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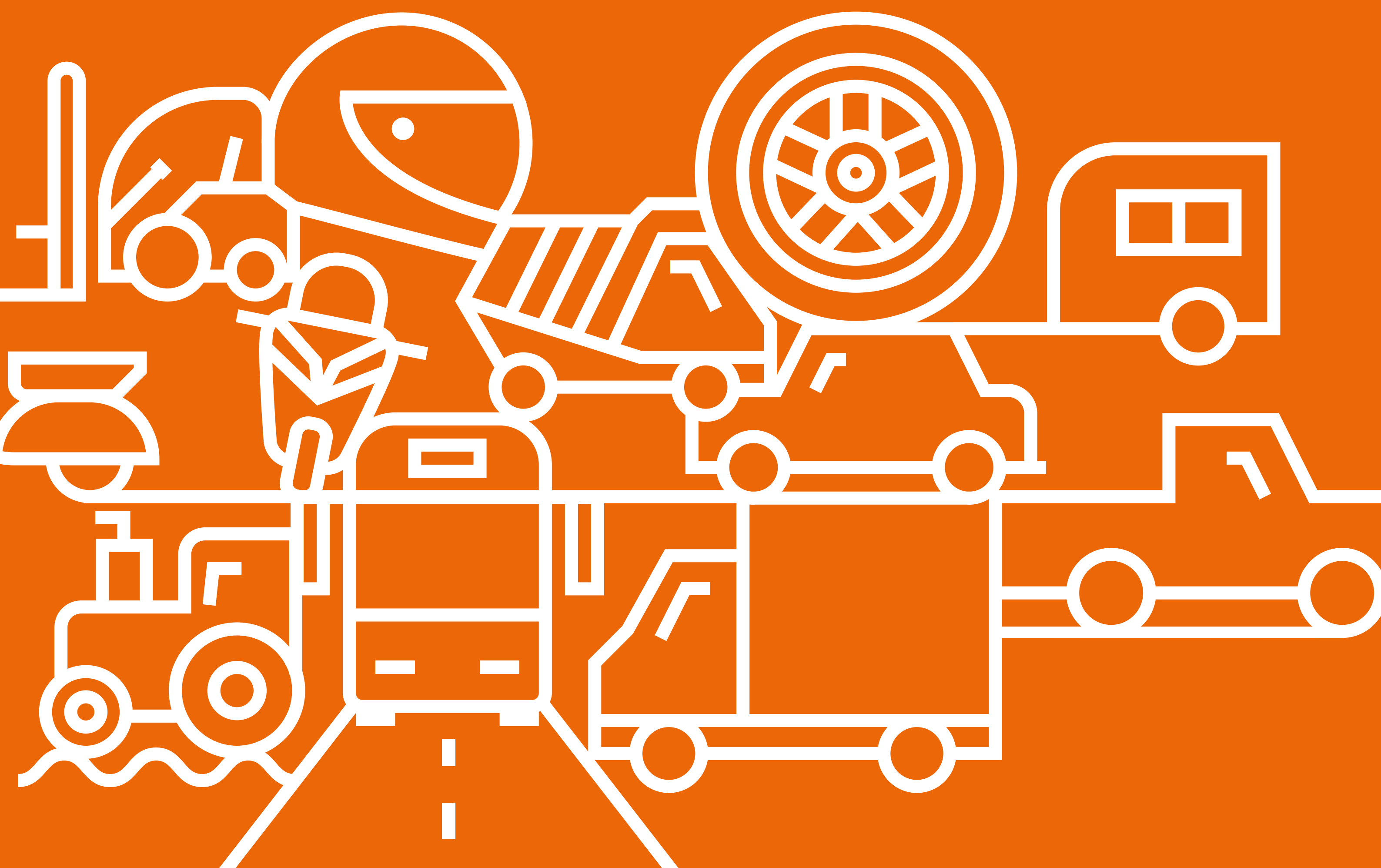
HALF-YEAR REPORT OF ALLEGRO.EU GROUP

for the three and six month periods ended 30 June 2022



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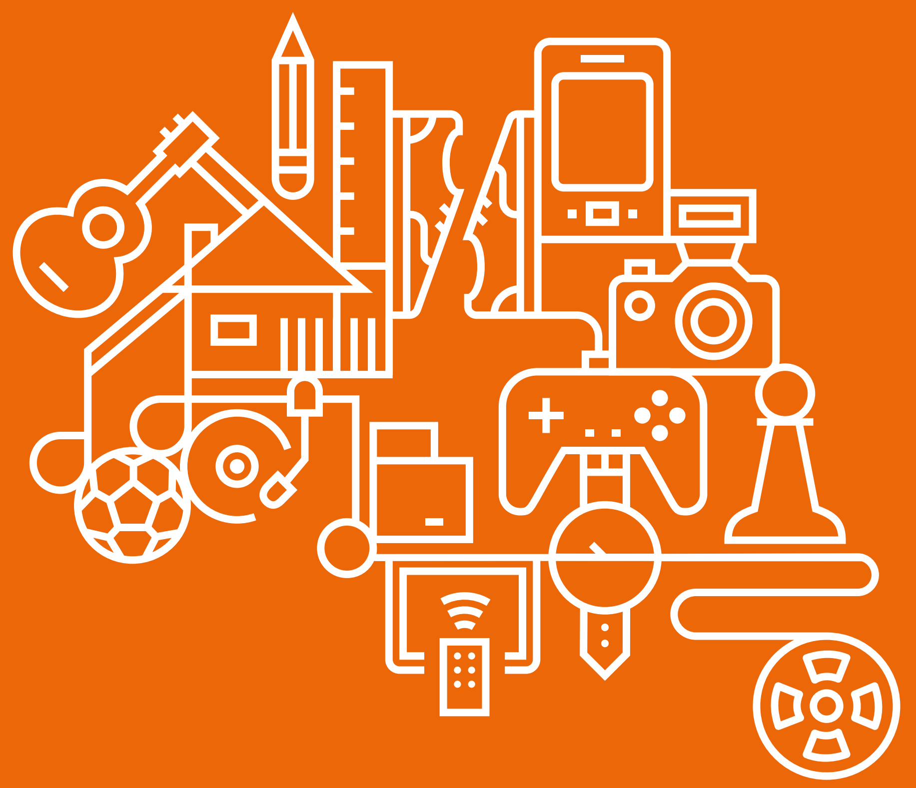

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I.

GENERAL INFORMATION

1. Definitions

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

"1P"	First-party.
"3P"	Third-party.
"AF"	Allegro Fulfillment.
"AIP"	Allegro Incentive Plan.
"Allegro"	Allegro sp. z o.o. (from 1 July 2022, previously Allegro.pl sp. z o.o.)
"APMs" or "Lockers"	Automated Parcel Machines.
"BNPL"	Buy Now Pay Later.
"Ceneo.pl"	Ceneo.pl sp. z o.o.
"CEE"	Central and Eastern Europe
"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.
"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 Company 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.
"IFRS 15"	International Financial Reporting Standard 15 'Revenue from contracts with customers'.
"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.
"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"	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.
"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 / WE|DO 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 CZ s.r.o. and their operating direct and indirect subsidiaries: WE|DO CZ s.r.o, 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., m-HU Internet Kft., Uloženka s.r.o. E-commerce Holding a.s., CZC.cz s.r.o., LGSTCS a.s., Digital Engines s.r.o. v likvidaci Uloženka s.r.o., Rozbaleno.cz s.r.o. v likvidaci. 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.
"Permira"	Depending on the context, any of, or collectively, Permira Holdings Limited, Permira Debt 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: Allegro Sp. z o.o., Opennet.pl Sp. z o.o., eBilet Polska Sp. z o.o., Allegro Finance Sp. z o.o., SkyNet Customs Brokers Sp. z o.o., Allegro Pay Sp. z o.o., Ceneo.pl Sp. z o.o. These entities comprise the following reportable segments in the Group's financial statements: "Allegro segment", "Ceneo segment" and "Other segment".
"pp"	Percentage points.
"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 quarterly report of the Company for the three month period ended 31 March 2022.
"RSU"	Restricted Stock Unit plan which represents part of AIP.
"Senior Managers"	Jointly: Members of the Board of Directors of Allegro.eu, Management Board Members of Allegro and Management Board Members of Ceneo.pl
"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 2022 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 summarizes 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 as well as consumer finance product, 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 and marketplace across multiple shopping verticals in Czechia, Slovakia, Slovenia, Hungary, Croatia, and Poland. WE|DO provides last mile distribution services in Czechia 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.

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

At the date of the Report, (i) 27.13% 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) 27.13% by Permira VI Investment Platform Limited, representing the interests of Permira & Co-Investors, and (iii) 6.03% 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 39.70% is owned by other shareholders amongst which the management of the Allegro 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 2022 and for the six-month periods ended 30 June 2022 and 30 June 2021, which have been derived from the unaudited interim condensed consolidated financial statements of the Group as of and for the six-month periods ended 30 June 2022 and 30 June 2021, 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, Adjusted EBITDA, Adjusted EBITDA/revenue, Adjusted EBITDA/GMV, total capital expenditure, capitalized 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;

"Adjusted EBITDA" means operating profit before depreciation and amortisation further adjusted to exclude transaction costs, monitoring costs, market strategy preparation costs, employee restructuring costs, regulatory proceeding costs, group restructuring costs, donations to various public benefit organizations, certain bonuses for employees, the Management Investment Plan, 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 any one-off financial expenses, such as early repayment fees and deferred amortized costs arising on refinancing arrangements, net of their tax implications;

"Capitalized development costs" means the costs that are capitalized 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 the consolidated Group:** all the platforms operated by the Group listed above;

"LTM GMV" means GMV generated by the Group in the twelve months prior to the balance sheet date;

"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 centers, 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 capitalized development costs and other capital expenditure; and

"Changes in working capital" means the sum of the changes in inventory, trade and other receivables, 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/revenue and Adjusted EBITDA/GMV. The Group presents total capital expenditure split between capitalized 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 on any of Allegro.pl, Allegrolokalnie.pl or eBilet.pl in the preceding twelve months. Active Buyers is a last-twelve-month measure and it will be reported for the Mall segment once the twelve months since acquisition will pass in Q1 2023;

"GMV per Active Buyer" represents LTM GMV divided by the number of Active Buyers as of the end of a period. GMV per Active Buyer is a last-twelve-month measure and it will be reported for the Mall segment once the twelve months since acquisition will pass in Q1 2023.

II.

MANAGEMENT REPORT

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1.

Selected consolidated financial and operational highlights

Income Statement, PLN m (unaudited)	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Revenue	**3,602.7**	**2,518.3**	**43.1%**	**2,210.1**	**1,308.1**	**68.9%**
of which Polish operations	*2,992.7*	*2,518.3*	*18.8%*	*1,600.1*	*1,308.1*	*22.3%*
of which Mall segment	*610.7*	*N/A*	*N/A*	*610.7*	*N/A*	*N/A*
of which Eliminations & Other	*(0.7)*	*N/A*	*N/A*	*(0.7)*	*N/A*	*N/A*
EBITDA	**881.5**	**1,075.0**	**(18.0%)**	**448.9**	**547.6**	**(18.0%)**
of which Polish operations	*955.1*	*1,075.0*	*(11.2%)*	*522.6*	*547.6*	*(4.6%)*
of which Mall segment	*(73.7)*	*N/A*	*N/A*	*(73.7)*	*N/A*	*N/A*
of which Eliminations & Other	—	*N/A*	*N/A*	—	*N/A*	*N/A*
Adjusted EBITDA	**947.0**	**1,095.6**	**(13.6%)**	**484.1**	**559.9**	**(13.5%)**
of which Polish operations	*1,014.2*	*1,095.6*	*(7.4%)*	*551.3*	*559.9*	*(1.5%)*
of which Mall segment	*(67.1)*	*N/A*	*N/A*	*(67.1)*	*N/A*	*N/A*
of which Eliminations & Other	—	*N/A*	*N/A*	—	*N/A*	*N/A*
EBIT	**490.3**	**828.0**	**(40.8%)**	**209.0**	**421.8**	**(50.4%)**
Profit before Income tax	**253.8**	**725.8**	**(65.0%)**	**27.9**	**370.7**	**(92.5%)**
Net Profit / (Loss)	**103.5**	**565.5**	**(81.7%)**	**(63.5)**	**295.9**	**(121.5%)**

Balance sheet	30.06.2022 (unaudited)	31.12.2021 (audited)	Change %
Assets	21,283.8	16,869.9	26.2%
Equity	10,942.7	9,454.1	15.7%
Net Debt	6,802.7	3,660.2	85.9%

Cash flow statement	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Net cash inflow/(outflow) from operating activities	630.5	656.3	(3.9%)	253.0	232.2	9.0%
Net cash inflow/(outflow) from investing activities	(2,741.8)	(153.3)	1,687.6%	(2,563.8)	(93.4)	2,644.6%
Net cash inflow/(outflow) from financing activities	942.3	(117.3)	N/A	(495.9)	(57.6)	760.8%
Net increase/(decrease) in cash and cash equivalents	(1,169.0)	385.7	(403.1%)	(2,806.7)	81.2	(3,555.6%)

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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 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Active Buyers (millions, for Polish operations [1])	13.6	13.3	2.1%	13.6	13.3	2.1%
GMV per Active Buyer (PLN, for Polish operations [1])	3.350.4	2,941.9	13.9%	3,350.4	2,941.9	13.9%
GMV (PLN in millions)	23,721.7	20,036.1	18.4%	12,898.0	10,439.7	23.5%
of which Polish operations	*22,934.1*	*20,036.1*	*14.5%*	*12,110.1*	*10,439.7*	*16.0%*
of which Mall segment	*787.9*	*N/A*	*N/A*	*787.9*	*N/A*	*N/A*
Polish operations LTM GMV (PLN in millions) [1]	45,499.8	39,140.5	16.2%	45,499.8	39,140.5	16.2%

KPIs (unaudited)	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Take Rate (%) [2]	10.65%	10.45%	0.20 pp	10.82%	10.46%	0.36 pp
of which Polish operations	*10.64%*	*10.45%*	*0.20 pp*	*10.81%*	*10.46%*	*0.35 pp*
of which Mall segment	*11.58%*	*N/A*	*N/A*	*11.58%*	*N/A*	*N/A*
1P Gross Margin	8.8%	2.1%	6.6 pp	10.1%	2.2%	7.9 pp
of which Polish operations	*(0.8%)*	*2.1%*	*(3.0 pp)*	*0.1%*	*2.2%*	*(2.1 pp)*
of which Mall segment	*11.9%*	*N/A*	*N/A*	*11.9%*	*N/A*	*N/A*
Adjusted EBITDA (PLN in millions)	947.0	1,095.6	(13.6%)	484.1	559.9	(13.5%)
of which Polish operations	*1,014.2*	*1,095.6*	*(7.4%)*	*551.3*	*559.9*	*(1.5%)*
of which Mall segment	*(67.1)*	*N/A*	*N/A*	*(67.1)*	*N/A*	*N/A*
Adjusted EBITDA/revenue (%)	26.29%	43.50%	(17.21 pp)	21.90%	42.80%	(20.90 pp)
of which Polish operations	*33.89%*	*43.50%*	*(9.62 pp)*	*34.45%*	*42.80%*	*(8.35 pp)*
of which Mall segment	*(10.99%)*	*N/A*	*N/A*	*(10.99%)*	*N/A*	*N/A*
Adjusted EBITDA/GMV (%)	3.99%	5.47%	(1.48 pp)	3.75%	5.36%	(1.61 pp)
of which Polish operations	*4.42%*	*5.47%*	*(1.05 pp)*	*4.55%*	*5.36%*	*(0.81 pp)*
of which Mall segment	*(8.52%)*	*N/A*	*N/A*	*(8.52%)*	*N/A*	*N/A*

[1] LTM measures for the Mall segment are not yet available, as it is consolidated for the first time since Q2 2022
[2] Blended average take rate

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GMV and Active Buyers

During the Q2 2022, GMV for the consolidated Group increased by PLN 2,458.3 million, or 23.5% YoY, from PLN 10,439.7 million for Q2 2021 to PLN 12,898.0 million for Q2 2022, whereas for H1 2022 GMV for the consolidated Group increased by PLN 3,685.6 million, or 18.4% YoY from PLN 20,036.1 million to PLN for H1 2021 to PLN 23,721.7 million for H1 2022.

Consolidated GMV growth of 23.5% in Q2 2022 was boosted by the first time consolidation impact of the Mall segment, as GMV for the Mall segment of PLN 787.9 million for Q2 2022 added 7.5pp to the Group's growth rate.

GMV growth in Q2 2022 for the Polish operations was up by 16.0% YoY in Q2 2022, while in H1 2022 it increased by 14.5% YoY. The growth accelerated as 2021 COVID-induced lockdown headwinds from restrictions on off-line retail eased from early May. Organic growth in GMV was supported by further growth in Smart! users, strong performance of price benchmarking and pricing assistance, rapid adoption of Allegro Pay BNPL services and higher availability of next day deliveries. Ticketing subsidiary eBilet contributed 1.3pp positive growth to the Q2 run-rate as GMV exceeded pre-COVID levels, while events and live entertainment had reopened much later than offline retail in the prior year quarter.

In Q2 2022, Active Buyers of the Polish operations returned to growth, both from the YoY and sequential quarterly perspective, and reached 13.6 million at the end of H1 2022.

Active Buyer is defined as each unique email address connected with a buyer that has made at least one purchase on any of Allegro.pl, Allegrolokalnie.pl or eBilet.pl in the preceding twelve months. Since Active Buyers is a last-twelve-month measure, it will be reported for the Mall segment once the twelve months since acquisition will pass in Q1 2023.

In the last twelve months, transactions realized on the Allegro.pl marketplace (excluding eBilet.pl) grew by 11.4% YoY, whereas in Q2 2022 the volume of transactions grew by 9.1% YoY. During this period average selling prices tended to rise each month, which was partly offset by consumers trading down, with overall average order value trending upwards.

Adjusted EBITDA

The Group's Adjusted EBITDA decreased by PLN 75.7 million, or 13.5% YoY, from PLN 559.9 million for Q2 2021 to PLN 484.2 million for Q2 2022, whereas for H1 2022 Adjusted EBITDA decreased by PLN 148.5 million, or 13.6% YoY, from PLN 1,095.6 million for H1 2021 to PLN 947.1 million for H1 2022. First-time consolidation of the Mall segment from Q2 2022 accounted for 89% of the YoY fall in the Group's Adjusted EBITDA in Q2 2022 as the Mall segment recorded a PLN 67.1 million loss.

