted EBITDA/GMV (%)	**(8.01%)**	**(8.52%)**	**(9.56%)**	**(8.52%)**

Adjusted EBITDA/revenue (%) for the Allegro International Segment

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(43.0)	N/A	(26.7)	N/A
Revenue	3.2	—	3.2	—
Adjusted EBITDA/revenue (%)	**(1,345.52%)**	**N/A**	**(835.19%)**	**N/A**

Adjusted EBITDA/GMV (%) for the Allegro International Segment

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for the Q2 and H1 2023 and 2022 below.

PLN m (unaudited)	H1 2023	H1 2022	Q2 2023	Q2 2022
Adjusted EBITDA	(43.0)	N/A	(26.7)	N/A
GMV	56.7	—	56.7	—
Adjusted EBITDA/GMV (%)	**(75.84%)**	**N/A**	**(47.08%)**	**N/A**

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Appendix 2. Summary of consolidated statements of comprehensive income for the Group

THE GROUP'S SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE POLISH OPERATIONS AND THE INTERNATIONAL OPERATIONS

for H1 2023, H1 2022, Q2 2023 and Q2 2022, respectively

Consolidated statement of comprehensive income (audited), PLN m	Polish Operations			International Operations			Eliminations			Total		
	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %	H1 2023	H1 2022	Change %
GMV	**25,823.6**	**22,934.1**	**12.6%**	**1,542.9**	**787.9**	**95.8%**	**—**	**—**	**N/A**	**27,366.5**	**23,722.1**	**15.4%**
of which 1P	252.2	217.4	16.0%	1,217.0	664.0	83.3%	—	—	N/A	1,469.2	881.3	66.7%
of which 3P	25,571.4	22,716.8	12.6%	325.8	123.9	162.9%	—	—	N/A	25,897.3	22,840.7	13.4%
Revenue	**3,602.4**	**2,992.7**	**20.4%**	**1,121.7**	**610.7**	**83.7%**	**(5.3)**	**(0.7)**	**687.4%**	**4,718.9**	**3,602.7**	**31.0%**
Marketplace revenue	2,846.6	2,418.0	17.7%	39.0	14.4	171.8%	—	—	N/A	2,885.6	2,432.3	18.6%
Price comparison revenue	102.3	90.9	12.5%	—	—	N/A	—	(0.1)	(100.0%)	102.3	90.8	12.6%
Advertising revenue	373.8	266.3	40.4%	1.2	2.1	(43.3%)	—	(0.0)	(100.0%)	375.0	268.4	39.7%
Retail revenue	211.6	185.8	13.9%	1,037.6	568.0	82.7%	(0.3)	(0.6)	(49.5%)	1,248.9	753.2	65.8%
Other revenue	68.1	31.7	114.5%	43.9	26.2	67.1%	(5.0)	(0.0)	67,766.5%	107.0	58.0	84.6%
Operating expenses	**(2,375.5)**	**(2,037.5)**	**16.6%**	**(1,295.5)**	**(684.4)**	**89.3%**	**5.3**	**0.7**	**687.7%**	**(3,665.7)**	**(2,721.2)**	**34.7%**
Payment charges	(67.1)	(68.2)	(1.7%)	(8.0)	(2.9)	176.9%	0.1	—	N/A	(75.0)	(71.1)	5.5%
Cost of goods sold	(204.2)	(187.3)	9.0%	(918.3)	(500.2)	83.6%	0.3	0.6	(49.5%)	(1,122.1)	(687.0)	63.3%
Net costs of delivery	(1,031.4)	(783.3)	31.7%	(8.8)	(0.1)	11,856.4%	0.0	—	N/A	(1,040.2)	(783.3)	32.8%
Marketing service expenses	(396.9)	(340.9)	16.4%	(108.2)	(51.6)	109.7%	0.0	—	N/A	(505.1)	(392.6)	28.7%
Staff costs	(403.2)	(381.8)	5.6%	(189.9)	(79.3)	139.5%	0.0	0.0	31,426.7%	(593.0)	(461.1)	28.6%
IT service expenses	(78.2)	(70.5)	11.0%	(18.0)	(7.3)	147.3%	1.9	—	N/A	(94.3)	(77.8)	21.2%
Other expenses	(166.3)	(166.9)	(0.4%)	(43.0)	(43.5)	(1.2%)	2.9	0.1	3,072.3%	(206.4)	(210.3)	(1.8%)
Net impairment losses on financial and contract assets	(28.2)	(35.6)	(20.6%)	(1.3)	0.5	(384.2%)	—	—	N/A	(29.6)	(35.1)	(15.8%)
Transaction costs	—	(3.0)	(100.0%)	—	—	N/A	—	—	N/A	—	(3.0)	(100.0%)
Operating profit before amortisation, and depreciation and impairment losses of non-current non-financial assets (EBITDA)	**1,226.9**	**955.1**	**28.5%**	**(173.8)**	**(73.7)**	**135.8%**	**—**	**—**	**N/A**	**1,053.2**	**881.5**	**19.5%**

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Consolidated statement of comprehensive income (audited), PLN m	Polish Operations			International Operations			Eliminations			Total		
	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %	Q2 2023	Q2 2022	Change %
GMV	**13,484.1**	**12,110.1**	**11.3%**	**743.0**	**787.9**	**(5.7%)**	**—**	**—**	**N/A**	**14,221.2**	**12,898.0**	**10.3%**
of which 1P	134.2	122.3	9.8%	552.9	664.0	(16.7%)	—	—	N/A	687.1	786.2	(12.6%)
of which 3P	13,349.9	11,987.8	11.4%	190.1	123.9	53.4%	—	—	N/A	13,540.0	12,111.8	11.8%
Revenue	**1,894.0**	**1,600.1**	**18.4%**	**507.9**	**610.7**	**(16.8%)**	**(4.2)**	**(0.7)**	**527.7%**	**2,397.7**	**2,210.1**	**8.5%**
Marketplace revenue	1,499.5	1,296.1	15.7%	21.5	14.4	49.9%	—	0.00	N/A	1,521.0	1,310.5	16.1%
Price comparison revenue	47.4	43.5	8.8%	—	—	N/A	—	(0.1)	(100.0%)	47.4	43.5	9.0%
Advertising revenue	191.9	143.4	33.9%	0.0	2.1	(99.1%)	—	(0.0)	(100.0%)	192.0	145.5	31.9%
Retail revenue	112.1	103.1	8.7%	469.3	568.0	(17.4%)	(0.2)	(0.6)	(72.0%)	581.3	670.5	(13.3%)
Other revenue	43.1	13.9	209.1%	17.1	26.2	(35.0%)	(4.0)	(0.0)	54,970.9%	56.1	40.2	39.7%
Operating expenses	**(1,240.4)**	**(1,077.4)**	**15.1%**	**(613.6)**	**(684.4)**	**(10.3%)**	**4.2**	**0.7**	**528.1%**	**(1,849.8)**	**(1,761.1)**	**5.0%**
Payment charges	(34.3)	(34.4)	(0.1%)	(4.7)	(2.9)	62.5%	0.1	—	N/A	(39.0)	(37.3)	4.6%
Cost of goods sold	(111.4)	(103.0)	8.2%	(418.6)	(500.2)	(16.3%)	0.3	0.6	(53.6%)	(529.8)	(602.6)	(12.1%)
Net costs of delivery	(542.6)	(420.5)	29.0%	(5.8)	(0.1)	7,796.9%	0.0	—	N/A	(548.4)	(420.6)	30.4%
Marketing service expenses	(211.0)	(182.4)	15.7%	(63.1)	(51.6)	22.2%	0.0	—	N/A	(274.0)	(234.0)	17.1%
Staff costs	(218.4)	(196.8)	11.0%	(86.6)	(79.3)	9.2%	0.0	0.0	31,426.7%	(305.0)	(276.1)	10.5%
IT service expenses	(39.9)	(37.4)	6.6%	(8.9)	(7.3)	22.0%	1.9	—	N/A	(46.8)	(44.7)	4.8%
Other expenses	(69.1)	(91.3)	(24.3%)	(24.8)	(43.5)	(42.9%)	1.8	0.1	1,925.7%	(92.1)	(134.7)	(31.6%)
Net impairment losses on financial and contract assets	(13.8)	(14.4)	(4.7%)	(1.1)	0.5	(334.6%)	—	—	N/A	(14.8)	(14.0)	6.3%
Transaction cost	—	2.8	(100.0%)	—	—	—	—	—	—		2.8	(100.0%)
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets (EBITDA)	**653.5**	**522.6**	**25.0%**	**(105.7)**	**(73.7)**	**43.4%**	**—**	**—**	**N/A**	**547.9**	**448.9**	**22.0%**

III.

FINANCIAL STATEMENTS

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Responsibility statement

Allegro.eu
Société anonyme
1, rue Hildegard von Bingen, L – 1282 Luxembourg,
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B214830
(the Company)

RESPONSIBILITY STATEMENT

The Board of Directors confirms that, to the best of its knowledge:

These H1 2023 Interim Condensed Consolidated Financial Statements which have been prepared in accordance with the Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and that the interim Management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board and signed on its behalf by:

Darren Huston	Roy Perticucci
Director and Chairman	Director and CEO

Report on Review of Interim Condensed Consolidated Financial Statements

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of
Allegro.eu S.A.