The Adjusted EBITDA of the Polish operations contracted by – 1.5% for Q2 2022, representing a significant sequential improvement from a – 13.6% YOY decline in Q1 2022, and by – 7.4% YoY to PLN 1,014.2 million for H1 2022.

Consolidated GMV margin was 3.75% for Q2 2022 compared to 5.36% for Q2 2021. In H1 2022 GMV margin was 3.99% compared to 5.47% a year ago. Of these decreases in margin, the first-time consolidation of the Mall segment contributed – 0.80 pp of the decline for Q2 2022 and – 0.43 pp of the decline for H1 2022.

For the core Polish operations segment, GMV margin improved sequentially from 4.28% in Q1 2022 to 4.55% in Q2 2022, reaching 4.42% for H1 2022.

Take Rate for the Polish operations reached 10.81% during the Q2 2022, up by 0.35pp YoY. In H1 2022 the Take Rate reached the level of 10.64%, up by 0.20 pp YoY. These changes resulted from the revised co-financing rates and commission rates introduced during the first quarter of the year. These improvements to Take Rate, along with accelerating GMV growth and rising high margin advertising revenue as a percentage of GMV drove the overall sequential improvement in GMV margin for the Polish operations by 0.28pp. The main drags to this sequential margin improvement were higher share of Smart! and low margin retail sales in the sales mix.

The decrease in Adjusted EBITDA for the Polish operations for H1 of – 7.4 % YoY to PLN 1,014.2 m reflected the ongoing increase in Smart! penetration of the Active Buyer base, increasing the share of parcel shipments being subsidized by the marketplace. This effect was increased in H1 by the impact of reducing the Smart! MOV for courier deliveries from 80 PLN to 40 PLN in H2 2021, which has driven a 19.1pp increase in share of courier deliveries subsidized YoY relative to less expensive out of home delivery methods such as lockers. Rising costs of marketing mostly reflect increased spending on PPC to boost internet traffic acquisition as well as intensified brand marketing costs.. YoY increases in staff costs and other operating expenses reflect the 2021 investment in the organization to support innovation on a broader scale, including internationalization of the marketplace platform and the start up phases of the Polish operation's commercial activities in fulfillment, deliveries to its own proprietary lockers and proprietary courier delivery services.

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

Reconciliation of Adjusted EBITDA PLN m (unaudited)	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
EBITDA Polish operations	**955.1**	**1,075.0**	**(11.2%)**	**522.6**	**547.6**	**(4.6%)**
Regulatory proceeding costs [1]	1.0	0.5	82.1%	0.5	0.2	177.3%
Group restructuring and development costs [2]	32.5	0.05	72,027.3%	17.6	0.0	N/A
Donations to various public benefit organisations [3]	2.2	2.3	(4.7%)	1.0	(0.1)	N/A
Bonus for employees and funds spent on protective equipment against COVID-19 [4]	0.4	0.6	(34.5%)	0.1	0.3	(74.8%)
Allegro Incentive Plan [5]	16.1	8.7	83.9%	8.4	5.7	47.8%
Transaction costs [6]	3.0	8.3	(64.0%)	(2.8)	6.3	(144.8%)
Employees restructuring cost [7]	3.8	—	N/A	3.8	—	N/A
Adjusted EBITDA Polish operations	**1,014.2**	**1,095.6**	**(7.4%)**	**551.3**	**559.9**	**(1.5%)**
EBITDA Mall segment	**(73.7)**	**N/A**	**N/A**	**(73.7)**	**N/A**	**N/A**
Group restructuring and development costs	6.6	N/A	N/A	6.6	N/A	N/A
Adjusted EBITDA Mall segment	**(67.1)**	**N/A**	**N/A**	**(67.1)**	**N/A**	**N/A**
Adjusted EBITDA	**947.0**	**1,095.6**	**(13.6%)**	**484.1**	**559.9**	**(13.5%)**

[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 and costs of Group restructuring.

[3] Represents donations made by the Group to support health service and charitable organizations 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. Costs recognized in the six months period ended 30 June 2022 represent the accrued cost of share based compensation in relation to the PSU and RSU Plans.

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

[7] Represents certain payments related to reorganization of the Management Boards of the parent entity and the underlying operating entities.

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

2.2.1. RESULTS OF OPERATIONS FOR THE POLISH OPERATIONS

The following table presents the Group's summary consolidated statements of comprehensive income for the Polish operations for Q2 and H1 2022 and for Q2 and H1 2021. Results of the Mall segment are not included in this section.

Consolidated statement of comprehensive income PLN m (unaudited)	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Revenue	**2,992.7**	**2,518.3**	**18.8%**	**1,600.1**	**1,308.1**	**22.3%**
Marketplace revenue	2,418.0	2,078.4	16.3%	1,296.1	1,084.1	19.6%
Advertising revenue	266.3	214.8	24.0%	143.4	113.3	26.5%
Price comparison revenue	90.9	90.6	0.4%	43.5	40.4	7.9%
Retail revenue	185.8	123.6	50.3%	103.1	64.6	59.6%
Other revenue	31.7	11.0	189.4%	13.9	5.8	142.0%
Operating expenses	**(2,037.5)**	**(1,443.3)**	**41.2%**	**(1,077.4)**	**(760.6)**	**41.7%**
Payment charges	(68.2)	(74.3)	(8.2%)	(34.4)	(38.3)	(10.3%)
Cost of goods sold	(187.3)	(121.0)	54.8%	(103.0)	(63.2)	63.1%
Net costs of delivery	(783.3)	(538.7)	45.4%	(420.5)	(284.5)	47.8%
Marketing service expenses	(340.9)	(274.6)	24.2%	(182.4)	(152.2)	19.8%
Staff costs	(381.8)	(267.7)	42.6%	(196.8)	(137.9)	42.7%
IT service expenses	(70.5)	(44.4)	58.7%	(37.4)	(23.5)	59.3%
Other expenses	(166.9)	(85.2)	96.0%	(91.3)	(41.9)	118.1%
Net impairment losses on financial and contract assets	(35.6)	(29.1)	22.4%	(14.4)	(12.8)	12.9%
Transaction costs	(3.0)	(8.3)	(64.0%)	2.8	(6.3)	N/A
Operating profit before amortisation and depreciation (EBITDA)	**955.1**	**1,075.0**	**(11.2%)**	**522.6**	**547.6**	**(4.6%)**

REVENUE

Revenue increased by PLN 291.9 million, or 22.3%, from PLN 1,308.1 million for Q2 2021 to PLN 1,600.1 million for Q2 2022, whereas for H1 2022 revenue increased by PLN 474.3 million or 18.8%, from PLN 2,518.3 million for H1 2021 to 2,992.7 million for H1 2022. This increase resulted primarily from marketplace, advertising, and retail revenue. The main drivers of key revenue streams are described below.

MARKETPLACE REVENUE

Marketplace revenue increased by PLN 212.0 million, or 19.6%, from PLN 1,084.1 million for Q2 2021 to PLN 1,296.1 million for Q2 2022, whereas for H1 2022 marketplace revenue increased by PLN 339.6 million or 16.3%, from PLN 2,078.4 million for H1 2021 to 2,418.0 million for H1 2022. The increase in the marketplace revenue resulted primarily from GMV growth which for H1 2022 reached 14.5% YoY. The marketplace revenue increase was also further driven by growth in the Take Rates in H1 2022. The Take Rate in the period was up by 0.20 pp to 10.64%, mostly resulting from changes to co-financing rates and commission rates introduced during the first quarter of the year.

ADVERTISING REVENUE

Advertising revenue increased by PLN 30.1 million, or 26.5%, from PLN 113.3 million for Q2 2021 to PLN 143.4 million for Q2 2022, whereas for H1 2022 advertising revenue increased by PLN 51.5 million or 24.0%, from PLN 214.8 million for H1 2021 to 266.3 million for H1 2022. This increase resulted from further improvements in sponsored ads effectiveness, resulting in higher click through rates, as well as an increase in external and internal inventory and continued growth in revenue from display formats. Advertising revenue as a percentage of GMV rose to 1.16% for H1 2022, up by 0.08 pp versus the prior year period. In Q2 advertising revenue accelerated sequentially as we saw rising YoY traffic growth despite the end of lapping of COVID-19 restrictions from early May. Traffic is a key input to growth in inventory to monetize through advertising.

OPERATING EXPENSES

Operating expenses increased by PLN 316.9 million, or 41.7%, from PLN 760.6 million for Q2 2021 to PLN 1,077.4 million for Q2 2022, whereas for H1 2022 operating expenses increased by PLN 594.2 million or 41.2%, from PLN 1,443.3 million for H1 2021 to 2,037.5 million for H1 2022. This increase resulted primarily from higher net costs of delivery, marketing expenses, staff costs and IT service expenses as well as recognition of transaction and group restructuring costs connected to the agreement to acquire the Mall Group and WE|DO. Excluding costs eliminated in adjustments to arrive at Adjusted EBITDA as described in section 2.2.1, operating expenses rose by 40.2% in Q2 and 39.1% for H1, with the adjustments having the biggest impact on Staff costs and Other expenses.

NET COSTS OF DELIVERY

Net costs of delivery increased by PLN 136.1 million, or 47.8%, from PLN 284.5 million for Q2 2021 to PLN 420.5 million for Q2 2022, whereas for H1 2022 net costs of delivery increased by PLN 244.5 million or 45.4%, from PLN 538.7 million for H1 2021 to 783.3 million for H1 2022. 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.

The YoYgrowth in the number of SMART! users was supported by several sequential improvements to the SMART! product. In March 2021 the Group launched the "SMART! for Start" ("SMART! na Start") promotion, an attractive offer for less engaged buyers to try SMART! via a subscription free package of five free SMART! deliveries. Further SMART! program innovations included lifting coverage of courier service on SMART! offers close to 100% from mid-2021 and reducing MOV on courier deliveries to PLN 40 in September 2021. Whilst driving increased SMART! penetration, these changes also translated into increasing share of courier deliveries, which were up by 19.1pp YoY in H1 2022. The courier share stabilized from the QoQ perspective and increased by only 0.6pp QoQ from Q1 to Q2 2022. Average cost per SMART! package delivered increased by 7.5% YoY in H1 2022, mainly reflecting the increased share of courier deliveries in the mix.

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 30.2 million, or 19.8%, from PLN 152.2 million for Q2 2021 to PLN 182.4 million for Q2 2022, whereas for H1 2022 marketing service expenses increased by PLN 66.4 million or 24.2%, from PLN 274.6 million for H1 2021 to 340.9 million for H1 2022. This increase was primarily driven by PPC expenses to boost internet traffic acquisition as well as intensified brand marketing costs. Despite the overall market trend driving up market CPCs at a key supplier, Allegro managed to lower its average CPC versus the prior year by optimizing its campaign strategies, which led to GMV growth acceleration from paid channels.

STAFF COSTS

Staff costs increased by PLN 58.9 million, or 42.8%, from PLN 137.9 million for Q2 2021 to PLN 196.8 million for Q2 2022, whereas for H1 2022 staff costs increased by PLN 114.1 million or 42.6%, from PLN 267.7 million for H1 2021 to 381.8 million for H1 2022. This increase resulted primarily from the recruitment of new employees as well as increases in base salaries. YoY increases in headcount reflect the 2021 investment in the organization to support innovation on a broader scale, including internationalization of the marketplace platform and the start up phases of the Polish operation's commercial activities in fulfillment, deliveries to its own proprietary lockers and proprietary courier delivery services. Recruitment was concentrated in key areas of the organization such as Technology, Commerce, Delivery Experience and Customer Experience, that should directly contribute to higher GMV and revenues over time. Net recruitment slowed significantly in Q2 2022 with sequential growth on Q1 2022 of 2.2% and the Q2 2022 YoY growth in headcount slowing to 25.8%. The annual pay review was applied and impacted average staff costs per employee from April 2022. The significantly higher inflation rates prevailing in 2022 resulted in higher increases being awarded than in the prior year pay review.

Another driver was the second annual award of PSUs and RSUs made in April. The awards vest over a three year period, driving a PLN 16.1 million increase in the Allegro Incentive Plan expenses related to past awards as well as this year's grant.

OTHER OPERATING EXPENSES

Expenses other than net costs of delivery, marketing and staff costs totalled PLN 277.7 million and increased by PLN 91.8 million, or 49.3% YoY in Q2 2022, whereas for H1 2022 other operating expenses increased by PLN 169.3 million or 46.7%, from PLN 362.2 million for H1 2021 to 531.5 million for H1 2022. This increase resulted primarily from growing costs of goods sold that were up by PLN 66.4 million YoY for H1 2022, reflecting the growth of 1P business, IT service expenses which were up by PLN 26.1 million YoY for H1 2022, and growth in Other Expenses of PLN 81.8 million for H1 2022 line. This last amount includes PLN 35.5 million of transaction and Group restructuring costs incurred as a result of Mall Group / WE|DO acquisition, as well as higher consultancy and contractor outsourcing costs in connection with the development of new products and services related to the delivery experience development agenda, projects related to customer experience improvements and ongoing work on product catalog development.

OPERATING PROFIT BEFORE AMORTISATION AND DEPRECIATION (EBITDA)

Operating profit before amortisation and depreciation (EBITDA) decreased by PLN 24.9 million, or 4.6%, from PLN 547.6 million for Q2 2021 to PLN 522.6 million for Q2 2022, whereas for H1 2022 EBITDA decreased by PLN 119.9 million or 11.2%, from PLN 1,075.0 million for H1 2021 to 955.1 million for H1 2022 as a result of the factors described above.

Adjusted EBITDA includes PLN 59.0 million of one-off EBITDA adjustments reported in H1 2022, compared to PLN 20.5 million one-offs reported in the prior year period. Key adjustments to EBITDA in the current period included PLN 32.5 million of Group restructuring and development costs and PLN 3.0 million in transaction costs, relating mainly to the Mall Group / WE|DO acquisition and post merger integration, as well as PLN 16.1 million of 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. One-off H1 2022 adjustments to EBITDA include also PLN 3.8 million of employees restructuring costs incurred in Q2 2022.

Overall Adjusted EBITDA for the Polish operations contracted by – 1.5% for Q2 2022, representing a significant sequential improvement from an – 13.6% YoY decline in Q1 2022, and by – 7.4% YoY to PLN 1,014.2 million for H1 2022.

2.2.2. RESULTS OF OPERATIONS FOR THE MALL SEGMENT

The following table presents selected consolidated financial data for the Mall segment for Q2 2022 and H1 2022. Results of the Polish operations are not included in this section. The Group closed the acquisition of the Mall Group a.s. and WE|DO CZ s.r.o. on 1 April 2022 and for Q2 2022 the financial results of these entities and their operating direct and indirect subsidiaries, are presented in a new operating segment, "Mall".

Results for the Mall segment 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.

Income Statement Mall segment PLN m (unaudited)	H1 2022	Q2 2022
GMV	787.9	787.9
of which 1P	664.0	664.0
of which 3P	123.9	123.9
Revenue	610.7	610.7
Marketplace revenue	14.4	14.4
Advertising revenue	2.1	2.1
Retail revenue	568.0	568.0
Other revenue	26.2	26.2
Operating expenses	**(684.4)**	**(684.4)**
Payment charges	(2.9)	(2.9)
Cost of goods sold	(500.2)	(500.2)
Net costs of delivery	(0.1)	(0.1)
Marketing service expenses	(51.6)	(51.6)
Staff costs	(79.3)	(79.3)
IT service expenses	(7.3)	(7.3)
Other expenses	(43.7)	(43.7)
Net impairment losses on financial and contract assets	0.5	0.5
Operating profit before amortisation and depreciation (EBITDA)	(73.7)	(73.7)

The following table presents the estimates of pro-forma information for the Mall segment comparative financial data based on the acquired organizational 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 Mall segment, PLN m (unaudited)	H1 2022	H1 2021 pro-forma [1]	Change % pro-forma [1]	Q2 2022	Q2 2021 pro-forma [1]	Change % pro-forma [1]
GMV	1,591.9	1,826.9	(12.9%)	787.9	838.1	(6.0%)
Revenue	1,241.8	1,501.4	(17.3%)	610.7	684.2	(10.8%)
Adjusted EBITDA	(107.3)	(20.8)	N/A [2]	(67.1)	(17.2)	N/A [2]

[1] historical GMV data for Mall based on pro-forma for the same organizational structure as acquired by the Group
[2] not applicable, as the pro-forma comparative was a negative number with EBITDA loss amounting to PLN 17.2m in the comparable pro-forma period

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 includes 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.

GMV

Pro-forma GMV for Mall segment declined in Q2 2022 by 6.0% YoY, driven by 1P GMV declining by 12.3% YoY, with 3P GMV increasing by 53.6% YoY and reaching a 15.7% share of total GMV. In H1 2022 pro-forma GMV declined by 12.9% YoY. The Mall segment experienced significantly weaker consumer demand in H1 2022, which impacted both GMV and margins. This weak trading environment is the result of a combination of two key factors. Firstly, demand for online retail was materially supported in the prior year by a strict COVID-19 related offline retail lockdown (all retail other than supermarkets and chemists) in Czechia that lasted between January and mid May 2021. Secondly, like most of Central Europe, the countries where the Mall Group operates experienced a significant acceleration in inflation in H2 2021 and H1 2022, accompanied by rapidly rising interest rates and a slowing of real growth in retail sales. As the Mall segment's retail assortment is significantly skewed towards electronics and white goods, which form part of consumer discretionary spending, the Mall segment's GMV is significantly underperforming the Polish operations as the Allegro marketplace offers much wider selection across many more categories and at more competitive prices than Mall. Since the acquisition, the Group has moved to ensure that the Mall segment focuses on its price competitiveness and this led to a gradual improvement in GMV YoY growth dynamics once the previous year's COVID-19 offline retail lockdown had been fully lapped by mid May.

REVENUE

Pro-forma revenue for the Mall segment declined in Q2 2022 by 10.8% YoY, and in H1 2022 by 17.3% YoY and was driven by the decline in 1P GMV, which provided 85% of GMV and 93% of segment revenue in Q2 2022. The rate of decline in Revenue slowed significantly in Q2 2022 once the COVID-19 offline retail lockdown had been fully lapped by mid May 2022.

ADJUSTED EBITDA

Adjusted EBITDA loss for the Mall segment was PLN 67.1m in Q2 2022 vs PLN 17.2m pro-forma Adjusted EBITDA loss in the corresponding period a year before. Pro-forma Adjusted EBITDA loss in H1 2022 reached the level of PLN 107.32m vs PLN 20.8m pro-forma Adjusted EBITDA loss in H1 2021. The increased YoY losses reflect the effect of negative operating leverage on the smaller business, plus a conscious decision of the Group to focus strongly on price competitiveness once the Mall segment came under the Group's control for Q2 2022. Ensuring front catalog prices are competitive, together with general discounting in the market and the need to reduce slow moving inventory combined to sequentially reduce gross margins in Q2 2022 relative to Q1 2022. The Group's management notes that Mall's margins historically improve in the second half of the year due to seasonal demand, especially visible in the fourth quarter. The Group remains on track to deploy the Allegro marketplace platform to Mall markets in 2023 and is focused on maintaining user engagement and growing the local merchant base in the meantime. The Mall segment's distribution business, WE|DO, accounted for PLN – 9.2 mln, 13.7%, of the increased Adjusted EBITDA loss in H1 2022. Lower delivery volumes due to lapping of the Covid-19 lockdown and loss of certain customer accounts who may view the Allegro marketplace as a direct competitor drove the deterioration in profitability.

2.2.3. TOTAL COMPREHENSIVE INCOME RECONCILIATION

Consolidated statement of comprehensive income, PLN m (unaudited)	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
EBITDA Polish operations	955.1	1,075.0	(11.2%)	522.6	547.6	(4.6%)
EBITDA Mall segment	(73.7)	N/A	N/A	(73.7)	N/A	N/A
EBITDA Eliminations & other	—	N/A	N/A	—	N/A	N/A
EBITDA	**881.5**	**1,075.0**	**(18.0%)**	**448.9**	**547.6**	**(18.0%)**
Amortisation and Depreciation	**(391.2)**	**(247.1)**	**58.3%**	**(239.9)**	**(125.8)**	**90.7%**
Amortisation	(299.8)	(210.1)	42.7%	(182.7)	(105.6)	73.1%
Depreciation	(91.3)	(36.9)	147.3%	(57.2)	(20.2)	182.8%
Operating profit	**490.3**	**828.0**	**(40.8%)**	**209.0**	**421.8**	**(50.4%)**
Net Financial result	**(236.5)**	**(102.1)**	**131.5%**	**(181.1)**	**(51.1)**	**254.2%**
Financial income	11.3	8.7	29.9%	2.4	2.8	(16.1%)
Financial costs	(238.5)	(111.7)	113.6%	(176.2)	(55.2)	219.4%
Foreign exchange (profits)/losses	(9.2)	0.9	(1,169.8%)	(7.2)	1.2	(688.3%)
Profit/(Loss) before Income tax	**253.8**	**725.8**	**(65.0%)**	**27.9**	**370.7**	**(92.5%)**
Income tax expenses	**(150.3)**	**(160.3)**	**(6.2%)**	**(91.4)**	**(74.8)**	**22.2%**
Net profit/(loss)	**103.5**	**565.5**	**(81.7%)**	**(63.5)**	**295.9**	**(121.5%)**
Other comprehensive income/ (loss)	**185.4**	**72.9**	**154.7%**	**85.3**	**28.9**	**195.6%**
Total comprehensive income/ (loss) for the period	**288.9**	**638.4**	**(54.7%)**	**21.8**	**324.8**	**(93.3%)**

AMORTISATION AND DEPRECIATION

Amortisation and depreciation increased by PLN 114.1 million, or 90.7%, from PLN 125.8 million for Q2 2021 to PLN 239.9 million for Q2 2022, whereas for H1 2022 amortisation and depreciation increased by PLN 144.1 million, or 58.3%, from PLN 247.1 million for H1 2021 to PLN 391.2 million for H2 2022. The YTD increase includes PLN 78.6 million of depreciation and amortisation costs recognized by the Mall Group and WE|DO, which were consolidated for the first time, of which a PLN 43.3 million charge arises on the fair value uplift to net assets of acquired entities in the gross amount of PLN 1,782.6 million.

The major intangible assets identified in the provisional purchase price allocation process carried out since the acquisition are customer relationships, software, domains and trademarks. The remaining increase of PLN 35.5 million for Q2 2022 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 cost increased by PLN 130.0 million, or 254.2%, from PLN 51.1 million for Q2 2021 to PLN 181.1 million for Q2 2022, whereas for H1 2022 net financial loss increased by PLN 134.4 million, or 131.5%, from PLN 102.1 million for H1 2021 to PLN 236.5 million for H1 2022. This increase is driven mostly by the higher cost of servicing the Group's borrowings, resulting from an increase in the nominal value of debt by PLN 1,500.0 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 ongoing raising of interest rates by the National Bank of Poland. As a result, the organic deleveraging triggered by the refinancing transaction in 2020 was unwound by the increase in the balance of borrowings driving the rise in the Group's leverage to 3.54x as of 30 June 2022. This translated into the recognition of PLN 58.5 million non-cash charge to financial expenses due the higher interest margin, thereby increased the present value of future cash outflows driving the amortized cost valuation and hiked the cost of interest by PLN 98.6 million or 130.4% YoY for H1 2022 or PLN 81.4 million or 220.7% YoY for Q2 2022. The higher cost of Group borrowings were offset by the favorable outcome on settlement of the floating to fixed interest rate swap contracts generating the inflows of PLN 20.1 in H1 2022 and PLN 18.4 million for Q2 2022, compared to the outflow of PLN 29.6 million and PLN 14.7 million for comparable periods, respectively.

INCOME TAX EXPENSES

Income tax expenses increased by PLN 16.6 million, or 22.2%, from PLN 74.8 million for Q2 2021 to PLN 91.4 million the Q2 2022, whereas for the six months ended 30 June 2022 income tax expenses decreased by PLN 10.0 million, or 6.2%, from PLN 160.3 million for H1 2021 to PLN 150.3 million for H1 2022.

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 and is 21% in Slovakia. Luxembourg companies are subject to taxation at 24.94% rate, Hungary at 9% and Croatia at 18%.

On 28 June 2022 Allegro and Ceneo received tax results summarizing tax audits carried out by the tax authorities that concerned corporate income tax settlements of these companies for the periods from 28 July 2016 to 31 December 2017 and for 2018. The tax authorities challenged the tax-deductibility of an arrangement fee paid by the companies to their related entities as this fee was for equity received, as well as the interest rate being paid by the companies to their shareholder on intra-Group borrowings. Allegro and Ceneo, after careful analysis of the tax results received, supported by their tax advisor, decided to voluntarily correct their tax returns for the audited periods and accrue additional tax. As the findings impact also FYs 2019-2020 the total additional tax is estimated at approx. PLN 54.1 million. A further PLN 13.9 million of penalty interest was accrued in other financial costs. The effective tax rate on the Group's profits before tax increased in comparison to H1 2021 due to the presence of significant non-cash charges recognized to increase the carrying value of borrowings at amortised cost, tax penalties as well as unrecognized deferred tax asset arising on the losses incurred by the Mall Group.

	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Current income tax on profits	(118.8)	(139.4)	(14.8%)	(85.2)	(70.5)	21.0%
Adjustments for current tax of prior periods	(53.9)	(1.4)	3,849.8%	(53.3)	0.3	(20,497.8%)
(Increase)/Decrease in net deferred tax liability	22.3	(19.5)	N/A	47.1	(4.6)	N/A
Income tax expense	**(150.3)**	**(160.3)**	**(6.2%)**	**(91.4)**	**(74.8)**	**(22.2%)**

NET PROFIT

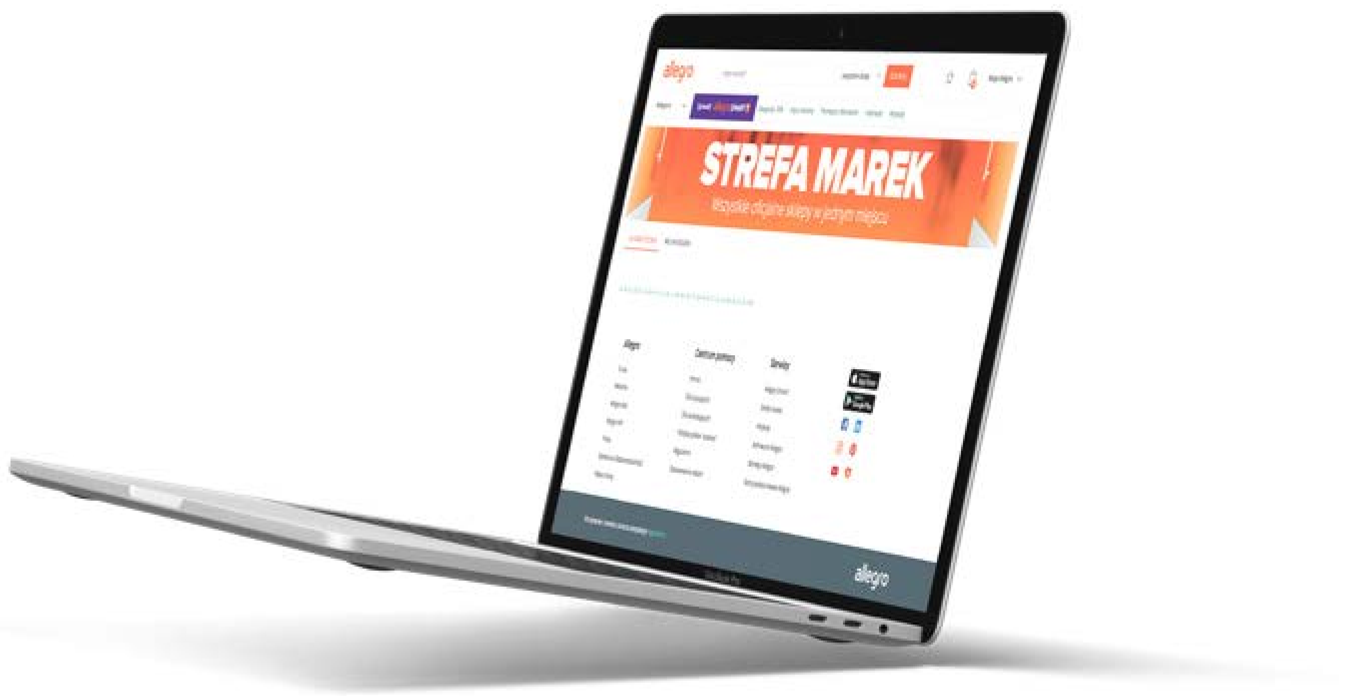
Net profit decreased by PLN 359.4 million, or 121.5%, from PLN 295.9 million for Q2 2021 to a loss of PLN 63.5 million for the Q2 2022, whereas for H1 2022 net profit decreased by PLN 462.1 million, or 81.7%, from PLN 565.5 million for H1 2021 to PLN 103.5 million for H1 2022 as a result of the factors described above.

TOTAL COMPREHENSIVE INCOME

Total comprehensive income decreased by PLN 303.0 million, or 93.3%, from PLN 324.8 million for Q2 2021 to PLN 21.8 million for Q2 2022, whereas for H1 2022 total comprehensive income decreased by PLN 349.5 million, or 54.7%, from PLN 638.4 million for H1 2021 to PLN 288.9 million for H1 2022 as a result of the factors discussed above.

OTHER COMPREHENSIVE INCOME

Other comprehensive income increased by PLN 56.4 million, or 195.6%, from PLN 28.9 million for Q2 2021 to PLN 85.3 million for Q2 2022, whereas for H1 2022 other comprehensive income increased by PLN 112.5 million, or 154.7%, from PLN 72.9 million for H1 2021 to PLN 185.4 million for H1 2022. The improvement was due to recognition of the increasing fair value of interest rate swap contracts hedging PLN 4,125 million of the Group's borrowing into fixed interest rates.



2.2.4.
REVIEW OF CASH FLOW PERFORMANCE

The following table summarizes net cash flows from operating, investing and financing activities for Q2 and H1 2022 and for Q2 and H1 2021.

Cash Flow, PLN m	H1 2022	H1 2021	Change %	Q2 2022	Q2 2021	Change %
Net cash inflow/(outflow) from operating activities	**630.5**	**656.3**	**(3.9%)**	**253.0**	**232.2**	**9.0%**
Profit before income tax	253.8	725.8	(65.0%)	27.9	370.7	(92.5%)
Income tax paid	(282.2)	(225.1)	25.4%	(226.6)	(188.0)	20.5%
Amortisation and depreciation	391.2	247.1	58.3%	239.9	125.8	90.7%
Net interest expense	205.8	104.7	96.6%	151.7	51.1	196.6%
Changes in net working capital	11.6	(198.9)	N/A	29.5	(130.8)	N/A
Other operating cash flow items	50.4	2.7	1,754.2%	30.6	3.4	769.1%
Net cash inflow/(outflow) from investing activities	**(2,741.8)**	**(153.3)**	**1,687.6%**	**(2,563.8)**	**(93.4)**	**2,644.6%**
Capitalized development costs	(164.3)	(104.0)	58.0%	(91.1)	(55.3)	64.6%
of which Polish operations	*(154.6)*	*(104.0)*	*48.7%*	*(81.4)*	*(55.3)*	*48.7%*
of which Mall	*(9.7)*	*N/A*	*N/A*	*(9.7)*	*N/A*	*N/A*
Other capital expenditure	(224.4)	(49.5)	353.1%	(136.5)	(38.2)	259.8%
of which Polish operations	*(215.3)*	*(49.5)*	*334.9%*	*(127.4)*	*(38.2)*	*9.0%*
of which Mall	*(9.1)*	*N/A*	*N/A*	*(9.1)*	*N/A*	*N/A*
Acquisition of subsidiary (net of cash acquired)	(2,353.1)	—	N/A	(2,336.3)	—	N/A
Other investing cash flow	—	0.2	(100.0%)	—	0.1	(100.0%)
Net cash inflow/(outflow) from financing activities	**942.3**	**(117.3)**	**N/A**	**(495.9)**	**(57.6)**	**760.8%**
Borrowings received	1,500.0	—	N/A	—	—	N/A
Borrowings repaid	(381.0)	—	N/A	(381.0)	—	N/A
Interest paid	(165.6)	(67.1)	146.8%	(109.2)	(33.7)	224.1%
Lease payments	(20.8)	(16.1)	29.4%	(25.4)	(8.5)	199.3%
Interest rate hedging instrument settlements	20.1	(32.8)	N/A	20.4	(14.7)	N/A
Other financing cash flow	(10.4)	(1.3)	675.8%	(0.7)	(0.7)	4.2%
Net increase/(decrease) in cash and cash equivalents	**(1,169.0)**	**385.7**	**(403.1%)**	**(2,806.7)**	**81.2**	**(3,555.6%)**

NET CASH FROM OPERATING ACTIVITIES

Net cash from operating activities decreased by PLN 25.8 million or 3.9% YoY for H1 2022, mostly due to the lower profit before income tax, which decreased by PLN 472.0 million, or 65.0% YoY, due to the factors described in the previous sections.

The decrease in profitability was offset mainly by the lower investment in working capital showing the PLN 11.6 million of inflow in H1 2022 compared to an outflow of PLN 198.9 million in the comparative period. This decrease is mainly attributable to the lower cash consumption of Allegro Pay, as an external source of off-balance sheet financing was utilized in H1 of 2022 through the consumer loans repurchase agreement in place with Aion Bank since Q4 2021. As a result, despite the significant growth of the Group's consumer lending operations, translating to PLN 2,226.6 million of new loans advanced in H1 2022 (+323.2% YoY), the total outflow from working capital, arising on that transactions amounted to PLN 87.1 million compared to an outflow of PLN 173.7 million in H1 2021. This outflow from the expansion of Allegro Pay's operations was fully offset by the higher inflows from trade and other payables with the remaining position impacting the working capital remaining relatively stable across the period.

NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities recorded an outflow by PLN 2,741.8 million for H1 2022 mostly due to acquisition of Mall Group and WE|DO. The price for shares in Mall Group and WE|DO were settled via the combination of a stock consideration and a cash payment from a combination of new debt financing and the Group's own funds. The total cash outflow recorded upon the completion of the acquisition transaction amounted to EUR 473.5 million (equivalent of PLN 2.219 million) and included the PLN 16.8 million of loss arising on the settlement of the deal contingent forward, concluded by the Group to minimize the foreign exchange risk related to the transaction. Additionally, at the date of the Transaction the Group settled the outstanding indebtedness of Acquired Entities with loan towards the previous shareholders in the amount of CZK 1,089.1 million (equivalent of PLN 207.6 million), forming a part of the purchase price consideration for the acquired business. The total cash outflow arising on the acquisition transaction was presented net of cash of acquired entities in the amount of PLN 61.6 million.

The remaining increase in outflow from investing activities results from the higher development costs qualified for capitalization, growing by PLN 50.6 million or 48.7% YoY or PLN 26.1 million YoY for Q2 2022, reflecting the upward trend in the headcount for the technology team, aiming to create the necessary capacity for the ongoing platform development projects, as well as reflecting the impact on the acquisition of Mall Group and WE|DO.

Moreover, the Group's other capital expenditures increased by PLN 172.9 million, or 353.1% YoY for H1 2022 and PLN 26.1 million or 259.8% YoY for Q2 2022, due to the accelerating roll-out of Allegro's own parcel locker network together with the investment in the fit-out in Group's new office buildings, where additional floors have been handed over by the respective developers.

NET CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities recorded an inflow of PLN 942.3 million for H1 2022, due the utilization of a PLN 1,000.0 million bridge term loan and a PLN 500.0 million equivalent multi-currency revolving credit facility drawn in Czech crowns to partially fund the Mall Group / WE|DO acquisition which closed on 1 April 2022. Drawing these funds triggered additional outflow of PLN 5.0 million arising on arrangement fees paid with further PLN 3.0 million settled in Q2 2022, consequent to postponing the due date of PLN 1,000 million facility to September 2023.