We have reviewed the accompanying interim condensed consolidated financial statements of Allegro.eu S.A. (the "Company") and its subsidiaries (the "Group") as at 30 June 2023, which comprise the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six – month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the interim condensed consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 27 September 2023

Electronically signed by:
Malik Lekehal

Lekehal

Malik Lekehal

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

all amounts expressed in PLN'000 unless indicated otherwise

Interim Condensed Consolidated Statement of comprehensive income

	Note	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
Revenue	9	**4,718,871**	**3,602,655**	**2,397,708**	**2,210,056**
Operating expenses		**(3,665,718)**	**(2,721,200)**	**(1,849,839)**	**(1,761,118)**
Payment charges		(75,011)	(71,098)	(38,965)	(37,252)
Cost of goods sold		(1,118,007)	(686,967)	(525,647)	(602,650)
Net costs of delivery		(1,061,264)	(783,331)	(569,486)	(420,617)
Marketing service expenses		(503,853)	(392,556)	(272,787)	(234,001)
Staff costs net		(593,039)	(461,099)	(304,954)	(276,086)
Staff costs gross		*(737,207)*	*(559,615)*	*(378,463)*	*(330,054)*
Capitalisation of development costs		*144,168*	*98,516*	*73,509*	*53,968*
IT service expenses		(94,268)	(77,768)	(46,802)	(44,669)
IT service expenses gross		*(103,006)*	*(84,605)*	*(51,210)*	*(48,466)*
Capitalisation of development costs		*8,738*	*6,837*	*4,408*	*3,797*
Other expenses net		(190,700)	(210,289)	(76,348)	(134,707)
Other expenses gross		*(246,478)*	*(269,206)*	*(103,273)*	*(167,993)*
Capitalisation of development costs		*55,778*	*58,917*	*26,925*	*33,286*
Net impairment losses on financial and contract assets		(29,576)	(35,108)	(14,850)	(13,974)
Transaction costs		—	(2,984)	—	2,838
Operating profit before amortisation, depreciation and impairment losses of non-current non-financial assets		**1,053,153**	**881,455**	**547,869**	**448,938**
Amortisation, depreciation and impairment losses of non-current non financial assets		**(499,189)**	**(391,161)**	**(244,482)**	**(239,915)**
Amortisation		(375,051)	(299,813)	(187,539)	(182,749)
Depreciation		(122,546)	(91,348)	(57,185)	(57,166)
Impairment losses of non-current non-financial assets		(1,592)	—	242	—

	Note	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
Operating profit/(loss)		**553,964**	**490,294**	**303,387**	**209,023**
Net Financial costs	**10**	**(181,883)**	**(236,497)**	**(117,544)**	**(181,108)**
Financial income		23,282	11,275	15,361	2,358
Financial costs		(205,165)	(247,772)	(132,905)	(183,466)
Profit/(loss) before income tax		**372,081**	**253,797**	**185,843**	**27,915**
Income tax expenses	11	(96,081)	(150,346)	(66,889)	(91,414)
Net Profit/(loss)		**276,000**	**103,451**	**118,954**	**(63,499)**
Other comprehensive income/(loss) – Items that may be reclassified to profit or loss		**(138,941)**	**168,612**	**(104,561)**	**68,473**
Gain/(loss) on cash flow hedging		(24,674)	279,913	(14,036)	146,327
Cash flow hedge – Reclassification from OCI to profit or loss		(115,392)	(20,149)	(57,405)	(20,372)
Deferred tax relating to these items		32,731	(66,650)	15,357	(32,980)
Exchange differences on translation of foreign operations		(31,606)	(24,502)	(48,477)	(24,502)
Total comprehensive income/(loss) for the period		**137,059**	**272,063**	**14,393**	**4,974**

	Note	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
Net profit/(loss) for the period is attributable to:		**276,000**	**103,451**	**118,954**	**(63,499)**
Shareholders of the Parent Company		276,000	103,451	118,954	(63,499)
Total comprehensive income/(loss) for the period is attributable to:		**137,059**	**272,063**	**14,393**	**4,974**
Shareholders of the Parent Company		137,059	272,063	14,393	4,974
Earnings per share for profit attributable to the ordinary equity holders of the company (in PLN)	**12**				
Basic		0.26	0.10	0.11	(0.06)
Diluted		0.26	0.10	0.11	(0.06)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

all amounts expressed in PLN'000 unless indicated otherwise

Interim Condensed Consolidated Statement of financial position

ASSETS

Non-current assets	Note	30.06.2023	31.12.2022
Goodwill		8,747,411	8,750,198
Other intangible assets		5,556,910	5,772,243
Property, plant and equipment		1,125,234	1,168,877
Derivative financial assets		—	324,626
Other receivables		4,611	9,233
Prepayments		559	—
Deferred tax assets		16,076	16,295
Investments		364	360
Restricted cash		12,358	12,040
Total non-current assets		**15,463,523**	**16,053,872**

Current assets	Note	30.06.2023	31.12.2022
Inventory		385,223	496,620
Trade and other receivables	13	1,135,906	1,328,274
Prepayments		73,970	69,729
Consumer Loans at amortised cost	14	—	157,540
Consumer Loans at fair value	14	290,541	209,335
Other financial assets		2,317	2,808
Derivative financial assets	5	193,591	—
Income tax receivables		15,753	14,805
Cash and cash equivalents	15	1,175,319	877,559
Restricted cash		5,266	22,217
Total current assets		**3,277,886**	**3,178,887**
Total assets		**18,741,409**	**19,232,759**

EQUITY AND LIABILITIES

Equity	Note	30.06.2023	31.12.2022
Share capital		10,569	10,569
Capital reserve		8,298,471	8,282,469
Exchange differences on translating foreign operations		72,046	103,652
Cash flow hedge reserve		135,260	242,596
Actuarial gain/(loss)		322	322
Other reserves	5	73,069	67,910
Treasury shares	5	(1,921)	(1,200)
Retained earnings		274,941	2,191,737
Net result		276,000	(1,916,796)
Equity allocated to shareholders of the Parent		**9,138,757**	**8,981,259**
Total equity		**9,138,757**	**8,981,259**

Non-current liabilities	Note	30.06.2023	31.12.2022
Borrowings		6,434,202	6,451,821
Lease liabilities		530,876	567,699
Deferred tax liability		848,414	912,033
Liabilities to employees		10,786	7,122
Derivative financial liabilities	5	9,833	224
Total non-current liabilities		**7,834,111**	**7,938,899**

Current liabilities	Note	30.06.2023	31.12.2022
Borrowings		—	1,706
Lease liabilities		133,735	122,482
Derivative financial liabilities	5	1,870	—
Income tax liability		4,893	58,893
Trade and other liabilities	16	1,486,646	1,981,283
Liabilities to employees		141,397	148,237
Total current liabilities		**1,768,541**	**2,312,601**
Total equity and liabilities		**18,741,409**	**19,232,759**