Moreover as part of the acquisition transaction described above, the Group repaid the entire outstanding indebtedness of the Acquired Entities towards its financing banks in the amount of CZK 2,004.8 million (equivalent of PLN 381.0 million).

The inflow from financing activities was further supported by the favorable outcome arising on the settlement of floating to fixed interest rate swap contracts generating the inflow of PLN 20.7 million for H1 2022 comparing to outflow PLN 32.8 million for H1 2021, as the market observed a significant increase of the WIBOR reference rate across late 2021 and early 2022 resulting in the favorable revaluation of the Group's hedged interest rate positions. Conversely, the same upward movement in interest rates together with the addition of PLN 1,500.0 million in nominal value of borrowings contributed to the increase in the interest payments arising on the Group's indebtedness growing by PLN 98.5 million, or 146.8% YoY, moving in the opposite direction to the amounts received on the settlement of the floating to fixed interest rate swap contracts.

2.2.5. INDEBTEDNESS

As of 30 June 2022, the Group's total borrowings were PLN 6,923.0 million, representing PLN 6,997.7 million of principal adjusted to be presented at amortised cost.

The increase in lease liabilities is mainly driven by the recognition of right to use assets and corresponding lease liabilities of Mall Group and WE|DO, which were both acquired by Allegro.eu Group on 1 April 2022. From the total increase of PLN 416.8 million over H1 2022, PLN 201.4 million relates to the initiation of leases on newly delivered office space in Poland and PLN 151.1 million relates to leases acquired with the Mall Group and WE|DO.

The significant decrease in cash follows the Mall Group / WE|DO acquisition since the Group used a significant part of its cash on hand to settle the cash components of the consideration payable for the acquisition.

The Group's Senior Term Loan Facility and the two revolving credit facilities expire in October 2025. The PLN 1,000 million bridge term loan expires on 30 September 2023. The availability period for drawing on an unutilised revolving credit facility also expires in September 2025.

The increase in the Group's leverage from 1.77x at the end of 2021 to 3.54x at the end of H1 2022 resulted primarily from the following factors:

- increase in borrowings as a result of utilization of a PLN 1,000.0 million bridge term loan and a PLN 500.0 million equivalent multi-currency revolving credit facility drawn in Czech crowns;
- increase in leases due to factors described above;
- PLN 1,169.0 million decrease in cash held related to the Mall Group / WE|DO acquisition (please see details in note 2.2.4);
- drop in Adjusted EBITDA on a rolling twelve month basis by 7.2%, mainly reflecting the inclusion of Mall segment Adjusted EBITDA losses for the first time in Q2 2022.

PLN m (unaudited)	30.06.2022	31.03.2022	31.12.2021
LTM Adjusted EBITDA Polish operations	1,987.1	1,995.8	2,068.5
LTM Adjusted EBITDA Mall segment	(67.1)	N/A	N/A
Adjusted EBITDA LTM	**1,920.0**	**1,995.8**	**2,068.5**
Borrowings at amortized cost	6,923.0	6,856.2	5,366.3
Lease liabilities	667.9	458.9	251.1
Cash	(788.2)	(3,595.0)	(1,957.2)
Net Debt	**6,802.7**	**3,720.1**	**3,660.2**
Leverage	3.54 x	1.86 x	1.77 x
Equity	10,942.7	9,729.6	9,454.1
Net debt to Equity	62.2%	38.2%	38.7%

3. Important events

In order to comply with the disclosure requirements for a Luxembourg company the shares of which are admitted to trading on an EU regulated stock exchange, the Group has provided an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed financial statements, which can be found in the Note 5 and Note 6 to the Interim Condensed Consolidated Financial Statements of Allegro.eu Group for the three and six month periods ended 30 June 2022. Please refer to Interim Condensed Consolidated Financial Statements for more details: Note 5: "Significant Changes in the Current Reporting Period", and Note 6: "Business Combination".

4.

Expectations for the Group in FY 2022

The Group provides the following update with regards to targets and expectations for the 2022 financial year. These updated expectations take into account the Mall Group / WE|DO acquisition, which was acquired on April 1, 2022 and will be consolidated for nine months of 2022.

POLISH OPERATIONS

The Group's management has noted the expected improvement in GMV growth rates throughout the second and third quarters have been consistent with achieving GMV growth well above the lower boundaries of the current guidance for GMV for FY22. At the same time, the Group notes the worsening outlook for economic growth, sustained inflation and concerns over energy security and energy prices is significantly increasing the unpredictability of consumer demand and retail sales trends. The Group has therefore concluded that there is an increasing risk of reduced consumer demand during the Christmas trading period. As a result, the upper boundary of the GMV growth range has been further trimmed to 17%, while the lower boundary of 15% has been maintained. Revenue guidance has been similarly trimmed at the upper end of the range and is now expected to be between 23% and 26%.

As a result of the above changes to GMV and revenue expectations, the upper boundary of the Adjusted EBITDA YoY growth range is trimmed to 12%, while the lower boundary of 10% is maintained. Capital investment spending expectations, particularly for capitalised development costs, have been revised down in line with the Group's slowing of headcount growth.

MALL SEGMENT

The Group's management has noted that, in comparison to Poland, consumer demand conditions are generally weaker in the countries where the Mall segment operates. This has led to price discounting and falling gross margins in the consumer discretionary categories where the Mall segment is over-indexed relative to the Polish Operations. As we enter the fourth quarter of 2022, the Mall segment is focused on its price competitiveness in order to maintain customer engagement with its websites ahead of the planned deployment of the Allegro marketplace platform in the Mall markets in 2023.

As a result of the above factors, the Group's management has modified its expectations for the financial performance of the Mall segment as follows:

- Low single-digit percentage YoY decline for 9M GMV and Revenue
- Adjusted EBITDA loss between PLN 120-160m
- Capital investment lowered to PLN 70-100m.

The updated expectations for the consolidated Group are set out below:

2022 expectations Polish operations	Allegro-only Published May 26th	Allegro-only Update
GMV	15–20% YoY growth	15–17% YoY growth
Revenue	25–30% YoY growth	23–26% YoY growth
Adjusted EBITDA [1]	10–15% YoY growth	10–12% YoY growth
Capex [2]	PLN 675–725m	PLN 650–700m

2022 expectations [3] MALL segment	MALL-only FY [3] Published May 26th	MALL-only FY [3] Update
GMV	Near-term stabilisation back to positive growth by YE	Low single-digit % YoY decline
Revenue	Near-term stabilisation back to positive growth by YE	Low single-digit % YoY decline
Adjusted EBITDA [1]	PLN 80–120m loss	PLN 120–160m loss
Capex [2]	PLN 100–120m	PLN 70–100m

2022 expectations Group consolidated	Consolidated 2022E Published May 26th	Consolidated 2022E Update
GMV	22–28% YoY growth	22–24% YoY growth
Revenue	70–76% YoY growth	67–71% YoY growth
Adjusted EBITDA [1]	4–11% YoY growth	2–6% YoY growth
Capex [2]	PLN 775–845m	PLN 720–800m

[1] Adjusted EBITDA defined as EBITDA pre transaction costs, management fees (monitoring fees), stock-based compensation, restructuring costs and other one-off items
[2] Represents cash capex and does not include leased assets (which are presented in balance sheet)
[3] Expectations for the MALL Group and WE|DO for 9 months to December 2022

5. Status of Medium-Term Expectations for 2023-2026

The Group's management notes that its Medium-Term Expectations for 2023-2026 ("MTE") was published on 24 February 2022, following completion of the previous annual planning round and coinciding with the invasion of Ukraine by Russia. In view of the ongoing economic and geopolitical disruption resulting from the situation in Ukraine, the Group's management has decided to place the published MTE under review, pending completion of this year's annual planning round under the supervision of the Group's new CEO.

6. Recent trading

During Q3 2022 until the date of this report, the Board has noted GMV growth for the Polish Operations has continued to accelerate sequentially QoQ and expects YoY GMV growth for the full Q3 to be slightly above 20%.

The Board has noted sequentially improved GMV growth dynamics from the Mall segment during the course of Q3 and currently expects to report a low single digit increase in GMV for Q3 on a constant currency basis and 6-7% growth on an "as reported" basis, including currency fluctuations.

7. Significant events after the end of the reporting period

For summary of key events occurring after the reporting period please refer to the Note 20 to the Interim Condensed Consolidated Financial Statements the Group for the three and six month periods ended 30 June 2022: "Events Occurring After The Reporting Period".

8. 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 results for 2022 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 2021 ("2021 Annual Report"), which was approved by the Board of Directors on 23 February 2022 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 including, but not limited to impact of higher inflation, increasing pressure on wages growth, risk of deterioration in consumer sentiment and disposable income
- 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
- Execution of the key business development programs, including but not limited to: Smart! loyalty program, consumer finance product Allegro Pay, International Expansion, One Fulfillment by Allegro, roll-out of a proprietary last-mile locker network, investment in a proprietary delivery capability
- 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:
    - Currency risk for the consolidated results and dividend inflows of the Group
    - 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 organizational structure managing across countries and functions
    - Risk of litigation with the sellers
- 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 matters, as well as potential future regulations that might impose additional requirements and other obligations on the Group's business. Since 2021 Annual Report several new relevant EU draft laws were published, including Data Act, related to obligatory data sharing, Digital Labor Platforms, Sustainable products package. Once adopted that may impact Allegro business and increase compliance costs.
- From time to time, the Group may be involved in various claims and legal proceedings relating to claims arising out of its operations. The Group is aware of certain pending legal disputes between individuals associated with Bola Investments Limited ("Bola") and a third party individual ("Claimant") relating to the ownership of a minority stake of shares in eBilet sp. z o.o. that was the former owner of eBilet Polska sp. z o.o. ("eBilet Polska"). The Claimant has filed against Bola, individuals associated with Bola and Allegro two lawsuits, i.e. one with the Regional Court in Poznań and one with the Regional Court in Warsaw demanding annulment of agreements concerning the purchase of shares in eBilet Polska concluded between Bola, individuals associated with Bola and Allegro. The lawsuit filed in Poznań court has been rejected and the decision is now final and binding. The case in Warsaw is pending. Based on information available to the Group and based on the assessment of the Group's legal advisor as of the date of this Report, the Group has no reason to believe that the outcome of the case in question would have a material impact on the Group.
- 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.

Following recent events since the above list of Principal Risks and Uncertainties was accepted by the Board of Directors, the following risks has been added by the Group's Management:

POTENTIAL RISKS AND UNCERTAINTIES ARISING FROM THE INVASION OF UKRAINE

Intense fighting between the armies of Ukraine and the Russian Federation began on 24 February 2022, following the movement of Russian military forces into Ukrainian territory, and the fighting continues as of the date of this report.

The Group's Management has assessed the direct exposure of the Group's operations to the situation in Ukraine and has concluded that the direct impact is currently minimal. The value of GMV generated with the participation of either buyers or sellers with addresses in Ukraine, Belarus or the Russian Federation was less than 0.1% in 2021. The Group has suspended cooperation with Russian and Belarusian sellers while the conflict continues. In terms of supply chain, direct disruption to sellers' ability to source products to list on the Group's marketplace has not been apparent to date. The Group has very few Ukrainian based suppliers and so far the Group has seen no significant disruption to their ability to fulfill their contractual obligations.

However, the Group cannot provide any assurance that the impact of the wider effects of the conflict on the Polish economy and the five Central European countries where the Mall Group currently operates will not have an adverse effect on its financial performance, operations or cash flows in the future. The financial burden of supporting Ukrainian refugees across the Central European region until they return to Ukraine or are able to become financially independent may lead to higher tax burdens on the Group or its employees in the future. Disruption from sanctions on trade with Russia, including energy imports to the European Union, and global food shortages from disruption to crop production in Ukraine may lead to further inflationary pressure and erosion of the disposable incomes of the Group's buyers, potentially having a negative impact on GMV growth.

UNFOLDING ENERGY CRISIS IN EUROPE

In view of the possible energy crisis due to the limitation of gas flows from Russia to Europe, Allegro may be exposed to significant increases in energy prices. Even though, as an online marketplace, the Group's direct exposure to energy prices is relatively limited, with direct energy costs accounting for less than 0.03% of the Group's total costs, energy costs constitute a significant input for many of Allegro's suppliers and merchants.

Moreover, the Group, its suppliers and/or its merchants may face certain energy demand management measures imposed by the government aimed at limiting the energy consumption, which may in turn cause disruption to the Group's operations and financial performance.

PROCEEDING BEFORE THE UOKIK PRESIDENT

On 8 August 2022 Allegro, received a statement of objections from the UOKiK President in the ongoing antitrust proceedings against Allegro concerning the alleged abuse of a dominant position by Allegro on the Polish market for online B2C intermediary sales services by favoring its own 1P retail sales activity on its platform.

The UOKiK president claims that Allegro favoured its 1P activity over 3P sellers by granting 1P access to (i) the information regarding functioning of the Allegro platform ("Platform") and/or the consumer's behaviour on the Platform unavailable (or available to a limited extent) to 3P sellers and (ii) the sales and/or promotional functions on the Platform unavailable (or available to a limited extent) to 3P sellers.

A Statement of Objections is not a decision: it is a procedural step which formally does not prejudge the final outcome of the proceedings before the UOKiK President.

The UOKiK President indicated that it intends to issue a decision confirming the infringement of the dominant position by Allegro and ordering its cessation to the extent that the infringement has not been abandoned and imposing a fine on Allegro. The maximum amount of such a penalty may amount to 10% of the turnover achieved by Allegro in the year preceding the imposition of the fine.

The Group does not agree with the UOKiK claims and remains of the opinion that (i) there is no separate Polish market for online B2C intermediary sales services and the relevant market should be defined as the global (or at least EEA wide) retail market (ii) Allegro does not hold a dominant position and (iii) it did not favor 1P sales in an anticompetitive way. Nevertheless, the Group intends to continue to fully cooperate with the UOKiK president. Allegro has informed the UOKiK President that it is currently working on possible commitments, which would allow the proceedings to be closed without a fine. The UOKiK President has broad discretion in deciding whether to accept or reject the proposed commitments. The Group cannot exclude the risk that commitments necessary to satisfy the UOKiK president to not issue an infringement decision and impose a fine, will have a negative impact on the Group's future financial performance and cash flows.

If the UOKiK President does issue an infringement decision, with or without imposing a fine, Allegro may appeal against such decision to court (in a two-instance proceedings), which will be able to sustain, amend or cancel the decision of the UOKiK President. Any potential fine imposed on Allegro will not be due and payable until such a decision of the UOKiK President becomes final and unappealable.

Based on advice from its legal counsel, the Group has not made any provision for potential fines from the president of UOKiK. Should the President of UOKiK nevertheless issue an infringement decision and impose a fine in the future, the Group and its legal counsel would assess the final arguments being used by UOKiK and cannot exclude the possibility that it may need to provide for the costs of all or part of such a fine in its financial results in the future.

9.
Shareholders of Allegro.eu

As of 31 March 2022 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.	286,778,572	27.13%	286,778,572	27.13%
Permira VI Investment Platform Limited	286,778,572	27.13%	286,778,572	27.13%
Mepinan S.à r.l.	63,728,574	6.03%	63,728,574	6.03%
Free Float	419,619,135	39.70%	419,619,135	39.70%
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 19 to the Interim Condensed Consolidated Financial Statements of the Group for the three and six month periods ended 30 June 2022, and to Note 37 to the Consolidated Financial Statements of the Group for the year ended 31 December 2021, 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 H1 2022 and 2021 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 2022	H1 2021	Q2 2022	Q2 2021
Capitalized development costs	(164.3)	(104.0)	(91.1)	(55.3)
Other capital expenditure	(224.4)	(49.5)	(136.5)	(38.2)
Total capital expenditure	**(388.7)**	**(153.5)**	**(227.6)**	**(93.5)**

Capitalized development costs

The amount of capitalized development costs is a sum of capitalized staff costs and capitalized 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 2022	H1 2021	Q2 2022	Q2 2021
Staff costs – Capitalisation of development costs	98.5	75.1	54.0	38.6
IT service expenses – Capitalisation of development costs	6.8	—	3.8	—
Other expenses – Capitalisation of development costs	58.9	28.9	33.3	16.7
Capitalized development costs	**164.3**	**104.0**	**91.1**	**55.3**

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	30.06.2022	31.03.2022	31.12.2021
Adjusted EBITDA LTM	1,920.0	1,995.8	2,068.5
(+) Borrowings at amortized cost	**6,923.0**	**6,856.2**	**5,366.3**
Non-current liabilities	6,923.0	5,858.1	5,363.0
Current liabilities	0.0	998.2	3.3
(+) Lease liabilities	**667.9**	**458.9**	**251.1**
Non-current liabilities	559.3	394.9	206.1
Current liabilities	108.6	64.0	45.1
(-) Cash	**(788.2)**	**(3,595.0)**	**(1,957.2)**
= Net Debt	6,802.7	3,720.1	3,660.2
Leverage (Net Debt / Adjusted EBITDA LTM)	**3.54 x**	**1.86 x**	**1.77 x**

Changes in working capital

The amount of each title impacting the working capital for H1 2022 and 2021 respectively, are presented in the separate lines of the interim condensed consolidated statement of cash flow.

Adjusted EBITDA/revenue (%) for the Polish operations

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for the six and three months ended 30 June 2022 and 2021 below.

PLN m (unaudited)	H1 2022	H1 2021	Q2 2022	Q2 2021
Adjusted EBITDA	1,014.2	1,095.6	551.3	559.9
Revenue	2,992.7	2,518.3	1,600.1	1,308.1
Adjusted EBITDA/revenue (%)	33.89%	43.50%	34.45%	42.80%

Adjusted EBITDA/GMV (%) for the Polish operations

Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for H1 2022 and 2021 below.

PLN m (unaudited)	H1 2022	H1 2021	Q2 2022	Q2 2021
Adjusted EBITDA	1,014.2	1,095.6	551.3	559.9
GMV	22,934.1	20,036.1	12,110.1	10,439.7
Adjusted EBITDA/GMV (%)	4.42%	5.47%	4.55%	5.36%

1P Gross Margin for the Polish operations

Represents Retail revenue minus cost of goods sold, divided by cost of goods sold. Please refer to the calculation for the three and six months ended 30 June 2022 below.