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

all amounts expressed in PLN'000 unless indicated otherwise

Interim Condensed Consolidated Statement of changes in equity

	Share Capital	Capital reserve	Exchange differences on translating foreign operations	Cash flow hedge reserve	Actuarial gain/(loss)	Other reserves	Treasury Shares	Retained earnings	Net result	Equity allocated to shareholders of the Parent	Total
As at 01.01.2023	**10,569**	**8,282,469**	**103,652**	**242,596**	**322**	**67,910**	**(1,200)**	**2,191,737**	**(1,916,796)**	**8,981,259**	**8,981,259**
Profit/(loss) for the period	—	—	—	—	—	—	—	—	276,000	276,000	276,000
Other comprehensive income/(loss)	—	—	(31,606)	(107,335)	—	—	—	—	—	(138,941)	(138,941)
Total comprehensive income for the period	**—**	**—**	**(31,606)**	**(107,335)**	**—**	**—**	**—**	**—**	**276,000**	**137,059**	**137,059**
Transfer of profit from previous years	—	—	—	—	—	—	—	(1,916,796)	1,916,796	—	—
Acquisition of treasury shares (see note 5)	—	—	—	—	—	—	(20,056)	—	—	(20,056)	(20,056)
Allegro Incentive Shares – release of treasury shares (see note 5)	—	(19,335)	—	—	—	—	19,335	—	—	—	—
Allegro Incentive Plan	—	—	—	—	—	40,496	—	—	—	40,496	40,496
Allegro Incentive Plan – vested shares	—	35,337	—	—	—	(35,337)	—	—	—	—	—
Transactions with owners in their capacity as owners	**—**	**16,002**	**—**	**—**	**—**	**5,159**	**(721)**	**(1,916,796)**	**1,916,796**	**20,440**	**20,440**
As at 30.06.2023	**10,569**	**8,298,471**	**72,046**	**135,260**	**322**	**73,069**	**(1,921)**	**274,941**	**276,000**	**9,138,757**	**9,138,757**
As at 01.01.2022	**10,233**	**7,089,903**	**—**	**146,209**	**(1,728)**	**19,707**	**(1,995)**	**1,102,118**	**1,089,618**	**9,454,065**	**9,454,065**
Profit/(loss) for the period	—	—	—	—	—	—	—	—	103,451	103,451	103,451
Other comprehensive income/(loss)	—	—	(24,502)	193,114	—	—	—	—	—	168,612	168,612
Total comprehensive income for the period	**—**	**—**	**(24,502)**	**193,114**	**—**	**—**	**—**	**—**	**103,451**	**272,063**	**272,063**
Costs of hedging transferred to the carrying value of goodwill (basis adjustment)	—	—	—	16,827	—	—	—	—	—	16,827	16,827
Total cost of hedging transferred to the carrying value of goodwill	**—**	**—**	**—**	**16,827**	**—**	**—**	**—**	**—**	**—**	**16,827**	**16,827**
Transfer of profit from previous years	—	—	—	—	—	—	—	1,089,618	(1,089,618)	—	—
Increase of capital	336	1,180,743	—	—	—	—	—	—	—	1,181,079	1,181,079
Allegro Incentive Shares – release of treasury shares	—	(640)	—	—	—	—	640	—	—	—	—
Allegro Incentive Plan	—	—	—	—	—	18,711	—	—	—	18,711	18,711
Allegro Incentive Plan – vested shares	—	12,617	—	—	—	(12,617)	—	—	—	—	—
Transactions with owners in their capacity as owners	**336**	**1,192,720**	**—**	**—**	**—**	**6,094**	**640**	**1,089,618**	**(1,089,618)**	**1,199,791**	**1,199,791**
As at 30.06.2022	**10,569**	**8,282,623**	**(24,502)**	**356,150**	**(1,728)**	**25,801**	**(1,355)**	**2,191,736**	**103,451**	**10,942,746**	**10,942,746**

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Interim Condensed Consolidated Statement of cash flows

Cash flows from operating activities	Note	6 months ended 30.06.2023	6 months ended 30.06.2022
Profit/(loss) before income tax		**372,081**	**253,797**
Amortisation, depreciation and impairment losses of non-current non financial assets		499,189	391,161
Net interest expense	10	172,956	205,777
Non-cash employee benefits expense – share based payments		32,538	16,107
Revolving facility availability fee	10	3,414	3,764
Net (gain)/loss from exchange differences		(6,089)	15,028
Interest on leases	10	14,803	9,029
Net (gain)/loss on measurement of financial instruments	10	1,573	6,453
Net (gain)/loss on sale of non-current assets		1,689	—
(Increase)/Decrease in trade and other receivables, prepayments and restricted cash		185,280	18,393
(Increase)/Decrease in inventories		98,717	(19,503)
Increase/(Decrease) in trade and other liabilities		(455,596)	132,530
(Increase)/Decrease in consumer loans		76,334	(87,143)
Increase/(Decrease) in liabilities to employees		(1,497)	(32,691)
Cash flows from operating activities		**995,392**	**912,703**
Income tax paid		(165,271)	(282,244)
Net cash inflow/(outflow) from operating activities		**830,121**	**630,459**

Cash flows from investing activities	Note	6 months ended 30.06.2023	6 months ended 30.06.2022
Payments for property, plant & equipment and intangibles		(254,653)	(388,678)
Flows from sale of non-financial assets		4,987	—
Acquisition of subsidiary (net of cash acquired)		—	(2,353,104)
Net cash inflow/(outflow) from investing activities		**(249,666)**	**(2,741,782)**

Cash flows from financing activities			
Acquisition of treasury shares	5	(20,056)	—
Borrowings received		—	1,500,000
Borrowings repaid		—	(380,966)
Interest paid		(302,674)	(165,579)
Interest rate hedging instrument settlements		131,536	20,149
Lease payments		(80,100)	(37,851)
Lease incentives		—	17,021
Revolving facility availability fee payments		(2,931)	(2,443)
Arrangement fee paid		(8,500)	(8,000)
Other		30	—
Net cash inflow/(outflow) from financing activities		**(282,695)**	**942,331**

Net increase/(decrease) in cash and cash equivalents		**297,760**	**(1,168,992)**
Cash and cash equivalents at the beginning of the financial period		877,559	1,957,241
Cash and cash equivalents at the end of the financial period		1,175,319	788,249

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Allegro.eu S.A. Group ('Group') consists of Allegro.eu Société anonyme ('Allegro.eu' or 'Parent') and its subsidiaries. Allegro.eu and the other members of the Group were established for an unspecified period. The Parent was established as a limited liability company (société à résponsabilité limitée) in Luxembourg on 5 May 2017. The Parent was transformed into a joint-stock company (société anonyme) on 27 August 2020.

The Group is registered in Luxembourg, and its registered office is located at 1, rue Hildegard von Bingen, Luxembourg. The Parent's shares have been listed on the Warsaw Stock Exchange ('WSE') since 12 October 2020.

The Group operates on the territory of Europe mainly in Poland, Czech Republic, Slovakia and Slovenia. The Group's most significant operating entities are: Allegro sp. z o.o. ('Allegro'), Ceneo.pl sp. z o.o. ('Ceneo'), eBilet Polska sp. z o.o. ('eBilet'), Allegro Pay sp. z o.o. ('Allegro Pay'), CZC.cz s.r.o. ('CZC'), Internet Mall a.s. ('Mall.cz'), Internet Mall Slovakia s.r.o. ('Mall.sk') and Mimovrste, spletna trgovina d.o.o ('Mimovrste'). The detailed information regarding the Group structure and the country of domicile of each legal entity within the Group is presented in note 6 'Group structure'.

The Group's core activities comprise:

- online marketplace;
- advertising;
- online price comparison services;
- retail sale via the Internet;
- online tickets distribution;
- web portal operations;
- consumer lending to marketplace buyers;
- software and solutions for delivery logistics;
- logistic services;
- data processing, hosting and related activities;
- other information technology and computer service activities;
- computer facilities management activities;
- software-related activities;
- computer consultancy activities.

These Interim Condensed Consolidated Financial Statements were prepared for the six month period ended 30 June 2023, together with comparative amounts for the corresponding period of 2022 and have been a subject to auditor's review, except the information prepared for 3 months period ended 2023 and 2022 that were disclosed by the Group voluntarily.

2. Basis of preparation

These Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2023 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting (as adopted by the European Union). The Interim Condensed Consolidated Financial Statements were prepared on the assumption that the Group would continue as a going concern for at least 12 months subsequent to 30 June 2023. In making this going concern assumption Management took into consideration the impact of the geopolitical situation in Ukraine on the Group's business.

These Interim Condensed Consolidated Financial Statements were prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

These Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and thus should be read in conjunction with the Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2022.

The accounting policies adopted are consistent with these Interim Condensed Consolidated Financial Statements, except for the estimation of income tax prepared under IAS 34 (see note 11 'Income tax expense') and the adoption of new and amended standards effective after 1 January 2023 as set out in note 3 'Summary of changes in accounting policies'.

There were no other changes in accounting policies in the period covered by the Interim Condensed Consolidated Financial Statements of Allegro.eu S.A. Group ended 30 June 2023 in comparison to the Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2022.

all amounts expressed in PLN'000 unless indicated otherwise

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3. Summary of changes in significant accounting policies

NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

In these Interim Condensed Consolidated Financial Statements the following new standards and amendments to the standards that came into effect as of 1 January 2023 were applied.

New standard or amendment	Issued on	Effective for annual periods beginning on or after	Group's assessment of the regulation
IFRS 17 'Insurance Contracts'	18 May 2017	1 January 2023	No impact
Amendments to IFRS 17 and an amendment to IFRS 4	25 June 2020	1 January 2023	No impact [1]
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies	12 February 2021	1 January 2023	No impact
Amendments to IAS 8: Definition of Accounting Estimates	12 February 2021	1 January 2023	No impact
Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction	7 May 2021	1 January 2023	No impact
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25 May 2023	1 January 2023	No impact
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	23 May 2023	1 January 2023	Assessment in progress [2]

[1] the Group assessed the impact of IFRS 17 on its operations, mostly in relation to fixed fee variants of the SMART! program and concluded that the definition of an insurance contract is not met, as the usage of the delivery service is not triggered by an adverse effect.

[2] not yet endorsed by the European Union. These changes might impact the Group Annual Financial Statements, once endorsed by the Polish Government.

4. Information on material accounting estimates

The preparation of the Interim Condensed Consolidated Financial Statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are being constantly verified and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The new estimates and assumptions other than presented in Annual Consolidated Financial statements for the year ended 31 December 2022 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

No significant changes in accounting estimates and financial risk management have been identified.

CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the consolidated statement of financial position, but information about them is disclosed in notes. No provision in relation to claims presented below have been recognised in the financial statements, as the potential outflow embodying the economic benefits is not probable.