PLN m (unaudited)	H1 2022	H1 2021	Q2 2022	Q2 2021
Retail revenue	185.8	123.6	103.1	64.6
Cost of goods sold	187.3	121.0	103.0	63.2
1P Gross Margin	(0.8%)	2.1%	0.1%	2.2%

Adjusted EBITDA/revenue (%) for the Mall segment

Represents Adjusted EBITDA divided by Revenue. Please refer to the calculation for the three months ended 30 June 2022 below.

PLN m (unaudited)	Q2 2022
Adjusted EBITDA	(67.1)
Revenue	610.7
Adjusted EBITDA/revenue (%)	**(10.99%)**

Adjusted EBITDA/GMV (%) for the Mall segment

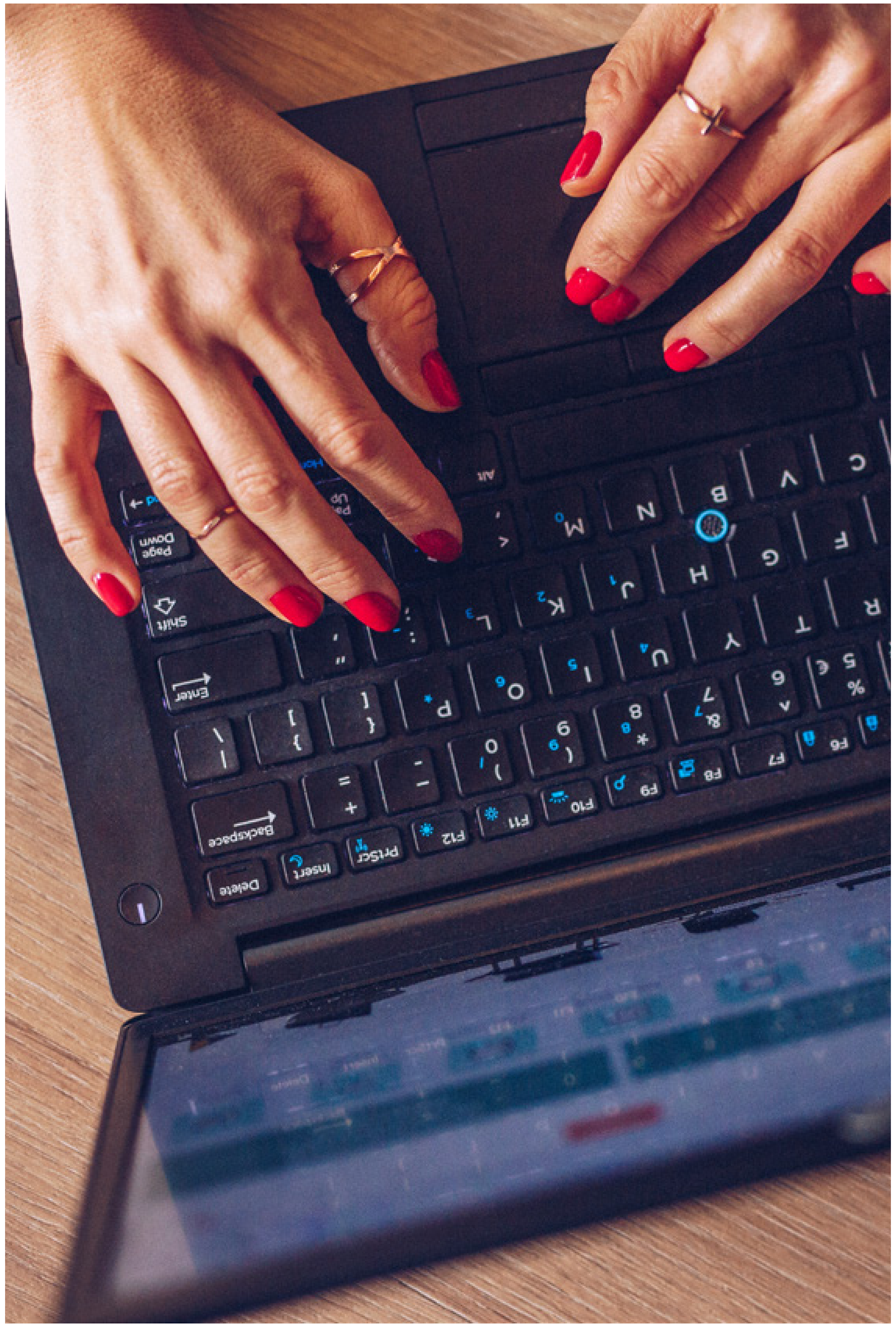
Represents Adjusted EBITDA divided by GMV. Please refer to the calculation for the three months ended 30 June 2022 below.

PLN m (unaudited)	Q2 2022
Adjusted EBITDA	(67.1)
GMV	787.9
Adjusted EBITDA/GMV (%)	**(8.52%)**

1P Gross Margin for the Mall segment

Represents Retail revenue minus cost of goods sold, divided by cost of goods sold. Please refer to the calculation for the three months ended 30 June 2022 below.

PLN m (unaudited)	Q2 2022
Retail revenue	568.0
Cost of goods sold	500.2
1P Gross Margin	**11.9%**



III.

FINANCIAL STATEMENTS

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 2022 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	Jonathan Eastick
Director	Director

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Report on Review of Interim Condensed Consolidated Financial Statements

pwc

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 2022, 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.

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, 28 September 2022

Véronique Lefebvre

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

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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 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
Revenue	**10**	**3,602,655**	**2,518,324**	**2,210,056**	**1,308,122**
Operating expenses		**(2,721,200)**	**(1,443,276)**	**(1,761,118)**	**(760,554)**
Payment charges		(71,098)	(74,286)	(37,252)	(38,287)
Cost of goods sold	5	(686,967)	(120,984)	(602,650)	(63,166)
Net costs of delivery		(783,331)	(538,738)	(420,617)	(284,488)
Marketing service expenses		(392,556)	(274,569)	(234,001)	(152,198)
Staff costs net		(461,099)	(267,734)	(276,086)	(137,916)
Staff costs gross		*(559,615)*	*(342,790)*	*(330,054)*	*(176,500)*
Capitalisation of development costs		*98,516*	*75,056*	*53,968*	*38,584*
IT service expenses		(77,768)	(44,427)	(44,669)	(23,483)
IT service expenses gross		*(84,605)*	*(44,427)*	*(48,466)*	*(23,483)*
Capitalisation of development costs		*6,837*	—	*3,797*	—
Other expenses net		(210,289)	(85,178)	(134,707)	(41,884)
Other expenses gross		*(269,206)*	*(114,072)*	*(167,993)*	*(58,600)*
Capitalisation of development costs		*58,917*	*28,894*	*33,286*	*16,716*
Net impairment losses on financial and contract assets		(35,108)	(29,080)	(13,974)	(12,797)
Transaction costs		(2,984)	(8,279)	2,838	(6,335)
Operating profit before amortisation and depreciation		**881,455**	**1,075,048**	**448,938**	**547,568**
Amortisation and Depreciation		**(391,161)**	**(247,062)**	**(239,915)**	**(125,777)**
Amortisation		(299,813)	(210,122)	(182,749)	(105,564)
Depreciation		(91,348)	(36,940)	(57,166)	(20,213)

	Note	6 months ended 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
Operating profit		**490,294**	**827,986**	**209,023**	**421,791**
Net Financial costs	**11**	**(236,497)**	**(102,146)**	**(181,108)**	**(51,137)**
Financial income		11,275	9,540	2,358	4,040
Financial costs		(247,772)	(111,686)	(183,466)	(55,177)
Profit before Income tax		**253,797**	**725,840**	**27,915**	**370,654**
Income tax expenses	**12**	**(150,346)**	**(160,324)**	**(91,414)**	**(74,785)**
Net profit		**103,451**	**565,516**	**(63,499)**	**295,869**
Other comprehensive income/(loss) – Items that may be reclassified to profit or loss		**168,612**	**72,850**	**68,473**	**28,907**
Gain/(Loss) on cash flow hedging		279,913	40,046	146,327	14,189
Cash flow hedge – Reclassification from OCI to profit or loss		(20,149)	32,804	(20,372)	14,718
Deferred tax relating to these items		(66,650)	—	(32,980)	—
Exchange differences on translation of foreign operations		(24,502)	—	(24,502)	—
– Items that may not be reclassified to profit or loss		**16,827**	—	**16,827**	—
Cash flow hedge – Reclassification from OCI to Goodwill		16,827	—	16,827	—
Total comprehensive income for the period		**288,890**	**638,366**	**21,800**	**324,776**

	Note	6 months ended 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
Net profit/(Loss) for the period is attributable to:		**103,451**	**565,516**	**(63,499)**	**295,869**
Shareholders of the Parent Company		103,451	565,516	(63,499)	295,869
Total comprehensive income/(Loss) for the period is attributable to:		**288,890**	**638,366**	**21,800**	**324,776**
Shareholders of the Parent Company		288,890	638,366	21,800	324,776
Earnings per share for profit attributable to the ordinary equity holders of the company (in PLN)	**13**				
Basic		0.10	0.55	(0.06)	0.29
Diluted		0.10	0.55	(0.06)	0.29

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	30.06.2022	31.12.2021
Goodwill	6	10,642,132	8,669,569
Other intangible assets	6	6,211,842	4,230,029
Property, plant and equipment	5	1,126,066	443,809
Derivative financial assets	5	474,629	203,027
Other receivables		31,016	30,676
Prepayments		10,138	11,258
Consumer Loans at amortised cost	15	—	15,622
Deferred tax assets		15,031	4,579
Investments		360	360
Restricted cash		12,153	—
Total non-current assets		**18,523,367**	**13,608,929**

Current assets	Note	30.06.2022	31.12.2021
Inventory	5	470,658	43,995
Trade and other receivables	14	947,258	818,828
Prepayments		72,885	54,068
Consumer Loans at amortised cost	15	193,946	343,163
Consumer Loans at fair value	15	251,982	—
Other financial assets		3,307	6,710
Derivative financial assets	5	77	13,968
Income tax receivables		12,921	8,735
Cash and cash equivalents	16	788,249	1,957,241
Restricted cash		19,133	14,240
Total current assets		**2,760,416**	**3,260,948**
Total assets		**21,283,783**	**16,869,877**

EQUITY AND LIABILITIES

Equity	Note	30.06.2022	31.12.2021
Share capital	5	10,569	10,233
Capital reserve		8,282,624	7,089,903
Exchange differences on translating foreign operations		(24,502)	—
Cash flow hedge reserve		356,150	146,209
Actuarial gain/(loss)		(1,728)	(1,728)
Other reserves		25,801	19,707
Treasury shares		(1,355)	(1,995)
Retained earnings		2,191,736	1,102,118
Net result		103,451	1,089,618
Equity allocated to shareholders of the Parent		**10,942,746**	**9,454,065**
Total equity		**10,942,746**	**9,454,065**

Non-current liabilities	Note	30.06.2022	31.12.2021
Borrowings	5	6,923,016	5,362,982
Lease liabilities	5	559,260	206,086
Deferred tax liability	5	1,052,042	608,797
Liabilities to employees		7,696	9,769
Total non-current liabilities		**8,542,014**	**6,187,634**

Current liabilities	Note	30.06.2022	31.12.2021
Borrowings		—	3,316
Lease liabilities	5	108,630	45,056
Derivative financial liabilities		—	12,610
Income tax liability		47,712	154,940
Trade and other liabilities	17	1,522,153	903,755
Liabilities to employees		115,635	103,608
Liabilities related to business combinations		4,893	4,893
Total current liabilities		**1,799,023**	**1,228,178**
Total equity and liabilities		**21,283,783**	**16,869,877**

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 01.01.2022	**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 for the period	—	—	—	—	—	—	—	—	103,451	103,451	103,451
Other comprehensive income	—	—	(24,502)	193,114	—	—	—	—	—	168,612	168,612
Hedge – basis adjustment to Goodwill	—	—	—	16,827	—	—	—	—	—	16,827	16,827
Total comprehensive income for the period	**—**	**—**	**(24,502)**	**209,941**	**—**	**—**	**—**	**—**	**103,451**	**288,890**	**288,890**
Transfer of profit from previous years	—	—	—	—	—	—	—	1,089,618	(1,089,618)	—	—
Increase of capital (see note 6)	336	1,180,743	—	—	—	—	—	—	—	1,181,079	1,181,079
Allegro Incentive Plan – 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**	**8,282,624**	**(24,502)**	**356,150**	**(1,728)**	**25,801**	**(1,355)**	**2,191,736**	**103,451**	**10,942,746**	**10,942,746**

	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 01.01.2021	**10,233**	**7,073,667**	**—**	**(95,484)**	**(938)**	**—**	**—**	**682,958**	**419,160**	**8,089,596**	**8,089,596**
Profit for the period	—	—	—	—	—	—	—	—	565,516	565,516	565,516
Other comprehensive income	—	—	—	72,850	—	—	—	—	—	72,850	72,850
Total comprehensive income for the period	**—**	**—**	**—**	**72,850**	**—**	**—**	**—**	**—**	**565,516**	**638,366**	**638,366**
Transfer of profit from previous years	—	—	—	—	—	—	—	419,160	(419,160)	—	—
Allegro Incentive Plan	—	—	—	—	—	9,986	—	—	—	9,986	9,986
Transactions with owners in their capacity as owners	**—**	**—**	**—**	**—**	**—**	**9,986**	**—**	**419,160**	**(419,160)**	**9,986**	**9,986**
As at 30.06.2021	**10,233**	**7,073,667**	**—**	**(22,634)**	**(938)**	**9,986**	**—**	**1,102,118**	**565,516**	**8,737,948**	**8,737,948**

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

all amounts expressed in PLN'000 unless indicated otherwise

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Interim Condensed Consolidated Statement of cash flows

	Note	6 months ended 30.06.2022	6 months ended 30.06.2021
Profit before income tax		**253,797**	**725,840**
Amortisation and depreciation		391,162	247,062
Net interest expense	11	205,777	104,684
Non-cash employee benefits expense – share based payments		16,107	9,986
Revolving facility availability fee	11	3,764	1,830
Net (gain)/loss from exchange differences		15,028	(2,680)
Interest on leases	11	9,029	1,843
Net (gain)/loss on measurement of financial instrument	11	6,453	(8,109)
Net (gain)/loss on sale of non-current assets		—	(153)
(Increase)/Decrease in trade and other receivables and prepayments		18,393	20,930
(Increase)/Decrease in inventories		(19,503)	(12,195)
Increase/(Decrease) in trade and other liabilities		132,530	31,849
(Increase)/Decrease in consumer loans		(87,143)	(173,712)
Increase/(Decrease) in liabilities to employees		(32,691)	(65,777)
Cash flows from operating activities		**912,703**	**881,398**
Income tax paid		(282,244)	(225,112)
Net cash inflow/(outflow) from operating activities		**630,459**	**656,286**

Cash flows from investing activities	Note	6 months ended 30.06.2022	6 months ended 30.06.2021
Payments for property, plant & equipment and intangibles		(388,678)	(153,476)
Acquisition of subsidiary (net of cash acquired)		(2,353,104)	—
Other		—	186
Net cash inflow/(outflow) from investing activities		**(2,741,782)**	**(153,290)**

Cash flows from financing activities	Note	6 months ended 30.06.2022	6 months ended 30.06.2021
Borrowings received		1,500,000	—
Borrowings repaid		(380,966)	—
Interest paid		(165,579)	(67,094)
Interest rate hedging instrument settlements		20,149	(32,804)
Lease payments		(37,851)	(16,098)
Lease incentives		17,021	—
Arrangement fee paid		(8,000)	—
Revolving facility availability fee payments		(2,443)	(1,346)
Net cash inflow/(outflow) from financing activities		**942,331**	**(117,342)**

	Note	6 months ended 30.06.2022	6 months ended 30.06.2021
Net increase/(decrease) in cash and cash equivalents		**(1,168,992)**	**385,654**
Cash and cash equivalents at the beginning of the financial period		1,957,241	1,185,060
Cash and cash equivalents at the end of the financial period		788,249	1,570,714

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

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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 name was changed from Adinan Super Topco S.à r.l. to Allegro.eu 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.

After the recent acquisition, the Group operates now in territory of Europe mainly in Poland, Czech Republic, Slovakia and Slovenia. The most significant Group's operating entities are: Allegro.pl Sp. z o.o. ('Allegro', from July 2022 Allegro sp. z o.o.), 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') and Mimovorste, spletna trgovina d.o.o ('Mimovorste'). The Detailed information regarding the group structure and the country of domicile of each legal entity within the Group is presented in note 7 '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;
- provider of 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 three and six month periods ended 30 June 2022, together with comparative amounts for the corresponding period of 2021.

These Interim Condensed Consolidated Financial Statements for the three and six month periods ended 30 June 2022 were subject to the auditor's review.

2. Basis of preparation

These Interim Condensed Consolidated Financial Statements for the three and six month periods ended 30 June 2022 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 2022. In making this going concern assumption Management took into consideration the impact of the COVID-19 and 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 2021.

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 12 'Income tax expense') and the adoption of new and amended standards effective after 1 January 2022 as set out in note 3 'Summary of changes in accounting policies'.

The business combination described in note number 6 'Business combination' has not had any impact on accounting policies applied in these Interim Condensed Consolidated Financial Statements. 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 2022 in comparison to the Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2021.

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 amendments to the following standards that came into effect as of 1 January 2022 were applied. The amendments do not have a significant impact on these financial statements.

Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

All above amendments were issued on 14 May 2020.

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 judgment 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 2021 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the Intangibles Assets recognized on the business combination described in note 6 'Business combination' are addressed below.

ESTIMATES OF INTANGIBLE ASSETS

The identifiable intangible assets of acquired entities have been measured at provisional values at the date of these Interim Condensed Consolidated Financial Statements. The final purchase price allocation will be completed within 12 months from the acquisition.

The main category of intangible assets where the significant fair value adjustment was identified are customer relationships, trademarks, software and domains.

The fair value of customer relations was measured according to the multi-period excess earnings (MPEE) method. The estimates were based on the revenue and costs expected to be generated in the future by the acquired Group. On the other hand, The Royalty Relief Method used for the valuation of Trademark and Domains, concentrated on determining the hypothetical license fee with which the Group would be charged for using the trademark or domain had the Group not become its owner.

Lastly the replacement cost methodology was used in the valuation of the acquired software.

For the purpose of the customer relationship valuation the Group considered the customer to be each unique email address connected with a buyer that has made at least one purchase on any of the e-commerce platform owned by the acquired companies. This definition is aligned with the approach used by the Group to calculate the Active buyers metric for management reporting purposes.

all amounts expressed in PLN'000 unless indicated otherwise

AMORTISATION OF INTANGIBLE ASSETS

Amortisation is determined based on the expected economic useful lives of intangible assets which is verified annually. In the event of a change to the economic useful life of an asset, its effect is recognized as the effect of a change in accounting estimates.

The identified assets are amortised over their estimated useful economic life being, 20 years for customer relationships, 5 years for software, 3 years for Mall's domains and trademark, and 10 years from domains and trademark recognized in CZC.

Sensitivity analysis of amortisation of significant intangible assets recognized on Mall Group and WE|DO acquisition is presented below:

	change in the reporting period:					
Useful life sensitivity analysis of acquired intangibles assets	shorter by:			longer by:		
	1 year	2 years	5 years [1]	5 years	2 years	1 year
Customer relationships	(998)	(2,108)	(6,324)	3,794	1,725	903
Software	(2,991)	(7,976)	(48,492)	5,982	3,418	1,994
Trademark in Mall North, Mall South & WE|DO	(3,880)	(15,519)	(15,766)	4,850	3,104	1,940
Domains in Mall North, Mall South & WE|DO	(3,880)	(15,519)	(15,766)	4,850	3,104	1,940
Trademark in CZC	(137)	(307)	(1,229)	410	205	112
Domains in CZC	(137)	(307)	(1,229)	410	205	112
Impact on profit/(loss) as at 30 June 2022	**(12,023)**	**(41,736)**	**(88,806)**	**20,296**	**11,761**	**7,001**

[1] assuming useful live period is 12 months for software, and domains and trademark in Mall South, Mall North and WE|DO

More information on the acquired intangibles is disclosed in note number 6 'Business combination'.

CONTINGENT LIABILITIES

All the Group's existing contingent liabilities were disclosed in the note 33 of the Annual Consolidated Financial Statements for the year 2021. In the three and six month periods ended 30 June 2022 there were no changes in pending proceedings, except the two described below.

CONSUMER'S PROTECTION PROCEEDING AGAINST EBILET RELATED TO PROCEDURE OF TICKETS RETURNS DURING COVID-19 PANDEMIC INITIATED BY THE UOKIK (POLISH CONSUMER PROTECTION ORGANIZATION)

This proceeding is a continuation of the explanatory proceeding commenced by UKOIK President on 22 February 2021.

On 17 March 2022 the UOKiK President launched a formal investigation against eBilet for an alleged violation of collective consumers' interest by allegedly providing consumers with false information that based on the COVID-19 legislation, eBilet is entitled to refund the ticket price for events canceled due to the COVID-19 pandemic within a 180-days period. According to the UOKiK President eBilet should refund the ticket price within a timeframe described in its Terms & Conditions (i.e. within a 14-day period). This proceeding is a continuation of a previously conducted explanatory proceedings regarding eBilet's procedure of money refund for events canceled due to the COVID-19 pandemic launched on 22 February 2021. eBilet is answering questions asked by the UOKiK President and it is providing to the UOKiK President legal arguments that Covid-19 legislation should apply also in this case.

If the UOKiK President is satisfied with eBilet's responses, the proceedings will end without further actions. If not, the UOKiK will issue an infringement decision, with or without a fine. If a fine were to be imposed, then in accordance with the Competition Act, it could be as high as 10% of eBilet's turnover in the financial year preceding the decision. The UOKiK President may also order the effects of the infringement to be remedied (e.g. obligation to compensate affected consumers). At this stage, the Group is not able to assess the probability of the fine that might be imposed on eBilet or its potential amount.

Any changes in the proceedings described in the Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2021 that occurred subsequent to 30 June 2022, but before the publication date of these Interim Condensed Consolidated Financial Statements are described in note 20 'Events occurring after the reporting period'.

ESTIMATED IMPAIRMENT OF GOODWILL

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 2022.

Goodwill is tested for impairment annually or more frequently, if there is objective evidence of impairment. The Group's management intends to perform a first impairment test no later than as at 31 December 2022 for the assets recognized in the Mall and WE|DO acquisition.

all amounts expressed in PLN'000 unless indicated otherwise

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 1 April 2022 in accordance with the Share Purchase Agreement ("SPA") dated 4 November 2021, the Group purchased ('Transaction') 100% of shares in Mall Group a.s. and 100% of shares in WE|DO CZ s.r.o. (together 'Targets' or 'Acquired Entities'). The provisional fair values of the Acquired Entities' other assets and liabilities might be updated upon the finalisation of the Group's purchase price allocation analysis, to be completed not later than 12 months from the acquisition date. The information regarding the settlement of the Transaction is presented in note 6 'Business combination'.

II. On 1 April 2022 the Group issued 33,649,039 of ordinary shares upon the completion of the acquisition transaction of Mall Group and WE|DO. That resulted in the increase of the share capital by PLN 336 with the premium over the par value in the amount of PLN 1,180,743 allocated to share premium. The details are described in note 6 'Business combination'. The shareholding structure as at 30 June 2022 and 31 December 2021 is presented in table below:

		30.06.2022		31.12.2021	
Name	**Ultimate owner**	**Number of shares**	**% of share capital**	**Number of shares**	**% of share capital**
Cidinan S.a r.l.	Cinven	286,778,572	27.13%	286,778,572	28.03%
Permira VI Investment Platform Limited	Permira	286,778,572	27.13%	286,778,572	28.03%
Mepinan S.à r.l.	Mid Europa Partners	63,728,574	6.03%	63,728,574	6.23%
Other Shareholders	n/a	419,619,135	39.70%	385,970,096	37.72%
Total		**1,056,904,853**	**100%**	**1,023,255,814**	**100%**

III. The increase of short and long-term borrowings results from the utilization of a PLN 1,000,000 bridge term loan and a PLN 500,000 multi-currency revolving credit facility drawn in Czech Crowns. These new borrowings are due in September 2023 (see point below) and October 2025 respectively. The obtained funds were subsequently used to partly fund the acquisition of the Mall Group a.s. and WE|DO CZ s.r.o. (further referred to as Mall Group and WE|DO), which was completed on 1 April 2022. Further information regarding that Transaction is presented in note 6 'Business combination'.

IV. On 31 May 2022 the Group signed an annex to bridge term loan facility under which the maturity date of the outstanding PLN 1,000,000 was extended by one year from September 2022 (as initially agreed) to September 2023 and the interest rate margin was increased. The higher margin resulted in the recognition of PLN 11,260 in financial costs due to the higher expected cash flows arising on existing borrowings valued at amortised cost. This financial cost is reflected in note number 11 'Financial income and financial costs' in line 'Remeasurement of the borrowings'.

V. In the six months ended 30 June 2022 the Group recognized the financial cost in the amount of PLN 46,896 arising on the remeasurement of the amortised cost of the Group's PLN 5,500,000 borrowing facility. This movement reflects the increase in the Group's leverage, following the completion of the Mall and WE|DO acquisition Transaction, which by effect of the terms of the binding borrowing agreement, result in a higher interest rate margin and increase in the carrying value of the existing borrowings valued at amortized cost. This financial cost is reflected in note number 11 'Financial income and financial costs' in line 'Remeasurement of the borrowings'.

VI. On 31 March 2022 the Group settled its obligation under a Foreign Exchange Deal Contingent Forward via transferring PLN 2,221,259 in exchange for EUR 474,000. This derivative instrument was designated as a hedge of future cash flow, related to a highly probable business combination transaction. Accordingly the loss in the amount of PLN 16,827 was transferred directly to goodwill, and forms a component of the purchase price Paid on the acquisition of Mall Group and WE|DO completed on 1 April 2022. More information regarding the Transaction is presented in note 6 'Business combination'.

VII. On 28 June 2022 the Group received official findings from tax audits carried out in reference to corporate income tax ("CIT") settlements of Allegro and Ceneo for the period from 28 July 2016 to 31 December 2017 and for 2018 tax year. After the careful analysis of official findings the Group decided to recognize a provision amounting to PLN 67,899 in respect to corporate income tax and withholding tax settlements for prior periods. The detailed description is presented in note 12 'Income tax expense'.

VIII. The increase of derivative financial assets balance in the amount of PLN 257,711 is driven by the upward movement in the WIBOR reference rate visible in the second part of 2021 and first half of 2022 that resulted in the favorable revaluation of the Group's floating to fixed interest rate swap contracts. Those instruments are designated as the hedge of the future cash flow, thus the revaluation of existing contracts is recognized as a component of Other Comprehensive Income.

IX. Although the Group does not have any department dedicated to research and development, such activities are performed throughout the organisation. Research and development expenditure that meet the capitalization criteria are deducted from expenses and recognized as intangible assets. The amount of development costs, capitalized during the six months period ended 30 June 2022 and 30 June 2021 amounted to PLN 164,270 and PLN 103,950 respectively.

X. The significant increase in property, plant and equipment ('PPE') balance is driven by the acquisition of the Mall Group and WE|DO as described in note number 6 'Business combination'. The amount of the acquired property, plant and equipment amounts to PLN 337,688. The PPE balance is also increased by the investments in fit out of new leased workspace, automated parcel machines, and continuous improvements in the warehouses. In the first half of 2022, upon the commencement of the lease of the new office spaces in Warsaw and Poznań, the Group recognized the right of use assets and lease liabilities in the total amount of PLN 201,369. These right of use assets will be depreciated over a 7-8 years period, being the length of the lease agreements. In the six months ended 30 June 2022 the Group also recognized lease of the land on the 5 years basis, in the total amount of PLN 21,398, as well as PLN 61,511 of automated parcel machines. The remaining increases relate to office and warehouse equipment.

XI. In the third quarter of 2021 the Group entered into a consumer loans sale agreement with Aion Bank, under which the first transaction was executed in December 2021. As business objectives for most of the loans have changed in the fourth quarter of 2021 the Group concluded that the change of the business model is resulting in the reclassification of a vast part of the consumer loans from 'held to collect' measured in amortised cost to 'other' measured at fair value through profit and loss. 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 2022. More information is presented in note 15 'Consumer loans'.

XII. On 11 April 2022 the Remuneration Committee of the board of directors of Allegro.eu granted 742,135 units under the Performance Share Unit (PSU) plan and 2,499,820 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 recognizing the costs of share based compensation is PLN 28.36 for this grant, being the closing price of Allegro.eu shares listed on Warsaw Stock Exchange on the Grant Date. The total value of the new grant is estimated at PLN 72,211, from which PLN 9,572 was recognized in six months ended 30 June 2022. The cost of the grant will be recognized over the 36 months 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. Moreover on 19 April 2022 the Remuneration committee of the board of directors of Allegro.eu granted 427,419 RSU units in the form of sign-on bonuses to the newly appointed board members of Allegro.pl. Those shares vest prorate over a three-year period commencing on 1 January 2022. The total value of the units at the grant date was estimated at PLN 10,106 from which PLN 1,821 was recognized in the six months ended 30 June 2022.

XIII. The significant increase in inventory balance is driven by the acquisition of the Mall Group as described in note number 6 'Business combination'. Mall Group is a leading e-commerce platform working mainly in the retail ("1P") model, hence, goods for resale are an essential component of Mall's business. Inventory is recorded at the lower of cost and net realizable value. The cost of inventory is determined on the first-in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

XIV. The balance of the deferred tax liability increased mostly on the fair value adjustment of the acquired assets in total amount of PLN 393,530, as at the date of acquisition, For more information please refer to note number 6 'Business combination'.

XV. As the result of acquisition transaction described in note 6 'Business combination' cost of goods sold increased significantly. Acquired companies operates mostly in the first party model, acting as principal, hence recognizing the retail revenue and cost of goods sold on the gross basis.

6. Business combination

CLOSING OF THE ACQUISITION OF MALL GROUP A.S. AND WE|DO CZ S.R.O.

(amounts below are provided in PLN, EUR and CZK)

On 1 April 2022 with reference Share Purchase Agreement ("SPA") dated 4 November 2021, the Group purchased ('Transaction') 100% of shares in Mall Group a.s. and 100% of shares in WE|DO CZ s.r.o. (together 'Targets', 'Acquired Entities') from selling shareholders EC Investments a.s. (owning 40% of the shares in Mall Group a.s.), BONAK a.s. (owning 40% of the shares in Mall Group a.s.), Rockaway e-commerce a.s. (owning 20% of the shares in Mall Group a.s.), and Titancoin International a.s. (owning 100% of the ownership interest in WE|DO CZ s.r.o. and which itself is ultimately owned by the three selling shareholders of Mall Group a.s.) (together 'Former Shareholders').

The Group has incurred acquisition related costs in the amount of PLN 51,925,530, from which PLN 48,941,390 was recognized in the twelve months ended 31 December 2021 in the line item transaction cost in the statement of profit/loss. The remaining PLN 2,984,143 costs are recognized in current interim period in the line item transaction cost in the statement of profit/loss in these interim condensed consolidated financial statements.

ABOUT THE ACQUIRED ENTITIES AND THE PRIMARY REASONS FOR THE BUSINESS COMBINATIONS

Mall Group and WE|DO have built some of the leading e-commerce and logistics businesses in the CEE region, combining a large customer base, strong traffic, highly popular consumer brands, and experienced cross-country teams. The Group's management expects that the Transaction will allow to accelerate growth and expand customer and merchant bases across the region in a combined platform, which should significantly accelerate the development of the Acquired Entities' GMV through expanded selection and improved user engagement in the third-party marketplace model.

The transaction will give the Group access to Mall Group and WE|DO's cross-border fulfillment and last-mile logistics infrastructure, while Allegro brings in its 3P marketplace expertise and state-of-the-art technology to accelerate joint growth. The two companies' advantages will thus be leveraged to the full, helping build a truly international business flywheel, based on the know-how from the joint teams. As Allegro plans to strengthen Mall Group's 3P business, the Group also expects to see growth in Mall Group profitability through significant increase in offer selection and transaction frequency

The Group's management expects the Transaction to strengthen the companies' joint status as a leading regional marketplace, improving the everyday lives of millions of customers. Buyers will benefit from the improved selection, price, and convenience, while international merchants will be able to "list once, sell everywhere."

The tie-up should improve the shopping experience and provide the best prices, broadest offer selection and maximum convenience for an 18m-strong existing combined customer base across the region. Mall Group and WE|DO will extend the Group's footprint to cover also the Czech Republic, Slovakia, Slovenia, Hungary, and Croatia.

Although the transaction will bring many opportunities to all the Group members, most of the synergies are expected to occur in Mall Group.

The revenue and net loss of the Group for the six months ended 30 June 2022 financial year would have been PLN 4,256,249,318 and PLN 16,913,610 respectively if the acquisition of Mall Group and WE|DO had been as of the beginning of the financial year. Since the date of the acquisition the acquired entities generated revenue is the amount of PLN 610,659,660 and net loss amounting to PLN 121,519,326.

PURCHASE PRICE CONSIDERATION

Upon the closing Allegro.eu initially acquired 47 shares in Mall Group a.s. representing 47% of its share capital and the remaining shares in Mall Group a.s (53 shares representing 53% of the share capital) and all the shares in WE|DO CZ s.r.o. were acquired by Allegro.

The price for all the shares in WE|DO CZ s.r.o. and 53 shares in Mall Group were acquired by Allegro in exchange for cash that amounted to EUR 14,000,000 (equivalent of PLN 65,109,800) and EUR 459,510,138 (equivalent of PLN 2,137,043,798) respectively.

The price for the 47 shares in Mall Group a.s. acquired by Allegro.eu was settled via the issuance of 33,649,039 new ordinary shares (the "New Shares") each each having a nominal value of PLN 0.01. The issued shares provide the Former Shareholder with 3% of the interest in Allegro.eu and the same voting power. The fair value of the new shares on Closing (measured at the quoted price as of the Closing day) amounted to PLN 1,181,081,269.

Immediately following the closing, Allegro.eu made an in-kind contribution of the 47 shares in Mall Group a.s. to Adinan Treasury S.à r.l. (previously Adinan Midco S.à r.l.), which in turn immediately made an in-kind contribution of the 47 shares in Mall Group a.s. to Allegro. After the transaction Allegro was the only owner of 100% shares in Mall Group and 100% shares in WE|DO. Those were transfers within the Allegro Group thus had no impact on the condensed consolidated financial statements of the Allegro Group.

The cash payment for Mall Group and WE|DO was settled in full at the date of the Transaction. The Transactions was partly financed from the Group's own funds at PLN 1,221,258,800 and from Additional Term Facility at PLN 1,000,000,000. The transaction price was expressed and settled in EUR. In order to mitigate risk of foreign exchange volatility and secure Group's cash flows, the Group entered into Foreign Exchange Deal Contingent Forward, which was executed on 31 March 2022 via transferring 2,221,258,800 PLN in exchange for EUR 474,000,000. The Group applied the hedge accounting to hedge the foreign currency risk resulting from this Transaction. Foreign Exchange Deal Contingent Forward contract was used as hedging instrument and the loss on the settlement of the hedging derivative in the amount of PLN 16,827,000 was transferred from OCI on Closing and adjusted goodwill recognized on this Transaction.

The purchase price consideration was further reduced to reflect the recognition of the indemnification asset amounting to PLN 15,134,672. In accordance with the Share Purchase Agreement the Group is entitled to receive, from the previous Shareholders, the compensation equal to any amount of cost or liabilities incurred by the Group, in relation to the contractually defined CIT and other tax claims that might arise subsequent to the commencement of the acquisition transaction. The indemnification asset was recognized in the amount equal to the amount of the provision recognized in net asset acquired.

At the date of the Transaction the Group settled the outstanding indebtedness of Acquired Entities towards the previous shareholders in the amount of CZK 1,089,054,731 (equivalent of PLN 207,573,832) being accounted for as the part of the purchase price consideration. Further details have been presented in the section below.