All the Group's existing contingent liabilities were disclosed in the note 32 of the Annual Consolidated Financial Statements for the year 2022. In the six month period ended 30 June 2023 there were no changes in pending proceedings, except those described below.

EXPLANATORY PROCEEDINGS RELATED TO PLANNED INTRODUCTION OF THE INDEXATION CLAUSE TO SMART! TERMS & CONDITIONS

On 22th November 2022 Allegro received a decision to launch explanatory proceedings and questions from the UOKiK President regarding the planned introduction of the indexation clause to Smart! Terms & Conditions. Following a period of investigation and analysis by UOKiK, on 11 May 2023, the Group was informed of a decision signifying the conclusion of the explanatory proceeding without any further action against Allegro.

ESTIMATED IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually or more frequently if there is objective evidence of impairment.

The Group did not identify any circumstances, which might indicate that an impairment loss may have occurred and therefore no specific goodwill impairment tests were performed on the carrying values of the Group's assets as at 30 June 2023. The impairment test on the carrying values will be performed in the standard annual cycle, or earlier if any of the impairment indicators enumerated in IAS 36 materialise.

During the six month period ended 30 June 2023 there were no significant events that might have changed the Group assessment related to climate matters, hence no impact on these Interim Condensed Consolidated Financial Statements.

5. Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

I. On 10 January 2023 the Group entered into floating to fixed interest rate swap contracts in respect of PLN 500,000 of the Group's borrowings, hedging into a fixed interest rate of 4.715%. The hedge is effective from 30 June 2024 and terminates on 31 October 2025. Moreover, on 14 March 2023 the Group entered into another floating to fixed interest rate swap contract in respect of PLN 500,000 of the Group's borrowings, hedging into a fixed interest rate of 4.767%. The hedge is effective from 30 June 2024 and terminates on 31 October 2025.

II. On 11 April 2023 the Remuneration Committee of the board of directors of Allegro.eu granted 1,140,455 units under the Performance Share Unit (PSU) plan and 3,890,223 shares under Restricted Stock Unit (RSU) plan. These awards have been granted to Executive Directors, Key Managers and other employees. The fair value, per share used in recognising the costs of share based compensation is PLN 30.51 for this grant, being the closing price of Allegro.eu shares listed on Warsaw Stock Exchange on the date of the grant.

The total value at the grant date was estimated at PLN 114,750 from which PLN 19,958 was recognised in the six months ended 30 June 2023. The cost of the grant will be recognised over the 36 month vesting period, based on the fair value of the Group's shares at closing on the grant date, an estimate of attrition rates and for the PSU, current estimates of probable achievement against agreed performance conditions that can result in between 0 and 2 ordinary shares being issued at vesting for each unit granted. Recognition of the estimated cost of the program reflects the vesting profile of 25%, 25%, and 50% respectively on the first, second, and third anniversaries of the grant date.

III. On 21 February 2023 the Group announced a launch of a share buyback program aimed to satisfy the awards granted under the Allegro Incentive Program. On 27 February 2023, the Group completed the share buyback program, resulting in the purchase of 725,000 shares valued at PLN 20,056. The majority of these shares were delivered to employees participating in the Allegro Incentive Program with the remaining 69,743 shares held as Treasury Shares.

IV. In December 2022 the Group reassessed the business objectives of 30-days 'Buy Now Pay Later' consumer loans and extended cooperation with Aion Bank S.A. ('Aion', 'Aion Bank'), whereby Allegro Pay may also offer 30-days 'Buy Now Pay Later' consumer loans to Aion for purchase. Until December 2022 Aion's purchases had been limited to instalment loans of various duration. As a result, 'Buy Now Pay Later' consumer loans were reclassified from 'held to collect' model, measured at amortised cost to 'other' model measured at fair value through profit and loss ("FVTPL"). Under IFRS 9 the reclassification date is defined as the "first day of the first reporting period following the change in the business model", which was 1 January 2023. The broader scope of cooperating with the financing partner translated to a decrease in value of the outstanding consumer loans compared to 31 December 2022 due to higher volume of sales of the outstanding consumer loans that had previously required financing from the Group's own capital resources. More information is presented in note 14. 'Consumer Loans'.

V. The decrease of derivative financial assets balance in the amount of PLN 131,035 and increase of derivative financial liabilities in the amount of PLN 11,479 stems from PLN 131,536 of cash received upon the settlement of interest rate hedging instruments (refer to note 10 'Financial Income and Cost'). This decrease was further supported by the lowering market expectation regarding the future interest rates, given the anticipated nearing end of the tightening monetary policy in the Polish market that translated to a decrease in valuation of the remaining financial instruments owned by the Group. These instruments are designated as the hedge of the future cash flow, thus the revaluation of existing contracts is recognised as a component of Other Comprehensive Income.

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6. Group structure

Key information regarding the members of the Group, their country of domicile, shares held by the Group as at 30 June 2023 and 30 June 2022 and the periods subject to consolidation is presented below.

PERIOD COVERED BY CONSOLIDATION
01.01.2023 – 30.06.2023

- **Allegro.eu S.A.** Luxembourg
  - **Allegro Treasury S.à r.l.** (previously Adinan Midco S.à r.l.) Luxembourg, **100%**
    - **Allegro sp. z o.o.** (previously Allegro.pl sp. z o.o.) Poland, **100%**
      - **Mall Group a.s.** Czech Republic, **100%**
        - **Internet Mall a.s.** Czech Republic, **100%**
        - **Internet Mall Hungary Kft.** Hungary, **100%**
        - **Mimovrste, spletna trgovina d.o.o.** Slovenia, **100%**
        - **Internet Mall Slovakia s.r.o.** Slovakia, **100%**
        - **Internet Mall d.o.o.** Croatia, **100%**
        - **Netretail sp. z.o.o. w likwidacji** Poland, **100%**
        - **m-HU Internet Kft.** Hungary, **100%**
        - **CZC.cz s.r.o.** Czech Republic, **100%**
        - **AMG Media a.s.** (previously LGSTCS a.s.) Czech Republic, **100%**
      - **eBilet Polska sp. z o.o.** Poland, **100%**
      - **Opennet.pl sp. z o.o.** Poland, **100%**
      - **Allegro Finance sp. z o.o.** Poland, **100%**
      - **SCB Warszawa sp. z o.o. w likwidacji** (previously SkyNet Customs Brokers sp. z o.o.)[1] Poland, **100%**
      - **WE|DO CZ s.r.o.** Czech Republic, **100%**
        - **WE|DO SK s.r.o.** Slovakia, **100%**
    - **Ceneo.pl sp. z o.o.** Poland, **100%**
    - **Allegro Pay sp. z o.o.** Poland, **100%**

[1] The liquidation process has been cancelled after 30.06.2023.

On 1 January 2023, the Group completed the merger of Mall Group a.s. with E-commerce holdings a.s., with Mall Group a.s. remaining in existence after the business combination.

On 9 June 2023, the liquidation process of Adinan Super Topco Employee Benefit Trust was completed with all remaining assets being transferred to the Parent.

The Group's management decided to liquidate Netretail sp. z o.o., a Polish based operating entity and subsidiary of Mall Group a.s., acquired as the part of the business combination transaction completed on 1 April 2022. The assets controlled by the company were transferred to Allegro sp. z o.o. The transaction does not meet the criteria to be presented as discontinued operations, as Netretail sp. z o.o. was not a separate major line of business, as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The liquidation process was completed subsequently to the date of these Interim Condensed Consolidated Financial Statements, on 14 July 2023.

PERIOD COVERED BY CONSOLIDATION
01.01.2022 – 30.06.2022

- **Allegro.eu S.A.** – Luxembourg
  - **Adinan Super Topco Employee Benefit Trust** – Jersey, **n/a**
  - **Allegro Treasury S.à r.l.** (previously Adinan Midco S.à r.l.) – Luxembourg, **100%**
    - **Allegro sp. z o.o. (previously Allegro.pl sp. z o.o.)** – Poland, **100%**
      - **Mall Group a.s.** [1] – Czech Republic, **100%**
        - **E-commerce Holding a.s.** [1] – Czech Republic, **100%**
          - **LGSTCS a.s.** [1] – Czech Republic, **100%**
            - **Uloženka s.r.o.** [1] – Czech Republic, **100%**
          - **CZC.cz s.r.o.** [1] – Czech Republic, **100%**
          - **Digital Engines s.r.o. v likvidaci** [1] – Czech Republic, **100%**
          - **Rozbaleno.cz s.r.o. v likvidaci** [1] – Czech Republic, **100%**
        - **Internet Mall a.s.** [1] – Czech Republic, **100%**
        - **Internet Mall Hungary Kft.** [1] – Hungary, **100%**
        - **Mimovrste, spletna trgovina d.o.o.** [1] – Slovenia, **100%**
        - **Internet Mall Slovakia s.r.o.** [1] – Slovakia, **100%**
        - **Internet Mall d.o.o.** [1] – Croatia, **100%**
        - **Netretail sp. z.o.o. w likwidacji** [1] – Poland, **100%**
        - **m-HU Internet Kft.** [1] – Hungary, **100%**
      - **eBilet Polska sp. z o.o.** – Poland, **100%**
      - **Opennet.pl sp. z o.o.** – Poland, **100%**
      - **Allegro Finance sp. z o.o.** – Poland, **100%**
      - **SkyNet Customs Brokers sp. z o.o.** – Poland, **100%**
      - **WE|DO CZ s.r.o.** [1] – Czech Republic, **100%**
        - **WE|DO SK s.r.o.** [1] – Slovakia, **100%**
    - **Ceneo.pl sp. z o.o.** – Poland, **100%**
    - **Allegro Pay sp. z o.o.** – Poland, **100%**

[1] Period covered by consolidation 01.04.2022 – 30.06.2022.

7. Approval of the Interim Condensed Consolidated Financial Statements

The Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2023 were approved for issue by the Board of Directors on 26 September 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8. Segment information

8.1 DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

Allegro.eu Group has implemented an internal functional reporting system. For management purposes, the Group is organised into business units based on their products, and has four reportable operating segments as presented below.

On 9 May 2023 the Group began a next phase in its international marketplace expansion, by launching allegro.cz, an e-commerce platform serving customers on the territory of the Czech Republic. This resulted in a change in structure of internal management organisation in a manner that influenced the composition of its reportable segment. As a result a new operating and reportable segment 'Allegro International' was identified. The Group did not restate any historical segment information as the changes in the internal structure of the organisation were effective from the beginning of the current reporting period.

Reportable Segment	Description	Legal entities
Allegro	Segment running B2C, C2C and B2B e-commerce platform, operating on territory of Poland, comprising the online marketplace and relevant services such as consumer lending and logistics operations.	Allegro sp. z o.o. (excluding Allegro.cz trading) Allegro Pay sp. z o.o. Allegro Finance sp. z o.o. Opennet.pl sp. z o.o. SCB Warszawa sp. z o.o. w likwidacji
Ceneo	Segment providing the multi-category price comparison services in Polish market, allowing the customer to find the most attractive price among the different websites and marketplaces.	Ceneo.pl sp. z o.o.
Mall	Comprises the e-commerce and logistics businesses and brands of Mall Group and WE|DO, based mainly in the Czech Republic, Slovakia and Slovenia.	Mall Group a.s. Internet Mall a.s. Internet Mall Hungary Kft. Mimovrste, spletna trgovina d.o.o. Internet Mall Slovakia s.r.o. Internet Mall d.o.o. Netretail sp. z.o.o. w likwidacji m-HU Internet Kft. AMG Media a.s. CZC.cz s.r.o. WE|DO CZ s.r.o WE|DO SK s.r.o
Allegro International	Segment running B2C e-commerce platform, trading on territory of Czech Republic, comprising the online marketplace and relevant services such as consumer lending and logistics operations.	Allegro sp. z o.o. (including solely Allegro.cz trading)
Other	Including the operations of eBilet, the leading event ticket sales site in Poland and the results of the parent and the intermediate holding company.	Allegro Treasury S.à r.l. Allegro.eu S.A. eBilet Polska sp. z o.o.

all amounts expressed in PLN'000 unless indicated otherwise

The reportable segments are identified at the Group level and are equal to the operating segments. Segment performance is assessed on the basis of revenue, operating profit before amortisation/depreciation ('EBITDA'), recognised impairment losses of non-current non-financial assets and decreased by reversal of such impairment losses as defined in the note 8.2. The accounting policies adopted are uniform for all segments and consistent with those applied for the Group. Inter-segment transactions are eliminated upon consolidation.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. All operating segments have a dispersed customer base – no single customer generates more than 10% of segment revenue. Information regarding the Group results incurred in the different geographical locations is presented in table below.

The Group's operations are affected by seasonality, aligned with the peaks of the shopping season. Usualy, the revenue generation profile is higher in the second part of the year, especially in the period before Christmas.

6 months ended 30.06.2023	TOTAL	Allegro	Ceneo	Mall	Allegro Interna-tional	Other	Elimina-tions
External revenue	4,718,870	3,454,558	124,580	1,116,251	2,901	20,581	—
Poland	*3,599,810*	*3,454,558*	*124,580*	*91*	—	*20,581*	—
Czech Republic	*732,468*	—	—	*729,567*	*2,901*	—	—
Other countries	*386,593*	—	—	*386,593*	—	—	—
Inter-segment revenue	—	8,538	23,667	3,046	294	2,481	(38,026)
Revenue	**4,718,871**	**3,463,096**	**148,247**	**1,119,297**	**3,195**	**23,062**	**(38,026)**
Operating expenses	(3,665,718)	(2,276,810)	(98,358)	(1,239,015)	(57,254)	(32,308)	38,026
EBITDA	**1,053,153**	**1,186,287**	**49,889**	**(119,718)**	**(54,059)**	**(9,246)**	**—**
Amortisation, depreciation and impairment losses of non-current non-financial assets	(499,189)						
Net financial costs	(181,883)						
Profit/(loss) before income tax	**372,081**						
Income tax expense	(96,081)						
Net Profit/(loss)	**276,000**						

6 months ended 30.06.2022	TOTAL	Allegro	Ceneo	Mall	Other	Elimina-tions
External revenue	3,602,655	2,857,680	115,380	610,082	19,513	—
Poland	*3,000,710*	*2,857,680*	*115,380*	*8,137*	*19,513*	—
Czech Republic	*386,211*	—	—	*386,211*	—	—
Other countries	*215,734*	—	—	*215,734*	—	—
Inter-segment revenue	—	78,108	28,516	578	6	(107,208)
Revenue	**3,602,655**	**2,935,788**	**143,896**	**610,660**	**19,519**	**(107,208)**
Operating expenses	(2,721,200)	(2,015,591)	(94,270)	(684,351)	(34,196)	107,208
EBITDA	**881,455**	**920,197**	**49,626**	**(73,691)**	**(14,677)**	**—**
Amortisation, depreciation and impairment losses of non-current non-financial assets	(391,161)					
Net financial costs	(236,497)					
Profit/(loss) before income tax	**253,797**					
Income tax expense	(150,346)					
Net Profit/(loss)	**103,451**					

all amounts expressed in PLN'000 unless indicated otherwise

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3 months ended 30.06.2023	TOTAL	Allegro	Ceneo	Mall	Allegro Interna-tional	Other	Elimina-tions
External revenue	2,397,708	1,819,543	59,093	503,523	2,901	12,648	—
Poland	*1,891,089*	*1,819,543*	*59,093*	*(195)*	—	*12,648*	—
Czech Republic	*321,021*	—	—	*318,120*	*2,901*	—	—
Other countries	*185,598*	—	—	*185,598*	—	—	—
Inter-segment revenue	—	5,487	11,695	2,018	294	2,421	(21,915)
Revenue	**2,397,708**	**1,825,030**	**70,788**	**505,541**	**3,195**	**15,069**	**(21,915)**
Operating expenses	(1,849,839)	(1,191,181)	(49,687)	(579,748)	(34,681)	(16,458)	21,915
EBITDA	**547,869**	**633,850**	**21,101**	**(74,207)**	**(31,486)**	**(1,389)**	**—**
Amortisation, depreciation and impairment losses of non-current non-financial assets	(244,482)						
Net financial result	(117,544)						
Profit/(loss) before income tax	**185,843**						
Income tax expense	(66,889)						
Net Profit/(loss)	**118,954**						

3 months ended 30.06.2022	TOTAL	Allegro	Ceneo	Mall	Other	Elimina-tions
External revenue	2,210,057	1,529,408	56,441	610,082	14,126	—
Poland	*1,608,112*	*1,529,408*	*56,441*	*8,137*	*14,126*	—
Czech Republic	*386,211*	—	—	*386,211*	—	—
Other countries	*215,734*	—	—	*215,734*	—	—
Inter-segment revenue	—	44,070	13,520	578	140	(58,309)
Revenue	**2,210,056**	**1,573,478**	**69,961**	**610,660**	**14,266**	**(58,309)**
Operating expenses	(1,761,118)	(1,073,571)	(45,938)	(684,351)	(15,566)	58,309
EBITDA	**448,938**	**499,907**	**24,023**	**(73,691)**	**(1,300)**	**—**
Amortisation, depreciation and impairment losses of non-current non-financial assets	(239,915)					
Net financial result	(181,108)					
Profit/(loss) before income tax	**27,915**					
Income tax expense	(91,414)					
Net Profit/(loss)	**(63,499)**					

The Board of Directors does not analyse the operating segments in relation to their assets and liabilities. The Group's operating segments are presented consistently with the internal reporting submitted to the Parent Company's Board of Directors, which is the main body responsible for making strategic decisions. The operating decisions are taken on the level of the operating entities.