PROVISIONAL PURCHASE PRICE ALLOCATION

The identifiable assets and liabilities of Acquired Entities are measured at the Closing date at provisional values which are the carrying amounts from the financial statements of the Acquired Entities increased by the corresponding fair value adjustment. The provisional values have been used due to the short period between the acquisition date and reporting date, which did not allow to calculate the final fair values. Provisional amount of goodwill, provisional fair value of intangible assets and provisional fair values of the Acquired Entities' other assets and liabilities might be updated upon the finalisation of the Group's purchase price allocation analysis, to be completed not later than 12 months from the acquisition date. The main category of assets where the material fair value adjustment was identified are: customer relationships, trademarks, software and domains. Those assets are amortised over their estimated useful economic life being, 20 years for customer relationships, 5 years for software, 3 years for Mall's domains and trademark, and 10 years from domains and trademark recognized in CZC.

As at the acquisition date [PLN thousand]	Mall Group & WE|DO 01.04.2022
Purchase consideration	**3,592,501**
– cash consideration	2,202,154
– repayment of shareholders loan	207,574
– settlement of the FX Deal Contingent Forward	16,827
– fair value of shares issued by Allegro.eu	1,181,081
– indemnification asset	(15,135)
Net assets	**(1,608,593)**
Goodwill	**1,983,909**

Net assets acquired	Fair Value
Property, plant and equipment	337,688
Customer relationships	1,533,768
Trademarks	143,787
Domains	143,787
Software	241,824
Other intangible assets	48,972
Other assets	35,033
Inventory	410,173
Trade and other receivables	142,964
Trade and other receivables, gross	*149,372*
Contractual cash flows not expected to be collected	*(6,408)*
Income tax receivables	1,508
Trade and other liabilities	(523,951)
Liabilities to employees	(42,960)
Cash and cash equivalents	61,565
Borrowings [1]	(380,967)
Lease liabilities	(151,069)
Deferred tax liabilities	(393,530)
Total net assets acquired	**1,608,593**

	Fair Value
Purchase consideration paid in cash	2,414,669
Cash and cash equivalents acquired	61,565
Cash flow used in acquisition (investing activity)	**2,353,104**

[1] including the bank borrowings repaid by Allegro Group upon completion of the acquisition

Based on the provisional purchase price allocation the provisional Goodwill recognized on the acquisition transaction amounted to PLN 1,983,909. This amount is attributable to the items that do not meet the recognition criteria and reflects the synergies that are expected to occur in Mall Group and WE|DO. Those synergies are expected to result mostly from the growth in the number of merchants and increased variety of products offered on marketplace that should in turn drive a significant increase in the Group active buyers' base.

Due to the fact that Mall Group and WE|DO were acquired by Allegro Group from the same ultimate selling party, the acquisitions were negotiated as one deal and the Targets were acquired on the same Closing day and, therefore the Transaction is accounted for as one business combination transaction. Consequently the disclosure is provided for the acquisition of Targets accounted for as one business combination.

Goodwill arising on the acquisition relates to four different cash generating units ('CGU') being Mall North, Mall South, CZC and WE|DO. The Group believes that those are the smallest identifiable group of assets that are capable of generating the highly independent cash inflows. All four CGUs are assigned into one operating segment 'Mall' as described in note number 9. As at the date of these Interim Condensed Consolidated Financial Statements the purchase price allocation has not yet been finished, therefore also for the purpose of the translation of the goodwill from functional currency into presentation currency, the allocation of goodwill to legal entities with different functional currencies is made only provisionally; the final allocation will be made once purchase price allocation is finalised.

Moreover the Group determined that impairment testing should be performed on the level of Mall operating segment as a whole as this is the lowest level at which management monitors the goodwill for internal management purposes. That also represents the aggregation level on which the operating segment was identified, "Mall", reflecting the level on which the Chief Operating Decision Maker is analyzing the operating results of acquired entities. The goodwill is expressed in the local currencies of acquired entities (functional currency), being subject to translation into the presentation currency of the consolidated financial statements of Allegro Group.

7. Group structure

Key information regarding the members of the Group, their country of domicile, shares held by the Group as at 30 June 2022 and 30 June 2021 and the periods subject to consolidation is presented below.

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.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%**
          - **Digital Engines s.r.o. v likvidaci** [1] Czech Republic, **100%**
          - **CZC.cz s.r.o.** [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.** [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

PERIOD COVERED BY CONSOLIDATION 01.01.2021 – 30.06.2021

- **Allegro.eu S.A.** Luxembourg
  - **Allegro Treasury S.à r.l.** (previously Adinan Midco S.à r.l.) Luxembourg, **100%**
    - **Allegro.pl Sp. z o.o.** Poland, **100%**
      - **Allegro Logistyka Sp. z o.o.** Poland, **100%**
        - **OpenNet Sp. z o.o.** Poland, **100%**
      - **eBilet Polska Sp. z o.o.** Poland, **100%**
      - **Allegro Finance Sp. z o.o.** Poland, **100%**
      - **Trade Analytics Instytut Badań Ecommerce Sp. z o.o.** Poland, **100%**
    - **Allegro Pay Sp. z o.o.** Poland, **100%**
    - **Ceneo.pl Sp. z o.o.** Poland, **100%**

8. Approval of the Interim Condensed Consolidated Financial Statements

The Interim Condensed Consolidated Financial Statements for the three and six month periods ended 30 June 2022 were approved for issue by the Board of Directors on 28 September 2022.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9. Segment information

9.1 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 three reportable operating presented below.

On 1 April 2022 the Group completed the acquisition transaction of Mall Group and WE|DO. The financials results of those entities are presented in new operating segment 'Mall'.

Reportable Segment	Description	Legal entities
Allegro	Segment running B2C, C2C and B2B e-commerce platform, operating on teritory of Poland, comprising the online marketplace and relevant services such as consumer lending and logistics operations.	Allegro.pl sp. z o.o.; Allegro Pay sp. z o.o.; Allegro Finance sp. z o.o.; Opennet.pl sp. z o.o.; SkyNet Customs Brokers sp. z o.o.
Ceneo	Segment providing the multi-category price comparison services in polish market, allowing the customer to find the most attractive price among the different website 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 Czech Republic, Slovakia and Slovenia.	WE|DO CZ s.r.o; WE|DO SK s.r.o; 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.; m-HU Internet Kft.; Uloženka s.r.o.; E-commerce Holding a.s.; Digital Engines s.r.o. v likvidaci; LGSTCS a.s.; CZC.cz s.r.o.; Rozbaleno.cz s.r.o. v likvidaci; Uloženka s.r.o.
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 and depreciation ('EBITDA'), as defined in the note 9.2. 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.

6 months ended 30.06.2022	TOTAL	Allegro	Ceneo	Mall	Other	Eliminations
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)	(2,034,854)	(94,961)	(684,351)	(34,195)	127,161
EBITDA	**881,455**	**900,934**	**48,935**	**(73,691)**	**(14,676)**	**19,953**
Amortisation and Depreciation	(391,161)					
Net financial costs	(236,497)					
Profit before income tax	**253,797**					
Tax expense	(150,346)					
Net profit	**103,451**					

6 months ended 30.06.2021	TOTAL	Allegro	Ceneo	Other	Eliminations
External revenue	2,518,324	2,394,473	115,276	8,575	—
Poland	*2,518,324*	*2,394,473*	*115,276*	*8,575*	—
Inter-segment revenue	—	19,800	32,247	1,032	(53,079)
Revenue	**2,518,324**	**2,414,273**	**147,523**	**9,607**	**(53,079)**
Operating expenses	(1,443,276)	(1,371,206)	(84,668)	(40,481)	53,079
EBITDA	**1,075,048**	**1,043,067**	**62,855**	**(30,874)**	**—**
Amortisation and Depreciation	(247,062)				
Net financial costs	(102,146)				
Profit before income tax	**725,840**				
Tax expense	(160,324)				
Net profit	**565,516**				

3 months ended 30.06.2022	TOTAL	Allegro	Ceneo	Mall	Other	Eliminations
External revenue	2,210,056	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)	(1,092,834)	(46,629)	(684,351)	(15,566)	78,262
EBITDA	**448,938**	**480,644**	**23,332**	**(73,691)**	**(1,300)**	**19,953**
Amortisation and Depreciation	(239,915)					
Net financial result	(181,108)					
Profit/(Loss) before income tax	**27,915**					
Tax expense	(91,414)					
Net profit/(loss)	**(63,499)**					

3 months ended 30.06.2021	TOTAL	Allegro	Ceneo	Other	Eliminations
External revenue	1,308,122	1,250,354	54,074	3,694	—
Poland	*1,308,122*	*1,250,354*	*54,074*	*3,694*	—
Inter-segment revenue	—	10,065	15,845	846	(26,756)
Revenue	**1,308,122**	**1,260,419**	**69,919**	**4,540**	**(26,756)**
Operating expenses	(760,554)	(729,851)	(40,602)	(16,857)	26,756
EBITDA	**547,568**	**530,568**	**29,317**	**(12,317)**	**—**
Amortisation and Depreciation	(125,777)				
Net financial result	(51,137)				
Profit/(Loss) before income tax	**370,654**				
Tax expense	(74,785)				
Net profit/(loss)	**295,869**				

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

9.2 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) and the depreciation/amortization.

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 monitoring costs, Group restructuring costs, donations to various public benefit organizations, certain employee incentives and bonuses, as well as transaction costs, because 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 and Management Investment Plan). Adjusted EBITDA is analyzed 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 standardized measure and the calculation of EBITDA and Adjusted EBITDA, accordingly, may vary significantly from company to company.

	6 months ended 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
EBITDA	**881,455**	**1,075,048**	**448,938**	**547,568**
Regulatory proceeding costs [1]	992	545	533	192
Group restructuring and development costs [2]	39,075	46	24,165	—
Donations to various public benefit organizations [3]	2,208	2,315	1,023	(148)
Bonus for employees and funds spent on protective equipment against COVID-19 [4]	390	595	84	333
Allegro Incentive Plan [5]	16,107	8,737	8,394	5,655
Transaction costs [6]	2,984	8,279	(2,838)	6,335
Employees restructuring cost [7]	3,830	—	3,830	—
Adjusted EBITDA	**947,041**	**1,095,565**	**484,129**	**559,935**

[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 and costs of Group restructuring.
[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 reorganization of the Management Boards of the parent entity and the underlying operating entities.

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10.

Revenues from contracts with customers

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

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
Advertising revenue	241,852	27,318	2,105	—	(2,908)	268,367
Price comparison revenue	—	115,217	—	—	(24,392)	90,825
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**

6 months ended 30.06.2021	Allegro	Ceneo	Other	Eliminations	Total
Marketplace revenue	2,075,224	—	3,161	—	2,078,385
Advertising revenue	190,299	26,381	—	(1,905)	214,775
Price comparison revenue	—	119,256	—	(28,696)	90,560
Retail revenue	123,642	—	—	—	123,642
Other revenue	25,108	1,886	6,446	(22,478)	10,962
Revenue	**2,414,273**	**147,523**	**9,607**	**(53,079)**	**2,518,324**

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
Advertising revenue	130,417	14,434	2,105	—	(1,464)	145,492
Price comparison revenue	—	54,874	—	—	(11,416)	43,458
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**

3 months ended 30.06.2021	Allegro	Ceneo	Other	Eliminations	Total
Marketplace revenue	1,081,845	—	2,260	—	1,084,105
Advertising revenue	99,722	14,663	—	(1,070)	113,315
Price comparison revenue	—	54,477	—	(14,114)	40,363
Retail revenue	64,578	—	—	—	64,578
Other revenue	14,274	779	2,280	(11,573)	5,760
Revenue	**1,260,419**	**69,919**	**4,540**	**(26,756)**	**1,308,122**

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 30.06.2022

Timing of revenue recognition:	Allegro	Ceneo	Mall	Other	Eliminations	Total
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**

6 months ended 30.06.2021

Timing of revenue recognition:	Allegro	Ceneo	Other	Eliminations	Total
At a point in time	1,974,102	119,793	9,607	(49,824)	2,053,678
Over time	440,171	27,730	—	(3,255)	464,646
Revenue	**2,414,273**	**147,523**	**9,607**	**(53,079)**	**2,518,324**

3 months ended 30.06.2022

Timing of revenue recognition:	Allegro	Ceneo	Mall	Other	Eliminations	Total
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)	305,142
Revenue	**1,573,478**	**69,961**	**610,660**	**14,266**	**(58,309)**	**2,210,055**

3 months ended 30.06.2021

Timing of revenue recognition:	Allegro	Ceneo	Other	Eliminations	Total
At a point in time	1,032,333	54,623	4,540	(25,069)	1,066,427
Over time	228,086	15,296	—	(1,687)	241,695
Revenue	**1,260,419**	**69,919**	**4,540**	**(26,756)**	**1,308,122**

In the reporting period ended 31 December 2021, the Group has identified a certain amount of the success fee arising on listing and promotional activities which was incorrectly mapped in the accounting system to the “over time” line item in the above presented table in Note 10 'Revenues from contracts with customers' rather than “point in time”. Therefore the Group has amended the disclosure in the Note 10 for the comparative period that resulted in transferring PLN 383,194 from revenue recognized over time to revenue recognized at a point in time.

REVENUE ACCOUNTING POLICIES APPLIED IN ACQUIRED ENTITIES

The entities acquired as at 1 April 2022 (more in note 6 'Business combination') comprise mainly e-commerce and logistics businesses, thus the accounting policies on the revenue recognition are consistent with those applied by the Group historically, with the detailed description presented in note number 9 of the Consolidated Financial Statements of Allegro.eu S.A. Group for the year ended 31 December 2021.

all amounts expressed in PLN'000 unless indicated otherwise

11.
Financial income and financial costs

	6 months ended 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
Valuation of financial assets	—	8,109	(188)	2,519
Interest from deposits	10,844	427	4,028	217
Other financial income	431	141	(1,482)	73
Net exchange gains on foreign currency transactions	—	863	—	1,231
Financial income	**11,275**	**9,540**	**2,358**	**4,040**
Interest paid and payable for financial liabilities	(174,129)	(75,571)	(118,261)	(36,875)
Result on interest rate hedging	20,149	(29,572)	18,364	(14,718)
Remeasurement of the borrowings	(58,534)	—	(58,534)	—
Interest on leases	(9,029)	(1,843)	(6,255)	(1,153)
Revolving facility availability fee	(3,764)	(1,830)	(640)	(920)
Net exchange losses on foreign currency transactions	(9,482)	—	(7,493)	—
Other financial costs	(12,983)	(2,870)	(10,647)	(1,511)
Financial costs	**(247,772)**	**(111,686)**	**(183,466)**	**(55,177)**
Net financial costs	**(236,497)**	**(102,146)**	**(181,108)**	**(51,137)**

The increase in the interest expenses is driven by the upward movement in the WIBOR reference rate visible in the second part of the 2021 and first half of 2022, resulting in both: higher costs of servicing the Group's floating rate indebtedness and the lower cost to settle the 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 that translated to the higher deposit rates offered by the commercial banks.

Other financial cost for the six months period ended 30 June 2022 includes mostly the accrued interest related to the tax proceedings described in note 12.

all amounts expressed in PLN'000 unless indicated otherwise

12. 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 estimated average annual tax rate used for the period ended 30 June 2022 is 59%, compared to 22% for the six months ended 30 June 2021. This high effective tax rate results primarily from unrecognized deferred tax assets on tax losses in Mall entities in total amount of PLN 116,256 and tax provision as described below. The subsidiaries are not likely to utilize those losses within the relevant periods for entitlement to deduct from future profits.

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 30.06.2022**	**6 months ended 30.06.2021**
Poland	19.00%	19.00%
Luxembourg	24.94%	24.94%
Czech Republic	19.00%	n/a
Slovenia	19.00%	n/a
Slovakia	21.00%	n/a
Hungary	9.00%	n/a
Croatia	18.00%	n/a

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 2022 and 30 June 2021 the income tax expense was as follows:

	6 months ended 30.06.2022	6 months ended 30.06.2021	3 months ended 30.06.2022	3 months ended 30.06.2021
Current income tax on profits	(118,760)	(139,445)	(85,249)	(70,462)
Adjustments for current tax of prior periods	(53,853)	(1,363)	(53,265)	262
(Increase)/Decrease in net deferred tax liability	22,267	(19,516)	47,100	(4,585)
Income tax expense	**(150,346)**	**(160,324)**	**(91,414)**	**(74,785)**

On 28 June 2022 Allegro and Ceneo received official findings from tax audits carried out by the Head of Małopolski Tax and Customs Office (the "Tax Authority") that concerned corporate income tax ("CIT") settlements of the companies for the periods from 28 July 2016 to 31 December 2017 and for 2018. The Tax Authority challenged the tax-deductibility of an arrangement fee paid by the companies to their related entities as this fee was for equity received, as well as the interest rate being paid by the companies to their shareholder on intra-Group borrowings. The Group's Management after careful analysis of the official findings from tax audits received and supported by their tax advisor, decided to voluntarily correct their tax returns for the audited periods and accrue additional tax. In July 2022 the Tax Authority commenced withholding tax audits for the financial years 2017-2018 in in Allegro and Ceneo and these audits are still ongoing. Due to the nature of the challenge regarding the amount of interest paid, it may also have an impact on CIT settlements for financial years 2019-2020 and withholding tax settlements for financial years 2016-2020. In consideration of the official findings and potential related impacts described above, the Group has recorded an estimated provision in accordance with IFRIC 23 of PLN 67,899, comprising 34,099 for current tax of prior periods, 19,953 of withholding tax and 13,846 of interest presented in financial costs.

The Group did not identify any other transactions and operations that might represent risk from an Uncertain Tax Position, which might require creating the relevant provisions. 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.

13. Earnings per share

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

Basic and Diluted Earnings per share for the 30 June 2022 and 30 June 2021 were:

	6 months ended 30.06.2022	6 months ended 30.06.2021
Net profit attributable to equity holders of the Parent Company	103,450,572	565,516,309
Profit/ (Loss) for ordinary shareholders	**103,450,572**	**565,516,309**
Average number of ordinary shares	1,039,937,082	1,023,845,770
Profit/ (Loss) per ordinary share (basic)	**0.10**	**0.55**
Effect of diluting the number of ordinary shares	410,382	100,021
Number of ordinary shares shown for the purpose of calculating diluted earnings per share	1,040,347,464	1,023,945,791
Profit/ (Loss) per ordinary share (diluted)	**0.10**	**0.55**

	3 months ended 30.06.2022	3 months ended 30.06.2021
Net profit/(loss) attributable to equity holders of the Parent Company	(63,499,473)	295,868,517
Profit/ (Loss) for ordinary shareholders	**(63,499,473)**	**295,868,517**
Average number of ordinary shares	1,056,839,222	1,023,845,770
Profit/ (Loss) per ordinary share (basic)	**(0.06)**	**0.29**
Effect of diluting the number of ordinary shares	—	100,021
Number of ordinary shares shown for the purpose of calculating diluted earnings per share	1,056,839,222	1,023,945,791
Profit/ (Loss) per ordinary share (diluted)	**(0.06)**	**0.29**

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.