all amounts expressed in PLN'000 unless indicated otherwise

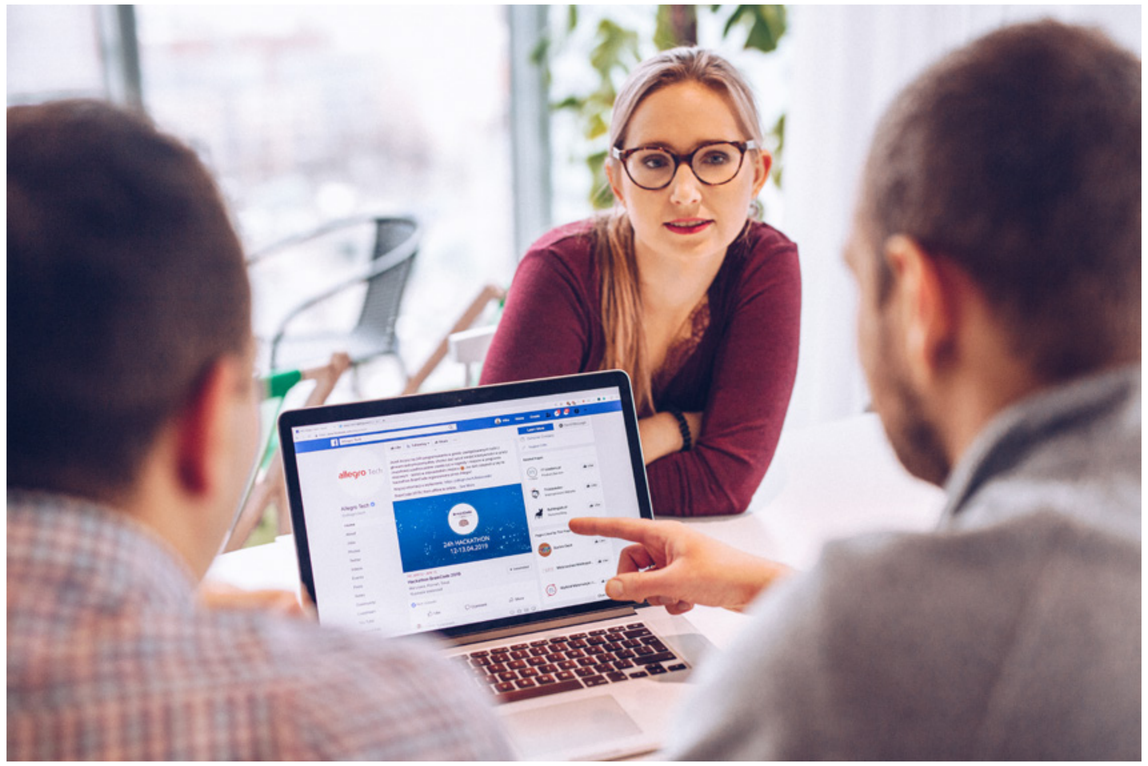
8.2
ADJUSTED EBITDA (NON-GAAP MEASURE)

EBITDA, which is a measure of the operating segments' profit, is defined as the net profit increased by the income tax charge, net financial costs (i.e. the finance income and finance costs), depreciation/amortisation, recognised impairment losses of non-current non-financial assets and decreased by reversal of such impairment losses.

In the opinion of the Board of Directors, Adjusted EBITDA is the most relevant measure of profit of the Group. Adjusted EBITDA excludes the effects of significant items of income and expenditure that may have an impact on the quality of earnings. The Group defines Adjusted EBITDA as EBITDA excluding regulatory proceeding costs, group restructuring and development costs, donations to various public benefit organisations, certain employee incentives and bonuses, transaction costs as well as employee restructuring cost.

These expenses are mostly of non-recurring nature and are not directly related to core operations of the Group. Adjusted EBITDA also excludes costs of recognition of incentive programs (Allegro Incentive Plan). Adjusted EBITDA is analysed and verified only at the Group level.

EBITDA and Adjusted EBITDA are not IFRS measures and should not be considered as an alternative to IFRS measures of profit/(loss) for the period, as an indicator of operating performance, as a measure of cash flow from operations under IFRS, or as an indicator of liquidity. EBITDA and Adjusted EBITDA are not a uniform or standardised measure and the calculation of EBITDA and Adjusted EBITDA, accordingly, may vary significantly from company to company.



	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
EBITDA	**1,053,153**	**881,455**	**547,869**	**448,938**
Regulatory proceeding costs [1]	—	992	—	533
Group restructuring and development costs [2]	18,401	39,075	6,506	24,165
Donations to various public benefit organizations [3]	500	2,208	—	1,023
Bonus for employees and funds spent on protective equipment against COVID-19 [4]	—	390	—	84
Allegro Incentive Plan [5]	34,107	16,107	25,284	8,394
Transaction costs [6]	—	2,984	—	(2,838)
Employees restructuring cost [7]	5,185	3,830	789	3,830
Adjusted EBITDA	**1,111,346**	**947,041**	**580,448**	**484,129**

[1] Represents legal costs mainly related to non-recurring regulatory proceedings, legal and expert fees and settlement costs.

[2] Represents legal and financial due diligence and other advisory expenses with respect to:
- potential acquisitions or discontinued acquisition projects,
- post-acquisition integration costs and other advisory expenses with respect to signed and closed acquisitions,
- non-employee restructuring cost.

The amount presented in 2023 and 2022 is mostly related to post-M&A professional fees for integration of Mall Group and WE|DO.

[3] Represents donations made by the Group to support health service and charitable organisations and NGOs during the COVID-19 pandemic and to provide humanitarian aid to people affected by the war in Ukraine.

[4] Represents expenses incurred by the Group to buy employees' protective equipment against COVID-19 and to pay employees' bonuses for the purchase of equipment necessary to enable them to work remotely during the COVID-19 pandemic.

[5] Represents the costs of the Allegro Incentive Plan, under which awards in the form of Performance Share Units ("PSU") and Restricted Stock Units ("RSU") are granted to Executive Directors, Key Managers and other employees.

[6] Represents pre-acquisition advisory fees, legal, financial, tax due diligence and other transactional expenses incurred in relation to the completed acquisition of Mall Group a.s. and WE|DO CZ s.r.o.

[7] Represents certain payments related to reorganisation of the Management Boards of the parent entity and the underlying operating entities, as well as redundancy payments for employees affected by restructuring projects.

all amounts expressed in PLN'000 unless indicated otherwise

9. Revenues from contracts with customers

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

6 months ended 30.06.2023	Allegro	Ceneo	Mall	Allegro International	Other	Eliminations	TOTAL
Marketplace revenue	2,826,054	—	36,215	3,089	21,185	(901)	2,885,642
Price comparison revenue	—	123,236	—	—	—	(20,930)	102,306
Advertising revenue	351,641	23,762	1,088	106	—	(1,577)	375,020
Retail revenue	211,626	—	1,037,612	—	—	(291)	1,248,947
Other revenue	73,775	1,249	44,382	—	1,877	(14,327)	106,956
Revenue	**3,463,096**	**148,247**	**1,119,297**	**3,195**	**23,062**	**(38,026)**	**4,718,871**

6 months ended 30.06.2022	Allegro	Ceneo	Mall	Other	Eliminations	TOTAL
Marketplace revenue	2,398,686	—	14,355	19,513	(230)	2,432,324
Price comparison revenue	—	115,217	—	—	(24,392)	90,825
Advertising revenue	241,852	27,318	2,105	—	(2,908)	268,367
Retail revenue	185,800	—	567,959	—	(576)	753,183
Other revenue	109,450	1,361	26,241	6	(79,102)	57,956
Revenue	**2,935,788**	**143,896**	**610,660**	**19,519**	**(107,208)**	**3,602,655**

3 months ended 30.06.2023	Allegro	Ceneo	Mall	Allegro International	Other	Eliminations	TOTAL
Marketplace revenue	1,486,855	—	18,727	3,089	13,341	(723)	1,521,289
Price comparison revenue	—	57,992	—	—	—	(10,610)	47,382
Advertising revenue	180,301	12,154	(87)	106	—	(505)	191,969
Retail revenue	112,091	—	469,324	—	—	(162)	581,253
Other revenue	45,783	642	17,577	—	1,728	(9,915)	55,815
Revenue	**1,825,030**	**70,788**	**505,541**	**3,195**	**15,069**	**(21,915)**	**2,397,708**

3 months ended 30.06.2022	Allegro	Ceneo	Mall	Other	Eliminations	TOTAL
Marketplace revenue	1,282,224	—	14,355	14,126	(231)	1,310,474
Price comparison revenue	—	54,874	—	—	(11,416)	43,458
Advertising revenue	130,417	14,434	2,105	—	(1,464)	145,492
Retail revenue	103,081	—	567,959	—	(576)	670,464
Other revenue	57,756	653	26,241	140	(44,622)	40,168
Revenue	**1,573,478**	**69,961**	**610,660**	**14,266**	**(58,309)**	**2,210,056**

all amounts expressed in PLN'000 unless indicated otherwise

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major operating segments.

6 months ended 30.06.2023	Allegro	Ceneo	Mall	Allegro International	Other	Eliminations	TOTAL
Timing of revenue recognition:							
At a point in time	2,840,525	124,485	1,084,292	3,195	23,062	(35,339)	4,040,220
Over time	622,571	23,762	35,005	—	—	(2,687)	678,651
Revenue	**3,463,096**	**148,247**	**1,119,297**	**3,195**	**23,062**	**(38,026)**	**4,718,871**

6 months ended 30.06.2022	Allegro	Ceneo	Mall	Other	Eliminations	TOTAL
Timing of revenue recognition:						
At a point in time	2,433,120	116,578	583,659	19,519	(103,164)	3,049,712
Over time	502,668	27,318	27,001	—	(4,044)	552,943
Revenue	**2,935,788**	**143,896**	**610,660**	**19,519**	**(107,208)**	**3,602,655**

3 months ended 30.06.2023	Allegro	Ceneo	Mall	Allegro International	Other	Eliminations	TOTAL
Timing of revenue recognition:							
At a point in time	1,504,563	58,634	486,570	3,195	15,069	(20,857)	2,047,174
Over time	320,467	12,154	18,971	—	—	(1,058)	350,535
Revenue	**1,825,030**	**70,788**	**505,541**	**3,195**	**15,069**	**(21,915)**	**2,397,708**

3 months ended 30.06.2022	Allegro	Ceneo	Mall	Other	Eliminations	TOTAL
Timing of revenue recognition:						
At a point in time	1,307,730	55,527	583,659	14,266	(56,269)	1,904,913
Over time	265,748	14,434	27,001	—	(2,040)	305,143
Revenue	**1,573,478**	**69,961**	**610,660**	**14,266**	**(58,309)**	**2,210,056**

10. Financial income and financial costs

	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
Valuation of financial assets	—	—	—	(188)
Interest from deposits	18,702	10,844	10,815	4,028
Other financial income	4,579	431	4,546	(1,482)
Financial income	**23,282**	**11,275**	**15,361**	**2,358**
Interest paid and payable for financial liabilities	(291,858)	(174,129)	(145,262)	(118,261)
Result on interest rate hedging	115,471	20,149	57,405	18,364
Remeasurement of the borrowings	—	(58,534)	—	(58,534)
Interest on leases	(14,803)	(9,029)	(7,372)	(6,255)
Revolving facility availability fee	(3,414)	(3,764)	(1,593)	(640)
Valuation of financial instruments	(1,573)	—	(1,573)	—
Net exchange losses on foreign currency transactions	(7,876)	(9,482)	(30,230)	(7,493)
Other financial costs	(1,111)	(12,983)	(4,281)	(10,647)
Financial costs	**(205,165)**	**(247,772)**	**(132,905)**	**(183,466)**
Net financial costs	**(181,883)**	**(236,497)**	**(117,544)**	**(181,108)**

The increase in the interest expenses is driven by the higher balance of Group's borrowings as well as the upward movement in the WIBOR reference rate visible in 2022. This resulted in the higher costs of servicing the Group's floating rate indebtedness and increased receipts from settling fixed to floating interest rate swap contracts.

The higher financial income generated on the Interest from deposits results from the process of increasing the main reference rates by the National Bank of Poland in 2022 that resulted in higher deposit rates offered by the commercial banks.

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11. Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

The majority of the Group's taxable income is generated in Poland and is subject to taxation according to the Corporate Income Tax Act (referred to as 'CIT') at the CIT rate of 19%. The CIT rates applicable in each of the countries where the Group has legal entities are set out below:

	Tax rate	
Country	6 months ended 30.06.2023	6 months ended 30.06.2022
Poland	19.00%	19.00%
Luxembourg	24.94%	24.94%
Czech Republic	19.00%	19.00%
Slovenia	19.00%	19.00%
Slovakia	21.00%	21.00%
Hungary	9.00%	9.00%
Croatia	18.00%	18.00%

The Board of Directors reviews from time to time the approach adopted in preparing tax returns where the applicable tax regulations are subject to interpretation. In justified cases, a provision is established for the expected tax payable to tax authorities.

For the periods ended 30 June 2023 and 30 June 2022 the income tax expense was as follows:

	6 months ended 30.06.2023	6 months ended 30.06.2022	3 months ended 30.06.2023	3 months ended 30.06.2022
Current income tax on profits	(126,387)	(118,760)	(75,984)	(85,249)
Adjustments for current tax of prior periods	13,306	(53,853)	(674)	(53,267)
(Increase)/Decrease in net deferred tax liability	17,000	22,267	9,769	47,100
Income tax expense	**(96,081)**	**(150,346)**	**(66,889)**	**(91,414)**

The Group did not identify any transactions and operations that might represent risk from an uncertain tax position, which might require creating the relevant provision. However, the Group cannot exclude the risk that the tax authorities will apply a different approach from the one adopted by the Group, which may adversely affect the Group's business.

The effective tax rate for the period ended 30 June 2023 is 26%, compared to 36% for 30 June 2022. A higher effective tax rate relative to the statutory tax rates results mainly from unrecognised deferred tax asset on tax losses incurred by Mall Group amounting to 36,198 PLN (2022: 29,061 PLN) and for comparative period is also inflated by non-cash charges recognised to increase the carrying value of borrowings at amortised cost in the amount of 67,487 PLN and tax paid in respect to prior periods amounting to 53,852 PLN.

12.
Earnings per share

The amounts in this note are provided in PLN and not in thousand PLN.

	6 months ended 30.06.2023	6 months ended 30.06.2022
Net profit/(loss) attributable to equity holders of the Parent Company	275,999,967	103,450,572
Profit/(loss) for ordinary shareholders	**275,999,967**	**103,450,572**
Average number of ordinary shares	1,056,496,154	1,039,937,082
Profit/(loss) per ordinary share (basic)	**0.26**	**0.10**
Effect of diluting the number of ordinary shares	1,522,511	410,382
Number of ordinary shares shown for the purpose of calculating diluted earnings per share	1,058,018,665	1,040,347,464
Profit/(loss) per ordinary share (diluted)	**0.26**	**0.10**

	3 months ended 30.06.2023	3 months ended 30.06.2022
Net profit/(loss) attributable to equity holders of the Parent Company	118,954,242	(63,499,473)
Profit/(loss) for ordinary shareholders	**118,954,242**	**(63,499,473)**
Average number of ordinary shares	1,056,677,614	1,056,839,222
Profit/(loss) per ordinary share (basic)	**0.11**	**(0.06)**
Effect of diluting the number of ordinary shares	1,751,181	—
Number of ordinary shares shown for the purpose of calculating diluted earnings per share	1,058,428,795	1,056,839,222
Profit/(loss) per ordinary share (diluted)	**0.11**	**(0.06)**

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary equity holders of the Parent Company, by the weighted average number of ordinary shares.

At the beginning of the period, the ordinary shares issued by the Parent stood at 1,056,904,853 and for the purpose of calculating the Earnings per Share was decreased by treasury shares held by the Group.

During the six months period ended 30 June 2023 the Group announced the share buyback program, aimed to satisfy awards granted under the Allegro Incentive Plan. The transactions were commenced on 22 and 23 February 2023 and resulted in acquisition of 725,000 own shares, from which 655,257 units were distributed to employees in April upon the next vesting date of Allegro Incentive Plan and the remaining 69,743 undistributed shares were held as Treasury Shares at 30 June 2023.

Reflecting the above transactions, on 30 June 2023 ordinary shares of the Parent in issue stood at 1,056,904,853 and for the purpose of basic earnings per share calculation were decreased by 69,743 treasury shares owned by the Group. The average number of ordinary shares used for the purpose of calculating basic Earnings per Share was 1,056,677,614 and 1,056,496,154 for the three and six month periods ending respectively.

The dilutive item presented in the table above refers to the RSU units granted as part of the AIP program, which have a dilutive impact on the EPS calculation in so far as they result in the issuance of ordinary shares for less than the average market price of ordinary shares during their vesting period.

The PSU variant of the AIP program has a contingent dilutive effect on the EPS calculation for the six months period ended 30 June 2023 and 2022. However it was not concluded to be dilutive, as the performance conditions required for delivery of shares to the program participants have not yet been met in the current financial year.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

13. Trade and other receivables

The value of the Group's trade and other receivables was as follows:

	30.06.2023	31.12.2022
Trade receivables, gross	1,021,663	1,216,591
Impairment of trade receivables	(115,425)	(116,942)
Trade receivables, net	**906,238**	**1,099,649**
Other receivables	73,601	127,703
VAT receivables	13,627	12,601
Tax receivables	142,440	88,321
Total	**1,135,906**	**1,328,274**

The Group's trade receivables comprise amounts due from companies and individuals and their concentration level is low.

The increase of tax receivables is driven mainly by the higher balances of the withholding tax receivable. Based on the pay and refund mechanism that entered into full force as of 1 January 2022, Allegro and Ceneo are grossing up for the withholding tax on their interest payments and remitting this tax to the tax office. The Group applied for a refund of these tax balances for 2022 and Q1, 2023 believing that all statutory conditions allowing for the withholding tax exemption are met.