In the prior year period, the ordinary shares issued by the Parent stood at 1,023,255,815 and for the purpose of calculating the Earnings per Share was increased by 589,956 fully vested shares granted to employees on the occasion of the Group's IPO.

From 30 September 2021, the Employee Benefit Trust has been consolidated in the Group Consolidated Financial Statements. 1,399,853 of ordinary shares, initially possessed by the entity, have been classified as Treasury Shares and deducted from the average number of ordinary shares for the purpose of calculating Earnings per Share.

On 7 October 2021, 589,024 Treasury Shares were distributed to the employees receiving a grant of ordinary shares on the occasion of the Group's IPO, leaving the Group with 810,829 Treasury Shares held by the EBT.

On 1 April 2022 another tranche of 270,906 Treasury Shares were distributed to the employees, upon the first vesting date for RSU units granted under Allegro Incentive Program.

The number of ordinary shares used for the purpose of calculating of the basic Earnings per share also includes 33,649,039 of ordinary shares issued on 1 April 2022, constituting the share component allotted to selling shareholders of the Mall Group, as described in note 6.

Reflecting the above transactions, on 30 June 2022 ordinary shares of the Parent in issue stood at 1,056,955,818. The average number of ordinary shares used for the purpose of calculating basic Earnings per Share was 1,056,839,222 and 1,039,937,082 for the three and six month periods ending 30 June 2021.

The dilutive item presented in the table above refers to the RSU units granted as the 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 2022 and 2021. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

14. Trade and other receivables

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

	30.06.2022	31.12.2021
Trade receivables, gross	951,812	847,924
Impairment of trade receivables	(115,083)	(95,461)
Trade receivables, net	**836,729**	**752,463**
Other receivables	64,919	52,561
Tax receivables	45,610	13,804
Total	**947,258**	**818,828**

The Group's receivables comprise amounts due from companies and individuals and their concentration level is low. More than 80% of the Group trade and other receivables balance is due in Polish zloty with the remainder including receivables mainly denominated in Czech Crowns or Euros.

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

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15. Consumer loans

Consumer loans represent loans granted to buyers on the Allegro.pl 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 2021 to 14.0% as of 30 June 2022. Furthermore, Smart! users may take 3-month zero interest instalment loans.

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

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

CHANGE OF BUSINESS MODEL

In the third quarter of 2021 the Group entered into a consumer loans sale agreement with Aion Bank, under which the first transaction was executed in December 2021. As business objectives for part of the loans have changed in the fourth quarter of 2021 the Group concluded that the change of the business model is resulting in the reclassification of a part of the consumer loans from 'held to collect' measured in amortised cost to 'other' measured in 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 2022.

Following the change in business model, all the instalment loans with intention to sale are reclassified from amortized cost to FVTPL category. The only loans remaining to be measured at amortised cost are 'Pay later' loans – 30 days without interest.

As a consequence of 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.

15.1 CONSUMER LOANS AT AMORTISED COST

The table below shows the gross carrying amount (equal to maximum exposure to credit risk) and expected credit losses in each stage as at 30 June 2022 and 31 December 2021.

	Loans receivable			
As at 01.01.2022	Stage 1	Stage 2	Stage 3	TOTAL
Consumer loans, gross	360,816	1,939	2,345	365,100
Expected credit losses	(2,935)	(1,105)	(2,275)	(6,315)
Consumer loans as at 01.01.2022	**357,881**	**834**	**70**	**358,785**

As at 30.06.2022				
Consumer loans, gross as at 01.01.2022	360,816	1,939	2,345	365,100
Reclassification to FVTPL (change in a business model)	(88,859)	—	—	(88,859)
Opening balance	**271,957**	**1,939**	**2,345**	**276,241**
New consumer loans originated	1,339,758	—	—	1,339,758
Transfer to stage 1	1,007	(930)	(77)	—
Transfer to stage 2	(9,121)	9,151	(30)	—
Transfer to stage 3	—	(4,454)	4,454	—
Consumer loans derecognized (partially repaid & other changes)	(101,852)	(416)	144	(102,124)
Consumer loans derecognized (fully repaid)	(1,307,265)	(2,692)	(671)	(1,310,628)
Consumer loans, gross	**194,484**	**2,598**	**6,165**	**203,247**
Expected credit losses as at 01.01.2022	(2,935)	(1,105)	(2,275)	(6,315)
Reclassification to FVTPL (change in a business model)	490	—	—	490
Opening balance	**(2,445)**	**(1,105)**	**(2,275)**	**(5,825)**
New consumer loans originated	(2,946)	—	—	(2,946)
Changes due to changes in credit risk	(1,812)	(3,956)	(1,233)	(7,001)
Transfer to stage 1	(96)	89	7	—
Transfer to stage 2	1,201	(1,222)	21	—
Transfer to stage 3	—	3,197	(3,197)	—
Consumer loans derecognized (repaid)	4,357	1,466	647	6,471
Expected credit losses	**(1,741)**	**(1,531)**	**(6,029)**	**(9,301)**
Consumer loans as at 30.06.2022	**192,743**	**1,067**	**136**	**193,946**

As at 30.06.2022				
Consumer loans, gross	194,484	2,598	6,165	203,248
Expected credit losses	(1,741)	(1,531)	(6,029)	(9,301)
Consumer loans as at 30.06.2022	**192,743**	**1,067**	**136**	**193,946**

all amounts expressed in PLN'000 unless indicated otherwise

	Loans receivable			
As at 01.01.2021	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
Consumer loans, gross	53,073	28	1	53,102
Expected credit losses	(1,126)	(3)	(1)	(1,130)
Consumer loans as at 01.01.2021	**51,947**	**25**	**—**	**51,972**

As at 31.12.2021				
Opening balance	53,073	28	1	53,102
New consumer loans originated	1,993,078	—	—	1,993,078
Transfer to stage 1	838	(805)	(33)	—
Transfer to stage 2	(7,054)	7,083	(29)	—
Transfer to stage 3	(6)	(2,586)	2,592	—
Consumer loans derecognized (partially repaid & other changes)	(338,050)	(318)	18	(338,350)
Consumer loans derecognized (fully repaid)	(1,159,521)	(1,463)	(204)	(1,161,188)
Consumer loans derecognized (sold)	(181,541)	—	—	(181,541)
Consumer loans, gross	**360,816**	**1,939**	**2,345**	**365,101**
Opening balance	(1,126)	(3)	(1)	(1,130)
New consumer loans originated	(13,839)	—	—	(13,839)
Changes due to changes in credit risk	3,797	(2,496)	(848)	453
Transfer to stage 1	(100)	98	2	—
Transfer to stage 2	1,054	(1,075)	21	—
Transfer to stage 3	—	1,646	(1,646)	—
Consumer loans derecognized (repaid)	6,375	723	197	7,295
Consumer loans derecognized (sold)	904	—	—	904
Expected credit losses	**(2,935)**	**(1,105)**	**(2,275)**	**(6,315)**
Consumer loans as at 31.12.2021	**357,881**	**834**	**70**	**358,785**

As at 31.12.2021				
Consumer loans, gross	360,816	1,939	2,345	365,101
Expected credit losses	(2,935)	(1,105)	(2,275)	(6,316)
Consumer loans as at 31.12.2021	**357,881**	**834**	**70**	**358,785**

The changes in the credit risk might result in the relevant stage reclassification.

The movement of loss allowance driven by such events is presented in the "Changes due to changes in credit risk" line.

15.2 CONSUMER LOANS AT FAIR VALUE THROUGH PROFIT AND LOSS

Consumer loans at FVTPL as at 31.12.2021	**—**
Reclassified from amortised cost (change in business model)	88,368
Consumer loans at FVTPL as at 01.01.2022	**88,368**
New consumer loans originated	885,892
Fair value measurement	(4,222)
Consumer loans derecognized (repaid)	(237,636)
Consumer loans derecognized (sold)	(480,420)
Consumer loans at FVTPL as at 30.06.2022	**251,982**

In the first half of 2022 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. Through these transactions the Group received PLN 483,008 of cash.

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 of 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.

all amounts expressed in PLN'000 unless indicated otherwise

16. Cash and cash equivalents

At the balance sheet date cash and cash equivalents comprised:

	30.06.2022	31.12.2021
Cash at bank	311,165	364,441
Bank deposits	347,710	1,528,506
Cash equivalents	129,374	64,294
Total	**788,249**	**1,957,241**

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

17. Trade and other liabilities

Trade and Other Liabilities at the balance sheet date comprised:

	30.06.2022	31.12.2021
Trade liabilities	1,122,308	581,469
Contract and refund liabilities	184,560	157,649
VAT liabilities	71,490	81,454
Social insurance and other tax liabilities	77,553	19,976
Other liabilities	66,242	63,207
Total	**1,522,153**	**903,755**

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

18. Financial assets and financial liabilities

CLASSIFICATION AND MEASUREMENT

In accordance with IFRS 9 the Group classifies financial assets and financial liabilities as: measured at fair value and measured at amortized cost. The classification is made at the moment of initial recognition and depends on the business model for managing financial assets adopted by the Group and the characteristics of contractual cash flows from these instruments.

In 2021 and 2022 all financial assets and liabilities except for derivative instruments, were initially recognized at fair value including transaction costs and after the initial recognition at amortised cost. The Group applies hedge accounting, and derivatives are classified as cash flow hedges.

The Group holds the following financial instruments:

	Note	30.06.2022	31.12.2021
Financial assets at amortised cost		**1,918,796**	**3,142,360**
Consumer loans at amortised cost	15	193,946	358,785
Trade receivables and other receivables [1]	14	901,648	805,024
Cash and cash equivalents	16	788,249	1,957,241
Restricted cash		31,286	14,240
Investments		360	360
Other financial assets		3,307	6,710
Financial assets at FVPL		**251,982**	**—**
Consumer loans at fair value	15	251,982	—
Derivative financial instruments at FVOCI		**474,706**	**216,995**
Derivative financial assets (cash flow hedge)	5	474,706	216,995

[1] excluding tax-related settlements

	Note	30.06.2022	31.12.2021
Financial liabilities at amortised cost		**8,879,066**	**6,323,707**
Trade and other liabilities [2]	17	1,283,267	701,374
Borrowings		6,923,016	5,366,298
Lease liabilities (outside IFRS9 scope)	5	667,890	251,142
Liabilities related to business combination		4,893	4,893
Derivative financial instruments at FVOCI		**—**	**12,610**
Derivative financial liabilities (cash flow hedge)	5	—	12,610

[2] excluding deferred income and tax-related settlements

On 1 April 2022 the acquisition transaction of Mall Group and WE|DO was concluded (details in note 6). As a result, the Group became in the possession of four forward contracts securing fixed exchange rates from Czech Crowns to Euro. The maturity date of these derivative assets ranges from November to December 2022 and the total valuation as of 30 June 2022 amount to PLN 77.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The fair value of assets and liabilities is considered to be the same as their carrying amount due to their short-term nature or the fact that interest rates payable in relation to certain liabilities are close the current market rates.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and the transfer qualifies for derecognition.

Financial asset transfer occurs when rights to cash flows are transferred or rights to cash flows are retained but the entity enters into so-called "pass-through arrangement" which meets the criteria as set out in IFRS 9. Therefore, derecognition is not limited to the cases of transfer of rights to cash flows, but to the broader term of "financial asset transfer".

The Group transfers a financial asset if it transfers the contractual rights to receive the cash flows of the financial asset, or if it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flow of modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Allegro.eu 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

19. 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 30.06.2022				3 months ended 30.06.2022				As at 30.06.2022		
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	—	—	—	23	—
Fundacja Allegro All For Planet	45	800	—	—	20	—	—	—	21	800	—
Other:											
Business Office Services S.à r.l.	—	364	—	—	—	137	—	—	—	135	—
Alter Domus Luxembourg S.à r.l.	—	619	—	—	—	328	—	—	—	1,184	—
Total	**45**	**1,901**	**—**	**—**	**20**	**537**	**—**	**—**	**21**	**2,142**	**—**

	6 months ended 30.06.2021				3 months ended 30.06.2021				As at 31.12.2021		
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.	—	138	—	—	—	69	—	—	—	28	—
Fundacja Allegro All For Planet	25	650	—	—	15	650	—	—	—	—	—
Other:											
Alter Domus Luxembourg S.à r.l.	—	—	—	—	—	—	—	—	—	656	—
Total	**25**	**788**	**—**	**—**	**15**	**719**	**—**	**—**	**—**	**684**	**—**

allegro

20. Events occurring after the reporting period

EXPLANATORY PROCEEDINGS RELATED TO THE RULES OF LEASE OF PROPERTY FOR THE INSTALLATION OF PARCEL LOCKERS

On 6 July 2022 Allegro received questions from the UOKiK President in the explanatory proceedings related to unfair non-competition clauses included in the lease agreement concluded for the purpose of installation of parcel lockers. The UOKiK President is analysing whether the rules being in place may infringe competition law.

These explanatory proceedings are a preliminary step that does not have to lead to the initiation of formal proceedings against any company. If the UOKiK President decides to pursue the matters covered by the explanatory proceedings, the antimonopoly proceedings against specific company or companies must be opened (the scope of the explanatory proceedings does not indicate a precise charge).

RECEIPT OF A STATEMENT OF OBJECTIONS FROM THE POLISH ANTITRUST AUTHORITY BY ALLEGRO SP. Z O.O.

On 8 August 2022 Allegro, received a statement of objections from the UOKiK President in the ongoing antitrust proceedings against Allegro concerning the alleged abuse of a dominant position by Allegro on the Polish market for online B2C intermediary sales services by favouring its own 1P retail sales activity on its platform.

The UOKiK president claims that Allegro favoured its 1P activity over 3P sellers by granting 1P access to:

I. information regarding functioning of the Allegro platform ("Platform") and/or the consumer's behaviour on the Platform unavailable (or available to a limited extent) to 3P sellers and

II. sales and/or promotional functions on the Platform unavailable (or available to a limited extent) to 3P sellers.

The UOKiK president indicated that it intends to issue a decision confirming the infringement of a dominant position by Allegro and ordering its cessation to the extent that the infringement has not been abandoned and imposing a fine on Allegro. The maximum amount of such a penalty may amount to 10% of the turnover achieved by Allegro in the year preceding the imposition of the fine.

The Group does not agree with the UOKiK claims and remains of the opinion that it does not hold a dominant position and it did not favour 1P sales in an anticompetitive way. Nevertheless, the Group intends to continue to fully cooperate with the UOKiK president.

Allegro has the right to respond to the statement of objections. If the UOKiK President is satisfied with Allegro's responses, the proceedings will end. If the UOKiK President decides that Allegro holds a dominant position and has abused it, he will issue an infringement decision, with or without a fine.

If a fine were to be imposed, then in accordance with the Competition Act, it could be as high as 10% of the turnover of Allegro in the financial year preceding the decision. The UOKiK President may also order the effects of the infringement to be remedied.

CHANGES IN THE COMPOSITION THE BOARD OF DIRECTORS

On 24 February 2022 the Group received a notification from Francois Nuyts that he will step down as CEO of Allegro once an outstanding successor has been identified. The resignation of Francois Nuyts from the Company's Board and from the Management Board of Allegro was submitted on 4 July 2022, effective August 31, 2022. At the same time Roy Perticucci has been appointed as CEO and a member of the Management Board of Allegro.pl effective from 1 September 2022. Then, on 21 September 2022 the Board appointed (with immediate effect) Roy Perticucci, as Director of the Company, in replacement of François Nuyts (i.e. for the remainder of the initial mandate of François Nuyts). The co-option will be submitted for ratification by shareholders at the next shareholders' meeting of the Company.

NEW INTEREST RATE SWAP CONTRACT ("IRS")

On 23 August and 12 September 2022 the Group entered into two floating to fixed interest rate swap contracts in respect of PLN 500,000 of the Group's borrowings each. The hedge is effective from 30 June 2024 and terminates on 31 October 2025.

CHANGES IN THE GROUP STRUCTURE

Subsequent to the balance sheet date several changes in the Group structure occurred with Allegro.pl Sp. z o.o. changing its legal name to Allegro sp. z o.o. and LGSTCS a.s. being renamed to AMG Media a.s.

Moreover the Group decided to liquidate Netretail sp. z o.o., a Poland 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 are to be transferred to Allegro sp. z o.o, with the liquidation process expected to be finalised in the upcoming months. 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.

AWARDS MADE UNDER THE ALLEGRO INCENTIVE PLAN

On 5 July 2022 ("Grant Date") the Remuneration Committee of the Board of Directors of Allegro.eu granted 355,336 units under the Restricted Stock Unit plan. These awards have been granted to key managers and employees of the Mall Group and WE|DO. The fair value per share to be used in recognizing the costs of share based compensation is PLN 22.08, being the closing price of Allegro.eu shares listed on Warsaw Stock Exchange on the Grant Date. The total estimated value of the program, at the grant date, is PLN 7,339. Recognition of the estimated cost of the program shall reflect the plan's vesting profile of 50% and 50% respectively on 1 April 2023, and 1 April 2024.

Moreover on 5 July 2022 Performance Share Units were granted to Executive Directors and Key Managers of Allegro.eu Group. Total share based compensation to be recognized from the 365,562 PSU Units issued on the Grant Date has been provisionally estimated at PLN 6,396 and will be recognized over a 21 month period with the entire awards vesting on 1 April 2024. This estimate is based on the fair value of the Group's shares at closing on the Grant Date of PLN 22.82 per share, an estimate of attrition rates and 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 PSU granted. The performance target conditions reflect specific targets to be achieved in relation the post-acquisition financial performance of Mall Group and WE|DO.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

Darren Huston

Director

Jonathan Eastick

Director