Due to the short-term nature of current receivables, their fair value is considered to be the same as their carrying amount.

all amounts expressed in PLN'000 unless indicated otherwise

14. Consumer loans

Consumer loans represent loans granted to buyers on the Allegro platform. Loans are granted for 30 days without interest and instalment loans for between 5 and 20 months with an annualised interest rate that increased from 10.5% as of 31 December 2022 to 20.5% as of 30 June 2023. Furthermore, Smart! users may take 2-month zero interest instalment loans.

All loans are granted on the territory of Poland in Polish zloty (PLN).

14.1 CONSUMER LOANS AT FAIR VALUE THROUGH PROFIT AND LOSS

CHANGE OF BUSINESS MODEL

In December 2022 the Group reassessed the business objectives of 30-days 'Pay later' consumer loans and concluded a sale transaction with Aion Bank S.A. In the effect, on 1 January 2023, those instruments were reclassified from 'held to collect' model, measured at amortised cost to 'other' model measured at fair value through profit and loss ("FVTPL"). Following this change all consumer loans originated by the Group are measured at fair value through profit and loss.

As a consequence of this business model change, the difference between fair value and closing amortised cost was recognised in profit or loss as part of the other revenue as at the reclassification date, with no material impact. As of 30 June 2023 all Consumer Loans held by the Group were classified to 'other' business model, thus measured at fair value through profit and loss.

A business model in which the Group manages those loans is realising cash flows solely through the sale of these loans. Even though the Group collects the contractual cash flows while it holds these loans (before sales to Aion Bank), the objective of such a business model is not achieved by both collecting contractual cash flows and selling financial asset as the collection of contractual cash flows is not integral to achieving the business model's objective; instead, it is incidental to it.

The following table presents the consumer loans measured and recognised at fair value as at 30 June 2023 and 31 December 2022.

Consumer loans at FVTPL as at 31.12.2022	**209,335**
Reclassified from amortised cost (change in business model)	157,540
Consumer loans at FVTPL as at 01.01.2023	**366,875**
New consumer loans originated	3,702,272
Fair value measurement	619
Consumer loans derecognised (repaid)	(1,774,609)
Consumer loans derecognised (sold)	(2,004,616)
Consumer loans at FVTPL as at 30.06.2023	**290,541**

Reclassified from amortised cost (change in business model)	239,262
Consumer loans at FVTPL as at 01.01.2022	**239,262**
New consumer loans originated	2,148,467
Fair value measurement	(9,153)
Consumer loans derecognised (repaid)	(779,851)
Consumer loans derecognised (sold)	(1,389,390)
Consumer loans at FVTPL as at 31.12.2022	**209,335**

In the six months period ended 30 June 2023 the Group executed several consumer loan sale transactions under the agreement signed with AION Bank in 2021. In effect the risk, rewards and control were transferred to the financing partner with the relevant consumer loans being derecognised.

The fair value measurement of the loans is classified at level 3 of the fair value hierarchy. Fair value measurement is based on contractual cash flows adjusted by a credit risk element. They are discounted with a discount rate which comprises the risk-free rate and the effective margin. Assignment of the effective margin for the purpose of calculating the discount factor is based on the exposure's characteristics at measurement date.

The majority of consumer loans are sold to the financing partner in the ordinary course of business, usually within 1-2 months from the origination date. The gain/loss generated on those transactions is minimal, as the pricing method agreed on the contractual basis does not materially differ from the fair value of the financial assets being subject to the sale transaction. At each reporting period, the Group compares the fair value of consumer loans against the expected price that would have been received from the financing partner if the sale transactions had occurred at the end of the reporting period. The outcome of this analysis proves this discrepancy not to be material.

There was no transfer into or out of Level 3 of the fair value hierarchy in the periods covered by these Interim Condensed Financial Statements.

all amounts expressed in PLN'000 unless indicated otherwise

15. Cash and cash equivalents

At the balance sheet date cash and cash equivalents comprised:

	30.06.2023	31.12.2022
Cash at bank	320,124	361,096
Bank deposits	685,683	393,056
Cash equivalents	169,512	123,407
Total	**1,175,319**	**877,559**

Cash equivalents comprise payments in transit made by the Group's customers via electronic payment channels.

16. Trade and other liabilities

Trade and Other Liabilities at the balance sheet date comprised:

	30.06.2023	31.12.2022
Trade liabilities	1,055,133	1,488,129
Contract and refund liabilities	178,340	218,818
VAT liabilities	79,481	136,456
Purchase of non-financial assets	5,270	13,502
Social insurance and other tax liabilities	39,415	36,224
Withholding tax liabilities	27,548	28,638
Other liabilities	101,459	59,517
Total	**1,486,646**	**1,981,283**

Trade liabilities are usually paid within 30 days from recognition for entities operating in Poland and 50 days for other entities. The fair value of trade and other liabilities are considered to be the same as their carrying amount due to their short-term nature.

all amounts expressed in PLN'000 unless indicated otherwise

17. Financial assets and financial liabilities

The Group holds the following financial instruments:

	Note	30.06.2023	31.12.2022
Financial assets at amortised cost		**2,175,463**	**2,299,876**
Consumer loans at amortised cost	14	—	157,540
Trade receivables and other receivables [1]	13	979,839	1,227,352
Cash and cash equivalents	15	1,175,319	877,559
Restricted cash		17,624	34,257
Investments		364	360
Other financial assets		2,317	2,808
Financial assets at FVPL		**290,541**	**209,335**
Consumer loans at fair value	14	290,541	209,335
Derivative financial instruments at FVOCI		**193,591**	**324,626**
Derivative financial assets (cash flow hedge)	5	193,591	324,626

[1] excluding tax-related settlements

	Note	30.06.2023	31.12.2022
Financial liabilities at amortised cost		**8,324,624**	**8,821,188**
Trade and other liabilities [2]	16	1,225,811	1,677,480
Borrowings		6,434,202	6,453,527
Lease liabilities (outside IFRS9 scope)	5	664,611	690,181
Derivative financial instruments at FVPL		**1,561**	**—**
Derivative financial liabilities		1,561	—
Derivative financial instruments at FVOCI		**10,142**	**224**
Derivative financial liabilities (cash flow hedge)	5	10,142	224

[2] excluding deferred income and tax-related settlements

The Group has entered into several Interest Rate Swap contracts to reduce the portion of interest rate risk exposure, as all outstanding borrowings bear a floating interest rate. These instruments are designated as the hedge of the future cash flow, thus the revaluation of existing contracts is recognised as a component of Other Comprehensive Income.

The fair values of the interest rate swaps are calculated by discounting the future cash flows of both the fixed rate and variable rate interest payments. The inputs used in determining the fair value fall within Level 2 of the fair value hierarchy (inputs observable for an asset or liability, either directly or indirectly, other than quoted prices in active markets for identical assets or liabilities). These inputs include fixed interest rate, discount rate and the yield curve.

The Group complied with the financial covenants of its borrowing facilities during the reporting periods and after the balance sheet date until the date of authorization of these Interim Condensed Consolidated Financial Statements for the issue.

all amounts expressed in PLN'000 unless indicated otherwise

18.
Related party transactions

All transactions were entered into on an arm's length basis.

The following transactions were concluded with related parties.

	6 months ended 30.06.2023				3 months ended 30.06.2023				As at 30.06.2023		
Related party	Revenues	Expenses	Financial income	Financial costs	Revenues	Expenses	Financial income	Financial costs	Receivables	Payables	Loans granted
Associates:											
Polskie Badania Internetu sp. z o.o.	—	146	—	—	—	62	—	—	—	9	—
Fundacja Allegro All For Planet	51	695	—	—	26	—	—	—	724	695	—
Other:											
Business Office Services	—	249	—	—	—	235	—	—	—	112	—
Alter Domus Luxembourg S.à r.l	—	144	—	—	—	143	—	—	—	73	—
Total	**51**	**1,234**	**—**	**—**	**26**	**441**	**—**	**—**	**724**	**889**	**—**

	6 months ended 30.06.2022				3 months ended 30.06.2022				As at 31.12.2022		
Related party	Revenues	Expenses	Financial income	Financial costs	Revenues	Expenses	Financial income	Financial costs	Receivables	Payables	Loans granted
Associates:											
Polskie Badania Internetu sp. z o.o.	—	118	—	—	—	72	—	—	—	—	—
Fundacja Allegro All For Planet	45	800	—	—	20	—	—	—	—	—	—
Other:											
Business Ofce Services S.à r.l	—	364	—	—	—	137	—	—	—	—	—
Alter Domus Luxembourg S.à r.l	—	619	—	—	—	328	—	—	—	168	—
Total	**45**	**1,901**	**—**	**—**	**20**	**537**	**—**	**—**	**—**	**168**	**—**

19. Events occurring after the reporting period

No reportable events occurred between the balance sheet date and the date of these Interim Condensed Consolidated Financial Statements.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

Darren Huston	Roy Perticucci
Director and Chairman	Director and CEO